

DIVISION OF RACING EVENTS  
REPORT OF THE 69TH  
PARTI-MUTUEL WAGERING SEASON

JANUARY 1,-DECEMBER 31, 2017



**COLORADO**  
Department of Revenue

[colorado.gov/revenue](http://colorado.gov/revenue)





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Enforcement Division – Racing  
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Honorable John J. Hickenlooper  
Governor of the State of Colorado

Honorable Members of the General Assembly  
State of Colorado

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

It is with distinct pleasure that we provide you with the following Report of the 69th pari-mutuel wagering season, pursuant to Section 12-60-302(2), C.R.S. Included within this report are detailed figures and statements covering the 2017 racing calendar year.

We trust that this material proves to be informative and indicative of the benefits that properly regulated pari-mutuel wagering provides to the State of Colorado. The 39 live days and 364 horse and greyhound simulcast days in 2017 resulted in \$74,184,958 wagered in total, with \$535,850 in pari-mutuel taxes being deposited in the General Fund of the State of Colorado. Arapahoe Park's live race meet took place from May 19, 2017 through August 13, 2017.

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 and simulcast facility operators, the law enforcement agencies of Colorado, the media and the Division staff.

Respectfully,  
For the Division of Racing Events

Daniel J. Hartman  
Division Director



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## Executive Staff and Commission Members

**Michael Hartman**  
Executive Director  
Department of Revenue

**Flavio Quintana**  
Senior Director  
of Enforcement  
Department of Revenue

**Cory Amend**  
Senior Deputy  
Director of Enforcement  
Department of Revenue

**Pam Inmann**  
Chairman

**Justine Scott Evans**  
Vice-Chairman

**Sean Beirne**  
Member

**David Lynn Hoffman**  
Member

**Lori Scott, DVM**  
Member

**Daniel J. Hartman**  
Division Director  
Division of Racing Events



# History of the Commission and Division of Racing Events

The Colorado Racing Commission was established in 1949 to supervise pari-mutuel wagering in Colorado. Years later, the Division of Racing Events was created as an agency within the Department of Regulatory Agencies. In 1992, the Division of Racing Events and the Colorado Racing Commission were transferred into the Department of Revenue. Today, these associated entities function in tandem to oversee all facets of pari-mutuel regulation.

The Division of Racing Events is a regulatory, enforcement and pari-mutuel tax collecting agency of State Government. It is responsible for regulating all aspects of pari-mutuel horse racing through licensing, on-site monitoring and enforcement. The major functions of the Division are to promote racing and the recreational, entertainment and commercial benefits derived from it, 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 Division has a five-member commission of persons appointed by the Governor of Colorado and confirmed by the Senate to serve four-year terms. A commission member may be re-appointed to serve no more than two consecutive terms. The statutorily mandated composition of the Commission requires that all members be

citizens of the United States and residents of this state for the past five years; that none should have been convicted of a felony or gambling-related offense; that no more than three of the five members shall be affiliated with the same political party and no more than two shall be from the same congressional district and that one shall be from west of the continental divide; and, further, that two members shall have been previously engaged in the racing industry for a minimum of five years; that one member shall be a practicing veterinarian who is currently licensed in the state and has been so licensed for at least five years; that one member shall have been engaged in business in a management-level capacity for a minimum of five years; and that one member shall be a registered elector of the state who is not employed in any profession or industry described above.

In 2017, six commission meetings were held. The Commission conducted a 2018 race dates hearing 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 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 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

# Members of the Colorado Racing Commission

## Pam Oldham Inmann

**Republican** – Fourth Congressional District; Senate District 4/House District 45

Ms. Pam Oldham Inmann is the current Chairman of the Commission. The former Executive Director of the Western Governors' Association, she was appointed to her first term on November 26, 2013. Ms. Inmann's 2nd four-year term will remain in effect until July 1, 2021. Ms. Pam Oldham Inmann serves as the business representative to the Colorado Racing Commission, which requires that the Commission member have five or more years of business experience in a management-level capacity. Her professional management background

is very extensive and diverse. It includes government service as the Executive Director of the Western Governors' Association, a position that she held for approximately eight years. Additionally, she has been employed in positions in the private sector, including that of Director of State Government Affairs/Western District for Altria Corporate Services, Inc. for approximately thirteen years and, prior to that, serving as Director of Special Projects for the Rocky Mountain Oil and Gas Association for approximately ten years.

## Justine Scott Estes

**Republican** - Third Congressional District; Senate District 5; House District 26

Ms. Justine Scott Estes is the current Vice Chairman of the Commission. On August 25, 2016, Ms. Estes was appointed to serve as a registered elector on the Racing Commission. Her four-year term of service will remain in effect until July 1, 2020. Ms. Estes is very experienced in Colorado agri-business, having been the co-owner and manager of Trademark Farm, a ranching operation involving the production of cattle, hay and horses since 1989. She resides in Gypsum, Colorado. Ms. Estes has also been an approved judge for multiple breed

and horse show associations from 1985 until 2010 and continues to be actively involved with horse, cattle and agricultural associations. She has had a lifetime involvement with showing, breeding and training horses and is especially interested in maintaining their place in sports as well as ensuring their welfare. Ms. Estes is currently serving as the Treasurer of the Colorado Horse Development Authority, as Secretary/Treasurer of the Eagle County Cattlemen's Association and as Chair of the Farm Service Agency.

## David Lynn Hoffman

**Democrat** - Second Congressional District; Senate District 23; House District 35

Dr. Hoffman, who was appointed by Governor Hickenlooper on August 2, 2016 to serve on the Racing Commission, replaces former Commissioner Cindy Day as a representative of the racing industry. Dr. Hoffman served as a member of the Racing Commission from 2001 through 2009 and is returning for a four-year term that will expire on July 1, 2020. He also served as Chair of the Racing Commission during the last years of his term. Currently, Dr. Hoffman is a professor of business management at Metropolitan State University. He was formerly a professor of management at the University of Northern Colorado

(Greeley). Dr. Hoffman has served as President of the Board of Directors for Platte River Industries (a non-profit serving individuals with disabilities) is the former President of the Westminster 7:10 Rotary, a former member of the Westminster 7:10 Rotary's Vocational Service Committee, Foundation Request Committee and the Foundation Board of Directors. Currently, he heads the University's Institute for Entrepreneurial Innovation and the Small Business Institute program. Dr. Hoffman's business experience includes small businesses, real estate, real estate development, and consulting.



## Dr. Lori Scott, DVM

**Unaffiliated** – Seventh Congressional District; Senate District 21/House District 30

She was appointed by Governor Hickenlooper on June 9, 2015 to serve a four-year term on the Commission as a representative of veterinarians licensed in Colorado for at least five years. Dr. Scott's term of service will remain in effect until 2019. Dr. Scott is a graduate of Colorado State University's School of Veterinary Medicine. She and her husband have operated North Denver Animal Clinic, a veterinary clinic, for 27 years. The clinic focuses on the day-to-day health and well-being of dogs, cats, performance and racehorses as well as cattle, sheep, goats and bison. Additionally, the clinic has an in-depth

involvement with the National Western Stock Show, the Colorado State Veterinarian's Office and the Colorado State University Extension/4H program. Until the cessation of greyhound racing in 2008, Dr. Scott served as the Division of Racing Events' regulatory veterinarian at various Colorado greyhound racetracks for approximately twenty years. Additionally, she has been actively involved in overseeing animal welfare and medication usage at the National Western Stock Show, specifically with the young persons' program. Further, she has received specialized training in meat quality assurance, foreign animal disease and bioterrorism.

