

Senator Sullivan, Representative Trinward, and members of the Joint Standing Committee on Legal and Veterans Affairs, I am Hope Ricker First Vice President of the Maine Association of Agricultural Fairs and a member of the Pittston Agricultural Fair Association. I thank you for the opportunity to speak before this committee. As the former Secretary of the Pittston Fair I have first hand knowledge of the importance of the Agricultural Fair Support Fund. Over the past 5 years, the Pittston Fair Association has received over \$59,000 from the Support Fund. This money has allowed our all volunteer organization to make many needed improvements to our grounds and aging buildings. Before our electrical upgrades, we kept CMP on speed dial during the fair for when we would blow a transformer. Now we have adequate power running to all parts of the grounds. We have been able to replace the original 1952 barn, which was built with used materials and not on a proper base, with a new livestock barn which we are all very proud of. Bathroom facilities and finally showers with hot water have also been added. This is just an example of what the Support Fund has meant to my small hometown fair.

These Funds allow Maine's 25 Agricultural Fairs to pay exhibitors over 1 million dollars each year, much of which goes to 4-H members who reside in nearby counties of the host Fair. In addition, Maine Fairs pay another million plus dollars each year on capital improvements to their Fairgrounds. The Stipend Fund from live handle of harness racing has been steadily decreasing each year by as much as 16%. This makes the monies from the Agricultural Support Fund even more important to both the large and small Agricultural Fairs.

Not only does the Agricultural Fair Support Fund provide Fairs with added money to pay premiums and capital improvement, the funds also allow Fairs to keep the admission prices down to allow thousands of fairgoers the opportunity to attend Maine Fairs at a reasonable gate price. Without The Agricultural Fair Support Fund, Maine Fairs would find it near impossible to keep our grounds maintained and meet the ever changing regulations and licensing requirements. Each year over 700,000 people attend our Maine Fairs. Maine Fairs provide low cost family entertainment and agricultural education. Since much of Maine population is now several generations off the farm, Maine Fairs along with Fairs in other states are the main source of agricultural education. We are one of the last showcases of Agriculture.

The Maine Association of Agricultural Fairs along with 26 licensed Agricultural Fairs and the hundreds of volunteers that make Fairs possible in Maine are asking this Joint Committee to help in continuing to providing us with the funding. I believe that without these funds many of our Fairs would find it difficult to continue operating at the present standards the Maine fairgoer expects from our venues.

Are there any questions at this time?

Again Thank You for this opportunity to speak to this committee.



Hope Ricker,  
First Vice President, Maine Association of Agricultural Fairs.

**Summary of the Testimony of  
Charles Lawton, Ph.D., Chief Economist, Planning Decisions, Inc.  
Before the Joint Standing Committee on Legal and Veterans Affairs  
Concerning Review of Allocation of Slot Machine Revenue  
Public Law 2009, Chapter 571, Part FFF  
Monday, September 27, 2010**

The purpose of this testimony is twofold:

1. to present evidence concerning the size of Maine's equine industry and its significance to the state's agriculture and the economy in general; and
2. to illustrate the importance of gambling revenue, particularly that from racino gambling, to the health and vitality of harness racing and the equine industry in Maine.

***1. the economic contribution of horses to the Maine economy***

A survey conducted by the American Horse Council Foundation indicates that there are approximately 35,000 horses stabled in Maine for at least six months of the year (3,200 racing horses, 31,800 recreational horses).

A survey of Maine horse owners conducted by Planning Decisions, Inc. indicates that they spend a considerable amount of money breeding, equipping, racing, riding, feeding, caring for, exercising and transporting their horses.

**Table 1 Spending On and Value of Maine Horses, 2006, Avg. per Horse**

Spending & Value	Per Horse Avg.	
	Recreation	Racing
<b>a. Operational Spending</b>		
Employee Compensation	\$73	\$1,124
Horse Food/Health/Equip	\$1,702	\$2,899
Building Expenses	\$541	\$597
Licenses/Travel/Education	\$287	\$291
<b>Total Operational Spending</b>	<b>\$2,602</b>	<b>\$4,912</b>
<b>b. Capital Spending</b>		
on Horses	\$454	\$1,574
on Real Estate	\$1,043	\$864
on Equipment	\$495	\$540
<b>Total Capital Spending</b>	<b>\$1,992</b>	<b>\$2,979</b>
<b>c. Value of Capital Assets</b>		
Horses	\$3,340	\$7,246
Land/Blds./Fencing	\$21,951	\$16,759
Feed/Stable Equip.	\$2,019	\$1,227
Vehicles/Trailers	\$6,100	\$3,316
<b>Total Property Value</b>	<b>\$33,411</b>	<b>\$28,549</b>

Source: The Economic Impact of the Equine Industry in Maine, Planning Decisions, Inc. for the Maine Harness Racing Promotion Board and the Maine Farm Bureau Horse Council, September 20, 2007.