## Sean Beirne

**Republican** – Fourth Congressional District, Senate District 28/House District 41

Mr. Sean Beirne was appointed by then Governor Ritter to serve as a racing industry representative to the Colorado Racing Commission. Mr. Beirne's began his second term of service in 2014. This term will remain in effect until June 30, 2018. By virtue of Mr. Beirne's twenty years of experience in all facets of the racing business, including but not limited to, holding management positions at several renown horse racecourses in various states, and, most recently, serving as a Regional

Sales Representative for Roberts Communications Network (RCN) at which, among his numerous responsibilities, is the coordination of decoder assignments and schedules for over 200 sites, he demonstrates that he is well qualified to serve as a member of the Commission. Additionally, Mr. Beirne is a highly motivated professional who has ably utilized his skills in simulcasting, marketing, public relations and racing operations.

# Colorado Racing Commission and Division of Racing Events Organizational Chart

**Pam Inmann**, Chair  
**Justine Scott Estes**, Vice Chair  
**Sean Beirne**, Member  
**Dr. Lori Scott**, Member  
**David Lynn Hoffman**, Member

Secretary to the Director  
and the Commission  
**Sherry Gunnell**

Division Director  
**Daniel J. Hartman**

Legal Assistant  
**Zach Ceranni**

Project Manager  
Senior State Steward  
**Robert "Duke" Mann**

Agent in Charge  
**Mark Brown**

Auditor  
**Gregory Lamb**

**State Steward**  
Temporary

Licensing Supervisor  
**Kathleen Apodaca**

Investigator I  
**Ashley Leary**

**Vet  
Staff**

# Responsibilities of the Colorado Racing Commission

The Commission's roles, as broadly defined by statute and supported by rule, are to:

- License racetracks. Allocate race dates in accordance with statutory provisions.
- Conduct hearings and, if necessary, impose penalties, such as fines and license suspensions.
- Ensure that all pari-mutuel wagering activity is performed in accordance with statutory provisions and, if violations occur, take necessary disciplinary action.
- Serve as a rule-making and policy-setting body for the State agency.
- Approve distribution of monies accrued in the Owners' and Breeders' Awards and Supplemental Purse Fund and the Greyhound Welfare and Adoption Fund.

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## Responsibilities of the Division of Racing Events

- License all business and simulcast facilities.
- License all persons who are employed in any occupation at the racetracks and simulcast sites.
- Perform inspections of all licensed racetracks, simulcast facilities, stables/kennels and training locations to ensure that proper care, treatment and safety of any racing animals is being maintained and that health and cleanliness standards are being met.
- Supervise the conduct of all races/race meets, monitor the health and safety of the racing animals, and conduct drug tests to ensure that the animals race without prohibited substances.
- Oversee all pari-mutuel wagering activity, approve simulcasts, test and audit the performance of the totalisator equipment, and verify to ensure the proper allocation and distribution of revenue generated by pari-mutuel wagering.
- Enforce rules relating to and investigate any evidence of misconduct by licensees.

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## Responsibilities of the Division of Racing Events

The Division of Racing Events is statutorily mandated to regulate the horse racing industry in Colorado. Since 2008, there has been no live greyhound racing conducted in the state and live Greyhound racing was removed from state statute in 2014. 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:** Staff members engaged in the enforcement realm conduct various types of investigations. They are charged with the responsibility for ensuring that proper actions are taken in the event of violations of rules or of the Racing Statute. Additionally, Division enforcement personnel conduct stable inspections, perform off-track wagering facility inspections and inspections of greyhound welfare and adoption facilities. They may be assigned to inspect the remaining grey-

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Continued on pg 12

## Responsibilities of the Division of Racing Events continued:

hound kennels that have continued to engage in breeding dogs for racing and breeding purposes since these facilities must be licensed by the Division. As needed, staff performing enforcement-related duties prepare and defend adoption of new or modified 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 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 venues 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 animals racing in the state. Several approaches are used to achieve this goal, such as multiple inspections of

animals, human and animal drug-testing programs and injury tracking. 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 conduct audits and calculate pari-mutuel taxes due and paid, minimum purse amounts, payments to and proposed distribution amounts from the Horse Owners' and Breeders' Awards and Supplemental Purse Fund and the Greyhound Promotion and Welfare 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. The staff reviews all racing association financial statements and makes observations and recommendations to the Commission regarding the 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.



# Licensed Racetracks and Off Track Betting Facilities (OTB's)

## Horse Tracks

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### ARAPAHOE PARK

Bruce Seymore, General Manager  
26000 East Quincy Avenue  
Aurora CO 80016  
(303) 690-2400

## Licensed OTB's

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### BANK 8 BILLIARDS d/b/a THE 8 TRACK

2460 Patterson, #3  
Grand Junction, CO 81505

### BIG D'S OTB AT EL BANDIDO NIGHT CLUB

618 25th Street  
Garden City, CO 80631

### CELTIC ON MARKET

1400 Market Street  
Denver, CO 80202

### HAVANA PARK

10750 East Iliff Avenue  
Aurora, CO 80014

### RED & JERRY'S

(Closed in March 2017)  
1840 West Oxford Avenue  
Sheridan, CO 80110

### SOFTBALL COUNTRY

2101 W. 64th Avenue  
Denver, CO 80221

### SOUTHERN COLORADO GAMING & EVENT CENTER

3215 Lake Avenue  
Pueblo, CO 81005

### SUNDANCE STEAKHOUSE & SALOON OTB

2716 East Mulberry Street  
Fort Collins, CO 80524

### WILDWOOD CASINO

(Closed in August 2017)  
119 Carbonate Street  
Cripple Creek, CO 80813

# Cumulative Data

Year	Total Days	Pari-Mutuel Handle	Percent (compared to previous year)	Total Breakage	State Commission
2011 <sup>f</sup>	870 <sup>d</sup>	82,280,244	6.26	243,683.89	598,122.42
2012 <sup>f</sup>	870 <sup>d</sup>	82,734,441	.55	261,185.66	600,262.66
2013 <sup>f</sup>	765 <sup>d</sup>	84,623,181	2.28	268,267.98	608,944.90
2014 <sup>f</sup>	765 <sup>d</sup>	84,713,680	1.07	247,481.57	611,547.43
2015 <sup>f</sup>	765 <sup>d</sup>	85,401,987	1.08	261,267.54	616,452.39
2016 <sup>f</sup>	767 <sup>d</sup>	84,633,284	-.90	265,923.97	612,864.17
2017 <sup>f</sup>	767 <sup>d</sup>	74,184,958	-1.14	209,004.28	538,850.39

## Footnotes

<sup>d</sup> Total race days (greyhound & horse simulcast & live horse).

<sup>f</sup> Both live and simulcast days are included in this yearly calculation totals.

# 2017 Performance Measures

	Sum of Average Percentage
Number of Live Horse Race Days	39
Number of Business/Occupational Licenses Issued	842
Total Licensee Population	1,448
Number of Denied/Issued Conditionally	4
Number of Rulings Issued Resulting in Fines/Suspensions	31
Number of Commission Disciplinary Hearings	4
Number of Horse Drug Tests	637
Percent of Horse Drug Tests in Compliance	99%
Number of Tote Tests Conducted	4
Percent of Race Meet Audits Completed Within Ninety (90) Days	100%
Total Handle Wagered	<b>\$74,184,958</b>
Number of Kennel/Stable Inspections Conducted	114
Number of Simulcast Routine Checks Conducted	176
Number of Investigations Completed	36
Percent of Investigations Resulting in Criminal/Administrative Charges	16%
Percent of Investigations Completed within 60 Days	95%

# 2017 Racing Season

## Comparative Data

	Number of Days	Number of Races	Handle	State Revenue	Owners/Breeders Fund
<b>Greyhound</b>					
Simulcast Total	364	58,579	\$31,364,111.60	\$235,230.84	N/A
<b>Horse</b>					
Simulcast Total	364	53,249	\$38,031,753.50	\$285,180.90	\$913,611.82
Live	39	337	\$4,789,093.60	\$15,438.65	\$21,542.56
<b>Total</b>	<b>403</b>	<b>53,586</b>	<b>\$42,820,847.10</b>	<b>\$300,619.55</b>	<b>\$935,154.38</b>
<b>Grand Total</b>	<b>767</b>	<b>112,165</b>	<b>\$74,184,958.70</b>	<b>\$535,850.39</b>	<b>\$935,154.38</b>

## Comparative Data (continued)

<b>Greyhound</b>					
		Greyhound Welfare	Breakage	Pay to Public	Average Daily Handle
Simulcast Total		\$73,950.19	\$40,841.25	\$23,063,101.91	\$86,165.14
<b>Horse</b>					
	CSU Fund		Breakage	Pay to Public	Average Daily Handle
Simulcast Total	\$67,916.46		\$159,555.11	\$28,749,026.09	\$104,482.84
Live	\$2,776.09		\$8,607.92	\$3,725,136.94	\$122,797.27
<b>Total</b>	<b>\$70,692.55</b>		<b>\$168,163.03</b>	<b>\$32,474,163.03</b>	<b>\$106,255.20</b>
<b>Grand Total</b>	<b>\$70,692.55</b>	<b>\$73,950.19</b>	<b>\$209,004.28</b>	<b>\$55,537,264.94</b>	<b>\$96,720.94</b>



# Horse Owners' and Breeders' Awards and Supplemental Purse Fund

12-60-704, C.R.S. as amended, June 6, 1993 provides for the Horse Owners' and Breeders' 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' and Breeders' Awards and Supplemental Purse Fund money to be distributed to the various breed organizations is summarized for the calendar year 2017 as follows:

Earned from wagering in 2017	\$934,939.00
Earned from 2016 uncashed tickets	\$290,701.54
Interest in 2017	\$1,846.83
Less Bank Fees	\$(3,850.00)
<b>Total Owners' and Breeders' Fund</b>	<b>\$1,363,113.05</b>

Following is the approved Owners' and Breeders' Awards and Supplemental Purse Funds distribution amounts for calendar year 2017 submitted for approval at the February 2018 Commission meeting:

Thoroughbreds	\$818,910.19
Quarterhorse	\$209,701.54
Arabian	\$1,678.54
Paint	\$98.84
Appaloosa	\$14.54
Harness	\$33,271.98
Mule	\$2.90
<b>Total</b>	<b>\$1,063,637.37</b>

The difference in the two amounts is the result of the \$160,000 advance granted by the Commission to the Thoroughbred organization.

## Escrow Account Update

In 2008, the Commission released the funds in the Appaloosa escrow account to the Appaloosa Breed Organization. In 2008, 2009 and 2010, Arapahoe Park took Mule races from California, so an escrow account was established for that breed until such time as a Mule Breed organization in Colorado is recognized by the Commission to receive those

funds. In 2009, a distribution of \$172,000 was made to Arapahoe Park pursuant to C.R.S. 12-60-704(5). **Distributions were made to Arapahoe Park for purses in subsequent years as follows: in 2012, \$44,646.13; in 2013, \$15,491.17; and in 2014, \$12,802.16; in 2015, no distribution was made; and in 2016, \$21,836.96.**

	2015 Award	2016 Award	2017 Award	2017 Payment to Arapahoe	2017 Balance
Harness	\$27,305.88	\$26,229.64	\$33,271.00		
Mule	\$167.43	\$44.81	\$2.90		
Appaloosa					
	<b>\$27,473.31</b>	<b>\$27,473.31</b>	<b>\$33,273.90</b>	<b>\$27,021.49</b>	<b>\$109,956.78</b>



# Explanation of Calculations for The Owners' and Breeders' Fund

The total amount due to each breed organization is computed by using:

1. The current year's percentages from wagering on live race days applied to the funds accumulated from all wagering on live and simulcast races during the year as specified in Rule #9.316.
2. The prior year's percentages from wagering on all live races during that year applied to the uncashed simulcast ticket proceeds from that same prior year as specified in Rule #9.318.
3. The applicable live wagering percentages for any association's uncashed ticket proceeds from the prior year's live race meet as specified in Rule #9.318. For the calendar year 2017, these uncashed tickets are from the 2016 live race meet held at Arapahoe Park.

For calendar year 2017, these uncashed tickets are from the 2016 simulcast meet held by Arapahoe Park.

## Division Receipts and Disbursements

### Receipts

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

Horse	300,619.55
Greyhound	235,230.84
<b>Total Commission</b>	<b>\$535,850.39</b>

### Occupational Licenses

	Number Issued	Received
Horse	842	\$11,376
Greyhound	0	0
<b>Total License Receipts</b>	<b>842</b>	<b>\$11,376.00</b>

Racetrack Licensing & Source Market Fees	1,468,110
Fines and Penalties Collected	25,001
Investigation Fees Collected	5,400
Printing Fees Collected	70.00
<b>Total Fees &amp; Fines</b>	<b>\$49,537.00</b>

**Total Receipts (Commission, License Receipts, and Fees) \$2,045,807.39**

### Disbursements

Personal Services	\$962,827
Operating Expenses	\$165,413
Laboratory Services	\$69,543
Legal Services	\$21,543
<b>Total Disbursements</b>	<b>\$1,435,655</b>

# The History of the Colorado Racing Commission and the Division of Racing Events

**1948:** Horse and greyhound racing, as well as pari-mutuel wagering on such races, became legal in Colorado in November 1948 by way of a General Assembly-referred measure. The referendum created a three-member, Governor-appointed racing commission (Commission) and established license fees for drivers, jockeys and trainers at \$10 per year, and apprentice jockeys at \$1.00 per year.

The 1948 referendum also limited race meets to no more than twenty days and prohibited a licensee from holding more than two race meets per year. The cost of a race meet license was set at five percent of the pari-mutuel handle, with an additional five percent of the pari-mutuel handle going to the state General Fund. The referendum permitted the Commission to retain up to twenty percent of all revenues collected to cover the costs of regulation.

**1949:** Live racing began in Colorado.

**1967:** The number of categories of individuals and entities requiring licensure was expanded. License fees were removed from statute, and the Commission was granted the authority to establish such fees by rule.

**1968:** With the passage of the Administrative Reorganization Act this year, the Commission was transferred to the Department of Regulatory Agencies (DORA) as a Type I agency.

**1973:** Extensive modification was made to the Racing Statute.

**1974:** This was the first year that harness horse racing was conducted by the Colorado Harness Racing Association at Centennial Turf Club, Inc. (On August 2, 1977, the Colorado Racing Commission voted unanimously to vacate Colorado Harness Racing Association's 1977 race dates based upon the enormous financial loss that this Association had sustained for the previous three years. This was, in part, due to the reluctance of the general public to accept the sport.)

**1975:** In the 1975 session of the Legislature, House Bill 75-1519 concerning the establishment of a Horse Breeder's Award and Supplemental Purse Fund was passed. It was fully implemented in January 1976. House Bill 75-1519 also allowed the seven active Fair Circuit horse racetracks to retain 4% of their handle that was allocated to purses for the horsemen. This, in part, accounted for the increase in number and quality of racehorses running at Fair Circuit meets. (Fair Circuit meets were race meets of limited duration conducted in relatively small communities outside of the metropolitan Denver area.)

**1977:** During this legislative session, several bills of significance were passed. Senate Bill 77-508 was passed. This bill provided for a complete update of the Racing Act in compliance with the most recent sunset performance audit. Within this legislation, the number of licensed horse race meets being conducted on any one track in any single year was increased from three to four, thus allowing

Colorado's commercial racetrack, Centennial Racetrack, Inc., to conduct an additional thirty days of racing. Also, House Bill 77-1115 was enacted. It provided for an additional ten race days (two existing thirty-day race meets were extended to thirty-five day race meets) for animals other than horses in any one county in any single year. This legislation also provided for a special partial race meet during calendar year 1977 not to exceed twenty race days to be held at any racetrack located in Arapahoe County (Interstate Kennel Club, Byers). House Bill 77-1516, which became effective on May 10, 1977, established a supplemental purse fund to increase the purses paid to horsemen.

**1983:** The General Assembly created the Division of Racing Events (Division), in DORA. The responsibility for most of the day-to-day regulatory matters previously managed by the Commission was transferred to the Division.

**1991:** On June 6th, Governor Roy Romer signed into law Senate Bill 91-099. This was the most far-reaching piece of legislation for the racing industry in Colorado since the empowerment of the Racing Commission in 1949. This bill expanded the potential racing picture to include interstate simulcasting of horse races, off-track wagering facilities, the expansion of the amount of live greyhound racing and incentives for the return of live horse racing.

In October 1991, the Commission conducted a hearing in the matter of the proposed re-opening of the Arapahoe Park facility by United Track Racing, Inc. The Commission granted a conditional license and approved pre-meet simulcasting at Arapahoe Park, a re-opener track pursuant to Senate Bill 91-99. This year, the first full year of United Track Racing, Inc.'s racing operations at Mile High Greyhound Park, Pueblo Kennel Association and Interstate Kennel Club, proved to be a financial success.

**1992:** On May 16, 1992, Arapahoe Park reopened and conducted 64 live race days through September 7, 1992. The first day attracted 11,974 patrons. The handle for the inaugural performance was \$503,770. Since the track had not been open since 1984, this was a milestone in major horse racing in Colorado. The meet proved to be successful.

DORA conducted a sunset review of the Commission and the Division.

The enactment of House Bill 92-1206 resulted in significant statutory changes, including the transfer of the Commission and Division from the Department of Regulatory Agencies to the Department of Revenue and expanded Commission membership from three to five members. The Commission was designated a Type II board. The statutorily mandated composition criteria for Commission membership were retained.

**1993:** As a result of sunset legislation, House Bill 93-1034, several of DORA's sunset recommendations were implemented, including transferring the Commission and the Division from DORA to the Department of Revenue and continuing each, as well as the regulation of horse and greyhound racing, until 1999. Additionally, House Bill 93-1034 granted the Commission subpoena powers and authorized the Commission to take disciplinary action against a licensee who had been subject to any form of discipline in another jurisdiction if the basis for such discipline would have constituted a

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violation of Colorado law. Previously, this had been allowed only if the disciplinary action in the other jurisdiction had resulted in the suspension or revocation of the license. Finally, House Bill 93-1034, redefined “licensee” as being anyone holding a license or registration issued by the Commission, and directed the Commission to determine which occupations should be licensed and which should merely be registered. At that time, agency staffing decreased from 59 mostly contract employees to 38.5 full-time and part-time employees.

**1994 & 1995:** Relatively minor changes were made to the Racing Statute.

**1996:** The General Assembly passed two separate pieces of legislation this year that impacted racing and the operations of the Commission and the Division. Senate Bill 96-176 defined, for the first time, pari-mutuel wagering and placed on all Division employees, the same conflict of interest prohibitions as had previously applied only to the Division Director and the Commission members. Finally, Senate Bill 96-176 elevated the Division’s investigators to the same peace officer status more in line with other Department of Revenue and State investigators.

The second bill that passed in 1996, House Bill 96-1308, more directly impacted the racing industry in that, for the first time, simulcasting of horse racing was permitted with a minimum of thirty days of live racing. However, it put conditions on a simulcast facility receiving out-of-state horse racing simulcast signals on any day that any Colorado-licensed horse track within fifty miles of the simulcast facility ran live horse races. Additionally, each licensed horse track was limited to no more than 250 simulcast days each year.

Finally, new limitations were placed on the disbursement of funds from the Horse Breeders’ and Owners’ Awards and Supplemental Purse Fund (Breeders’ Fund) in that funds distributed from the Breeders’ Fund to the various breed associations had to be distributed by the breed associations according to the by-laws of these associations. In effect, if a breed association desired to receive its share of Breeders’ Fund dollars, that breed association now had to adopt by-laws outlining how the Breeders’ Fund dollars distributed to that breed association would be further distributed. Failure to adopt such by-laws rendered such a breed association ineligible to receive Breeders’ Fund dollars.

**1998:** Four separate bills were passed, three of which made substantive changes to the Racing Statute. Senate Bill 98-174 required, as part of a race meet license application, the submission of a written agreement between the association sponsoring the race meet and an organization representing a majority of the greyhound kennel owners pertaining to the purse structure to be used at that race meet.

Senate Bill 98-192 adjusted the maximum allowable takeout rate on greyhound races up from 17.5 percent to 19.5 percent of the gross handle. Additionally, this bill increased the mandatory contribution to greyhound purses by the association sponsoring the race meet from four percent to five percent of the gross handle.

The final bill of that year, House Bill 98-1017, authorized the Commission to test on a random basis any occupational licensee or registrant for drugs or alcohol and authorized the Division to issue conditional and temporary licenses.

**1999:** During the 1999 legislative session, two bills pertaining to implementation of the recommendations made in the Sunset Report were introduced. Senate Bill 99-066, which was enacted by signature of Governor William Owens, extended the regulatory powers of the Division of Racing Events until 2008. Senate Bill 99-081 amended the Racing Statute in accordance with the findings in the Sunset Report.

**2000:** House Bill 00-1216, which extended the authority of Division personnel to conduct off-site inspections and investigations, was enacted. The Division's staff was again reduced by 5.2 FTE (2 clerical staff members and 3.2 investigators) that resulted in a savings of \$239,789. Also, in the FY 2000 Long Bill, the Division staffing (1.3 FTE) and funding (\$88,234) was reduced for Fair Circuit racing due to the fact that no Fair Circuit meets had been conducted for four years.

Between FY 2000 and FY 2002, internal reorganization resulted in an additional 2.5 reduction in Racing Division staff.

**2003:** House Bill 03-1123 cash funded the Division of Racing Events. The Division staff was decreased by 2.8 FTE and \$182,000 due to a reduction of racing in the Southern Greyhound Circuit.

**2006:** House Bill 06-1409 amended the statute to allow for the continuation of simulcasting in areas of the state where live racing was no longer economically feasible. This legislation was intended to provide some relief to the industry.

**2007:** Senate Bill 07-119, the Division's Sunset Bill, as introduced, included a new approach to taxation. It sought to bring conformity to the racing and gaming industries by implementing a tax structure like limited stakes gaming using a tax based on a percentage of net proceeds rather than on a percentage of gross money wagered. Other provisions of the measure included, not only the continuation of the Colorado Racing Commission and the Division of Racing Events until July 1, 2016 unless live racing ceased, but elimination of the requirement that the director submit a proposed budget to the Commission, reduction in the required number of Commission meetings, elimination of the north/south greyhound racing circuits, reduction in the amount of adjusted gross receipts and the amount of breakage that a greyhound race meet could retain, elimination of the ability of an in-state simulcast facility to retain breakage on any simulcast greyhound or horse race received by the facility, required that any remaining monies in the horse owners' and breeders' awards and supplemental purse fund that had not been distributed in the previous three years be transferred to the racing cash fund, and mandated that associations receiving monies from this fund annually report to the Commission on how those funds were spent and to whom the money was distributed. The measure was significantly amended as a result of final senatorial consideration and, in its final form, the measure retained only the 2016 Sunset date for the Commission and the Division of Racing Events.

**2008:** Efforts were made to prepare a legislative proposal designed to provide some financial relief to the greyhound racetracks and the racing industry in general. Because a consensus on a final solution could not be reached, the attempt was not successful. However, Senate Bill 08-176, a bill designed to

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extend the period Arapahoe Park could conduct thirty rather than sixty days of live racing each year for two years was signed by Governor Ritter and enacted.

**2007-08:** Cloverleaf Kennel Club discontinued live racing after its 2006 meet. Although it appeared that Cloverleaf might request the ability to resume live racing at some future time, the Board of Directors elected to sell the property and equipment in 2008.

**2008:** After sixty years of continuous operation, Mile High Greyhound Park ceased live greyhound racing.

**2009:** Senate Bill 09-174 modified certain provisions in the Racing Statute relating to horse and greyhound racing and pari-mutuel wagering on horse and greyhound races. Additionally, it eliminated the relationship between the number of simulcast days and the number of live race days conducted annually. The measure allowed for the creation of the Colorado Greyhound Purse, Welfare, Adoption and Greyhound Racing Promotion Fund. On May 21, 2009, Governor Bill Ritter signed the measure into law. This Bill has allowed for the possible re-opening of additional simulcast facilities. On December 9, 2009, an additional facility opened in Pueblo to a large and enthusiastic crowd.

The Colorado Horsemen's Legislative Coalition supported House Bill 09-1152, which, if enacted, would have authorized two new methods of conducting pari-mutuel wagering on horse races, advance deposit account wagering and historical horse racing. However, the measure was defeated.

House Bill 09-1094 was a measure supported by the Colorado Greyhound Kennel Operators. This Bill proposed cutting the pari-mutuel tax and remaining restrictions on simulcasting. This measure was defeated.

**2010:** House Bill 10-1134 was enacted for the purposes of implementing measures to prevent illegal interstate pari-mutuel wagering on racing, authorizing entry into interstate compacts governing racing and to provide for the collection of source market fees from out-of-state simulcast activity. This measure became effective on April 29, 2010.

Senate Bill 10-037, effective upon the Governor's signature, provides for an increase in the amounts payable from the Horse Breeders' and Owners' Awards and Supplemental Purse Fund for costs of administration. This bill was enacted and became effective on August 11, 2010.

Another simulcast facility was opened in Grand Junction.

**2011:** On April 1, 2011, Mr. Don Burmania, formerly affiliated with the Division of Gaming, was appointed Director of the Division of Racing Events. In November, 2011, Mr. Dan Hartman resumed his position as Director of the Division of Racing Events.

**2011:** Senate Bill 11-233 — Concerning regulation by the State Lottery Division and, in connection therewith, authorizing the installation of video lottery terminals under the control of the [Lottery] Division, was introduced in the Senate on April 7, 2011, then, assigned to the Business, Labor and Technology Committee where, on May 9, 2011, it was postponed indefinitely.

**2012:** On November 20, 2012, the demolition of Mile High Greyhound Park in Commerce City began with the destruction of the club entrance to the racetrack.

**2013:** Senate Bill 179 — Concerning the authority to continue to simulcast greyhound races after June 30, 2014 was enacted and became effective upon the Governor's signature. Additionally, this initiative included the elimination of any reference to greyhound promotions previously contained in the Colorado Greyhound Purse, Welfare, Adoption and Greyhound Racing Promotion Fund. The Fund monies are to be distributed solely to organizations engaged in welfare and adoption activities and is designated as the Colorado Greyhound Welfare and Adoption Fund.

**2014:** House Bill 14-1146, enacted on March 10, 2014, prohibits live greyhound racing, but continues to allow the acceptance of wagers on out-of-state greyhound races that are simultaneously broadcast at racetracks/simulcast venues in Colorado.

Ballot initiative 68, a proposal to erect a casino on the premises of Arapahoe Park racetrack, was defeated by voters.

**2015:** The Sunset Audit report was finalized and presented to the 2016 legislature .

**2016:** The Sunset Report was revised at the Legislative Committee Hearing and the only provision that was retained was to continue the Division of Racing Events as a stand-alone agency until September 1, 2023.

House Bill 16-1170 reflecting the final decision concerning the Sunset Audit was enacted upon the Governor's signature.

# National Organizational Affiliation



The Division had been affiliated with the Association of Racing Commissioners International (ARCI) for many years, but, over time, the Division began to recognize that, by affiliating with another organization, it could potentially realize some additional benefits for the racing industry in Colorado. In 2002, the Division of Racing Events joined the North American Pari-Mutuel Regulators Association (NAPRA), based upon its philosophy and its focus on re-invigorating the relationship between the national organization and the member racing jurisdictions.

In 2006, a merger of these two racing-related organizations, NAPRA and the ARCI, took place. This has proved to be extremely beneficial to the racing industry in numerous ways. The ARCI is nationally and internationally recognized. Its membership is comprised of Commissioners, Executive Directors and Executive Secretaries of racing jurisdictions throughout the United States, Canada, Mexico, Puerto Rico and certain Caribbean island nations. It provides a forum by which member racing jurisdictions are afforded the opportunity to bring forward issues and concerns, as well as, rule and policy proposals relating to the pari-mutuel industry. As a member of this prestigious organization, the Division of Racing Events is able to remain abreast of trends in the pari-mutuel industry, to access its master licensing

and ruling databases, to participate in conferences and model rules review sessions relating to both horse and greyhound racing, to play a significant role in the establishment of rules, protocols and drug classifications and to be made continuously aware of national trends affecting the industry.

The ARCI also affords auditors and investigators the opportunity to participate in conferences and discussion sessions each year. In this way, they meet and engage in constructive interchanges regarding developments and activities in their respective racing jurisdictions. Attendance is contingent upon budgetary constraints within each jurisdiction, but, whenever possible, it has proved beneficial for auditors and investigators to be given the ability to participate in these events.

During its 2009 annual conference, the membership of the ARCI elected the Director, Dan Hartman, of the Colorado Division of Racing Events to serve as its Vice-Chairman for 2009-10 and as its Chairman in 2010-11. During his tenure, he participated in numerous regional meetings, teleconferences and annual meetings. Since then, he has continued to participate in the ARCI Model Rules Workshops and its Board of Directors' meetings and regularly communicates with associates in the ARCI regarding issues of concern to every racing jurisdiction.



## Organizational Structure of the Division

During the past two decades, the Division has streamlined many of its procedures, policies and rules in its ongoing efforts to serve the citizens of Colorado. Throughout this period, the Division has undertaken and completed technological upgrades in an effort to facilitate its internal communications (2000-2005-ongoing); joined the North American Pari-Mutuel Regulators' Association (NAPRA) by which the Division gained access to the NAPRA database to monitor the backgrounds of licensees and exchange important regulatory and industry information with other racing jurisdictions (2002), implemented a new licensing database and refined its licensing protocols for clarity and simplicity (2003-ongoing), expanded its Human Drug and Alcohol Testing program at all racing facilities (2002-ongoing), adopted the National Uniform Model Rules for Drug and Alcohol Testing (2005), adopted new rules for the protection of the health of jockeys and established a Race Review Committee protocol (2005). In 2011, an initial guideline containing estimated withdrawal times for therapeutic medications was published. In 2012, the Commission directed the Division to revise the 2011 document, which was then approved. Also in 2012, the Commission developed a new program whereby an owner could elect to have a horse that is entered to race pre-tested, either by the Division veterinarian or a practicing veterinarian, to ascertain whether the horse has any unauthorized medication in its system and, if so, the horse could then be withdrawn from its race without penalty. In 2013, the number of simulcast venues rose throughout the state. Wagering on simulcasts of greyhound and horse races continues to be very popular in Colorado. The Division is hopeful that new and innovative products will emerge and that this resurgence in the popularity of the sport does not diminish. During 2017, the Division undertook an upgrade to the licensing system that will allow on-line licensing. Testing was completed in 2017 and roll out of renewal Support license application will be available in 2018. New simulcast facilities have been bringing on new or dormant markets and this has proven to be a stimulus for the Colorado wagering public.

## Budget and Finance

The Division is a cash-funded agency and its operations are funded through occupational, racetrack license and source market fees. Taxes and fines derived from all pari-mutuel wagering activity are deposited in the General Fund.

For Fiscal Year 2016-17, the Division has a spending authority appropriation of approximately \$1.4 million.

## Leadership

In October 2004, Mr. Dan Hartman, formerly the Division Manager of Racing Operations, was appointed as the Director of the Division of Racing Events. From July 2010 until April 2011, Mr. Hartman served in dual capacities. He held the position of



Dan Hartman

Director of the Division of Racing Events and, also, facilitated the creation and building of the Department of Revenue's Medical Marijuana Enforcement Division. In November 2011, Mr. Dan Hartman was again designated to be the Director of the Division of Racing Events. The Division's workforce is comprised of several different professional categories, including its director, an auditor, criminal investigators, Presiding State Steward, licensing staff and administrative personnel. Additionally, the Division employs seasonal racing officials, (stewards, investigators, veterinarians and veterinary technicians) to supervise the activities at Arapahoe Park, Colorado's only licensed horse racetrack.

# Service Populations

The Division of Racing Events has multiple customers. The Division has a wagering public, horse associations, individual owners, breeders and other occupational licensees/license applicants as well as the owner and operator of the horse racetrack. Additionally, to a certain extent, other racing jurisdictions around the country and the world, along with other racetracks outside of Colorado, are customers as well.

Because the Division of Racing Events oversees a gaming/wagering business, it must deal with its customers in a very sensitive way. Since most of our customers have monetary interests in the industry, either via investment in wagering or investment in racing animal(s) on-site everyday during the conduct of a race meet, the Division needs to be cognizant of the financial and personal commitment that our customers have made to the racing industry. The Division must be especially conscious of the involvement of our customers in the racing industry as the Division handles complaints and/or conduct day-to-day business.

The patrons (the wagering public) desire confidence in the integrity of the pari-mutuel racing offered in Colorado. These individuals supply the revenue that drives the industry; therefore, they deserve pari-mutuel wagering activity that is free from manipulation, and races that are conducted fairly and honestly. Although on-track attendance declined significantly for many years, in the last few years it has remained somewhat stable. It is unclear whether this trend will continue. The breeders of racing animals seek an active industry in Colorado. Like the occupational licensees, they make their living through affiliation with and participation in pari-mutuel racing.

Racing participants work long hours at the state's racetrack. These individuals demonstrate an impressive and passionate commitment to racing as they work hard to reap the rewards of an interesting and unique industry.

The association (licensed racetrack) provides the arena for the racing and wagering — the racetrack facility.

The citizens of Colorado profit from the tax dollars and overall economic benefits derived from pari-mutuel racing. Although the amount of direct revenue to the state treasury from pari-mutuel wagering is a small part of the state's total revenues, the public relies upon the Division and Commission to regulate the industry in a manner that secures that tax collection. Because racing is a strictly regulated pari-mutuel industry, the public can have the necessary confidence to invest in pari-mutuel racing through wagering and race animal ownership due to the integrity, safety and fairness that is ensured by our Division and Commission.

The customer whom the Division represents prominently is the one that is unable to speak for itself. That customer is the racing athlete - the racehorse and, via the welfare and adoption organizations, the greyhound. Although the animals are not a "service population" in the traditional sense, the Division and Commission recognize their responsibilities to protect the health and safety of these animal athletes. Our licensed veterinarians protect the racing animals as well as our Enforcement Unit with investigators on duty at active racetracks is charged with the responsibility for watching out for the welfare of racing animals. By watching out for the safety and welfare of the animal, the Division is also watching out for the welfare of the wagering public.

## Other Affected Populations

Racing is a labor-intensive industry, both on and off-track. It provides jobs in farming, ranching, veterinary medicine, transportation, information technology, the service economy and tourism.

In addition to the directly impacted service populations, the Division and Commission's activities affect other populations. These include the following:

- Racing-related businesses, such as hay suppliers, tack vendors and food service businesses, provide products or services either to the association or to the occupational licensees.
- Other racing jurisdictions rely on the profitability of their own racetracks, which are affected by Racing Division and Commission decisions on race dates and simulcasting. Additionally, neighboring racing jurisdictions often license many of the same occupational licensees, as does Colorado's Racing Division, and these jurisdictions seek to exchange licensing and enforcement information with our agency.
- The racing industry and its regulatory process may affect other Colorado governmental entities, including the judicial system and local law enforcement.
- Law enforcement agencies rely on Division investigators to share information regarding licensees and to assist with arrests when necessary.

## External Factors Affecting the Racing Industry

Certain external factors have affected the racing industry in Colorado and are expected to continue to do so in the future. They are:

- Gaming and lottery activity in Colorado;
- Racing and gaming activity in neighboring states;
- Accelerated rate of technological change adopted by totalisator companies is challenging the ability of our agency to respond in ways that maintain the integrity of the wagering system;
- The nature of the racing industry itself encourages participants — owners, trainers, jockeys — to compete in multiple states and transport their best animals across state lines on a regular basis. This challenges our agency to respond to the changing climate by adopting national standards for licensing, physical facilities, training methods and drug testing protocols;
- The current economic environment that may or may not be conducive to a strong resurgence in the popularity of racing. However, the number of simulcast facilities has remained steady in the past few years and, as previously noted, they remain popular.; and
- The Division needs to be ever vigilant because of the close scrutiny of racing activity by animal rights groups and coalitions.

# 2017 Events

## Commission News:

Commissioner Pam Inmann was appointed to serve as the Chair of the Commission. Commissioner Tina Estes was appointed to serve as the Vice-Chair of the Commission.

## Division News:

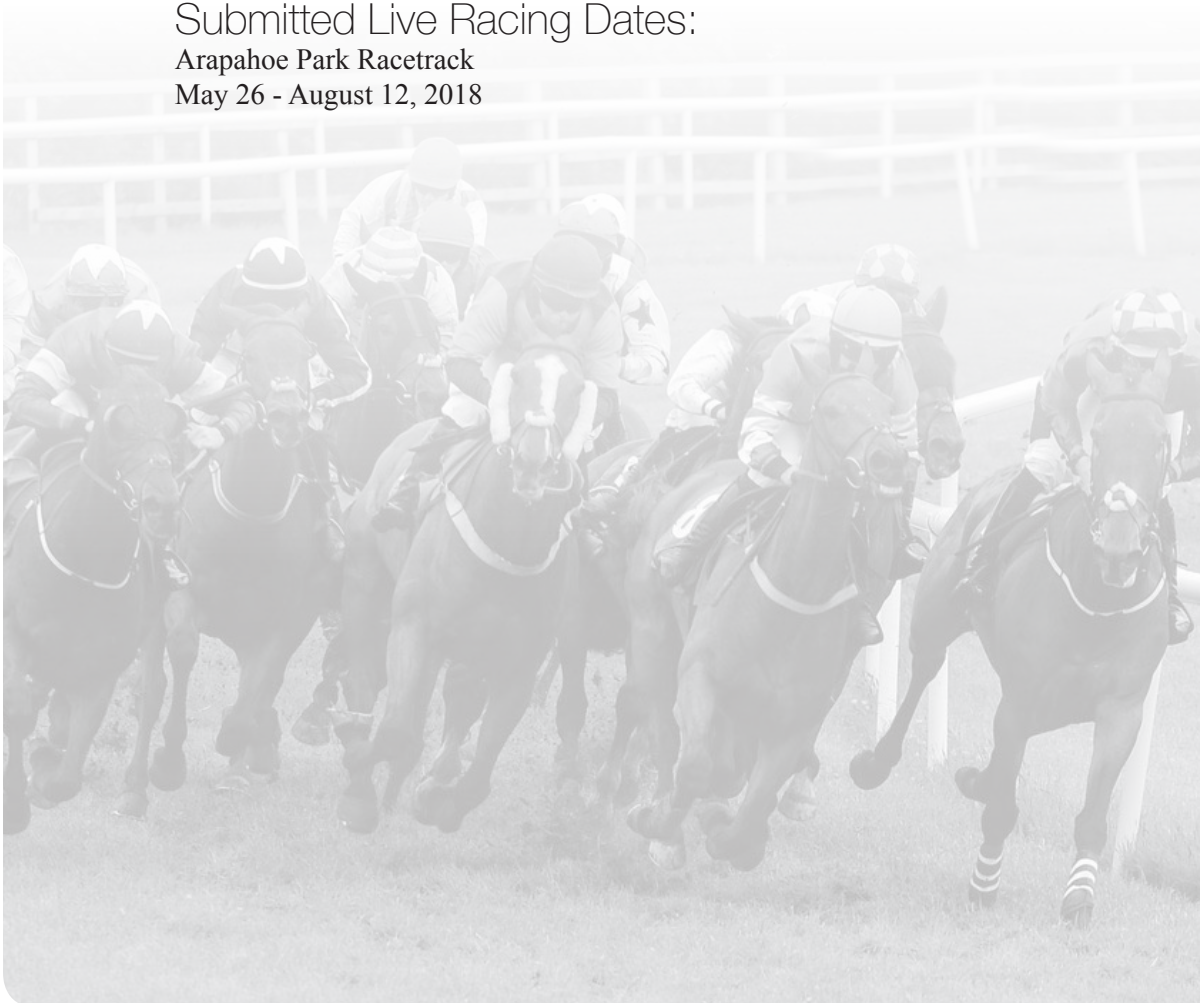
The main office of the Division of Racing Events moved to a new location in August 2017. The Division office is now located at 1707 Cole Boulevard, Suite 350, Lakewood, Colorado 80401.

## Legislation:

There were no racing-related or racing-generated legislative initiatives proposed in 2017.

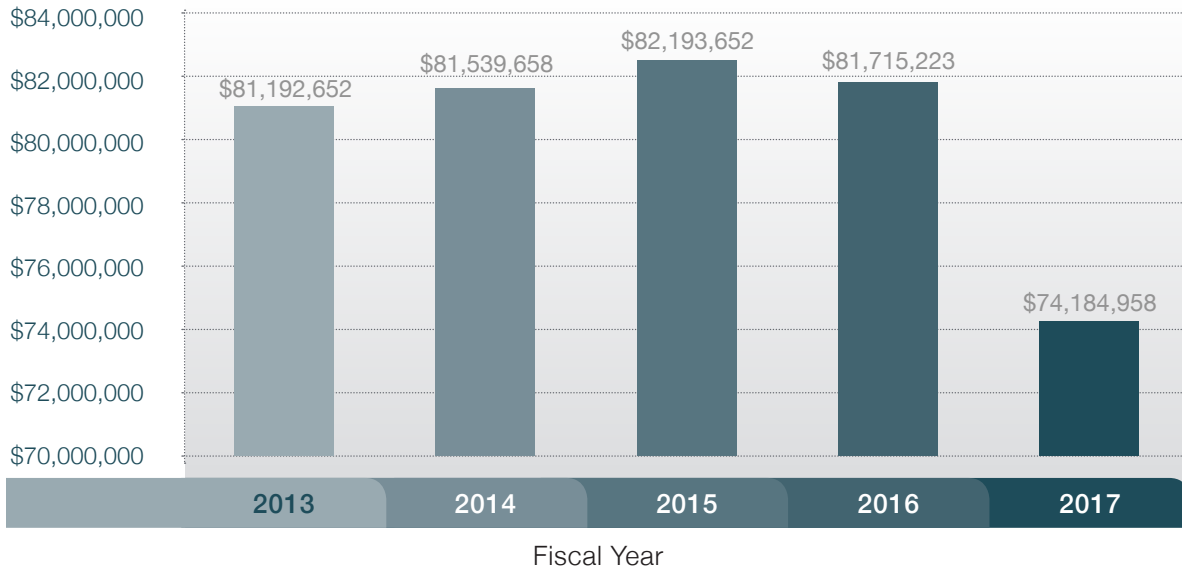
## Submitted Live Racing Dates:

Arapahoe Park Racetrack  
May 26 - August 12, 2018

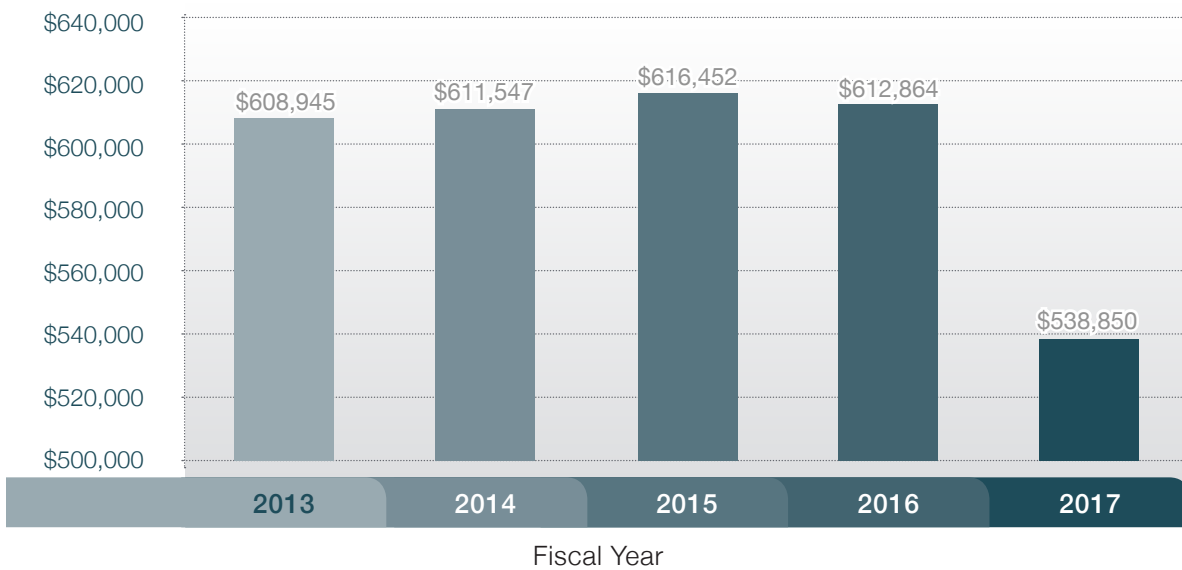


# Charts and Graphs

## Total Gross Dollars Wagered (Handle)

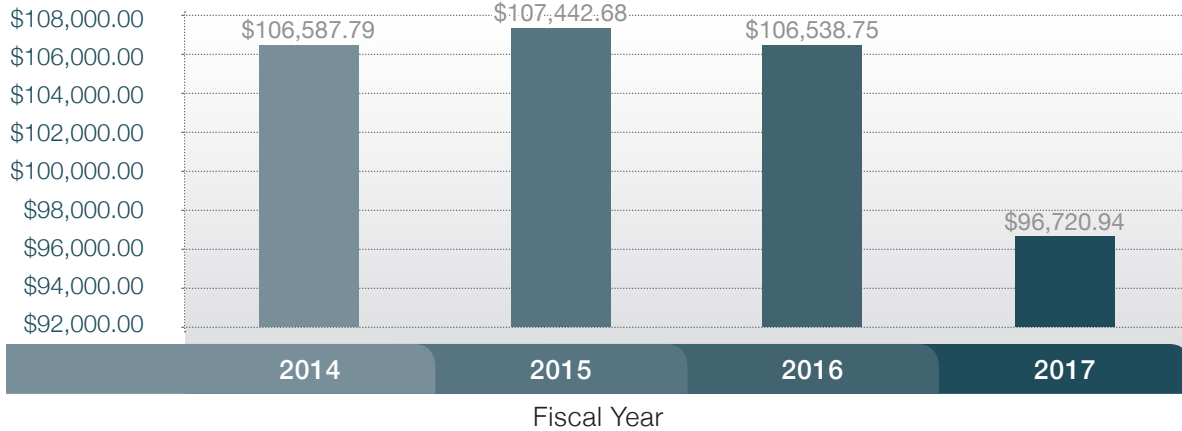


## Total State Tax Collected

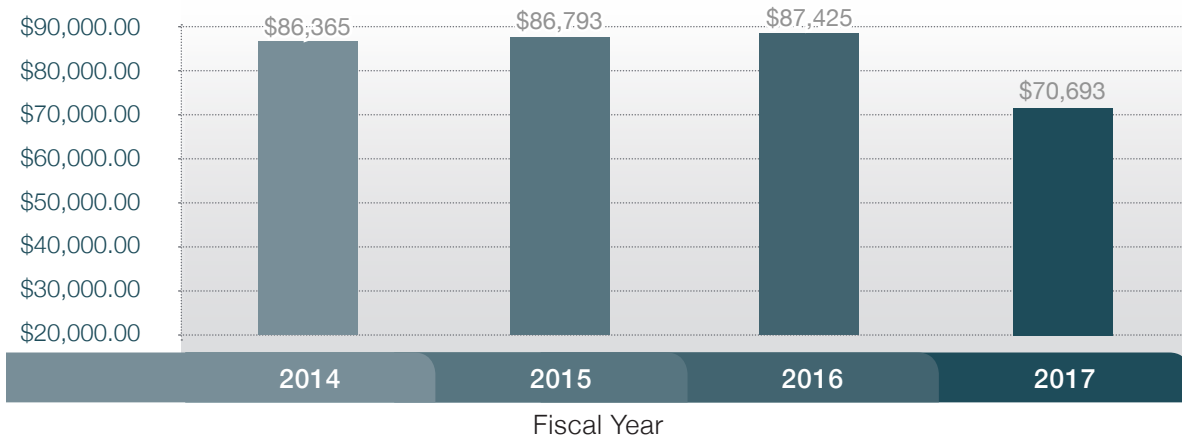


# Charts and Graphs

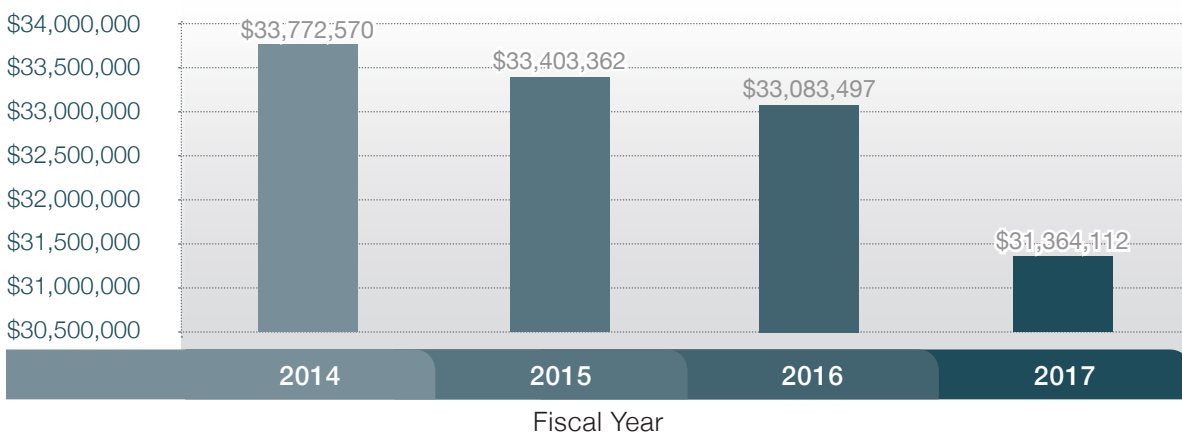
## Average Daily Handle (Simulcast & Live)



## CSU Fund



## Simulcast Greyhound Handle







# RACING MISSION STATEMENT

**Our mission is to promote and foster 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.**