Applied across the entire horse population of the state, these spending patterns create hundreds of millions of dollars of sales for farms and other businesses across Maine, and support well over a billion dollars worth of property in the state.

**Table 2 Spending On and Value of Maine Horses, 2006 totals**

Spending & Value	Total Maine Horse Related Expenditure		
	Recreation	Racing	Total
<b>a. Operational Spending</b>			
Employee Compensation	\$2,324,262	\$3,597,408	\$5,921,670
Horse Food/Health/Equip	\$54,114,696	\$9,277,504	\$63,392,200
Building Expenses	\$17,191,398	\$1,910,016	\$19,101,414
Licenses/Travel/Education	\$9,118,968	\$932,448	\$10,051,416
<b>Total Operational Spending</b>	<b>\$82,749,324</b>	<b>\$15,717,376</b>	<b>\$98,466,700</b>
<b>b. Capital Spending</b>			
on Horses	\$14,447,776	\$5,037,167	\$19,484,943
on Real Estate	\$33,157,673	\$2,765,340	\$35,923,012
on Equipment	\$15,731,697	\$1,729,209	\$17,460,906
<b>Total Capital Spending</b>	<b>\$63,337,146</b>	<b>\$9,531,716</b>	<b>\$72,868,861</b>
<b>c. Value of Capital Assets</b>			
Horses	\$106,224,084	\$23,188,608	\$129,412,692
Land/Blds./Fencing	\$698,045,934	\$53,628,256	\$751,674,190
Feed/Stable Equip.	\$64,197,204	\$3,927,488	\$68,124,692
Vehicles/Trailers	\$193,991,130	\$10,612,096	\$204,603,226
<b>Total Asset Value</b>	<b>\$1,062,458,352</b>	<b>\$91,356,448</b>	<b>\$1,153,814,800</b>

A second and separate source of economic activity generated by horses in Maine is racing. Thousands of Maine residents and visitors come to commercial racetracks, off-track-betting venues and state fairs. They spend some of their recreation dollars traveling, eating, drinking and wagering. This activity supports the enterprises and jobs that build, maintain, promote and operate these recreational venues. It represents annual sales in Maine of approximately \$20 million. This is above and separate from purse money that goes to racing owners and is accounted for in the horse spending noted above. This is simply the operational expenditures of the venues where racing and wagering occurs.

This direct spending undertaken by horse owners and patrons of horse racing and wagering venues generates, in successive rounds of commercial activity, additional sales for other Maine businesses that supply the horse and recreational industries. These businesses include feed and equipment supply and repair businesses, veterinarians, truckers, advertising agencies, banks, building contractors and hundreds of others.

In addition, both the horse-related businesses and their suppliers pay wages to employees who, in turn, pay rent and mortgages, buy groceries and clothes, pay taxes and spend their incomes in the thousands of ways typical of Maine households. This consumer-related spending that derives from horse and wagering activities creates still more sales for other Maine businesses.

These supply chain (indirect) effects and consumer spending (induced) effects comprise the trickle down or multiplier effects that are ultimately attributable to Maine's horse industry.

**Table 3 Direct, Indirect and Induced Effects of Maine's Horse Industry**

Activity	Sales (\$million)	Jobs	Income (\$million)
a. racing horses	\$25	600	\$9
b. recreational horses	\$146	2,550	\$50
c. racing & betting facilities	\$20	500	\$7
<b>Total Direct Spending</b>	<b>\$191</b>	<b>3,650</b>	<b>\$66</b>
Indirect Sales	\$44	475	\$14
Induced Sales	\$129	1,575	\$50
<b>Total Spending</b>	<b>\$364</b>	<b>5,700</b>	<b>\$130</b>

Source: The Economic Impact of the Equine Industry in Maine, Planning Decisions, Inc. for the Maine Harness Racing Promotion Board and the Maine Farm Bureau Horse Council, September 20, 2007.

The various components of Maine's horse industry generate annual sales of just over \$190 million. These sales support over 3,600 jobs earning income of over \$66 million. Adding the indirect and induced sales to non-horse businesses that flow from the direct horse-related sales brings the total economic effect of the horse industry to over \$360 million in sales, to approximately 5,700 jobs earning approximately \$130 million in income.

The various business and personal taxes paid by the enterprises making these sales and the households earning these incomes amounts to nearly \$27 million each year.

**Table 4 Fiscal Effects of Maine's Horse Industry**

Tax Category	Taxes (\$ million)
<b>State Government</b>	<b>\$15.3</b>
Sales and Gross Receipts	\$9.2
Income Taxes	\$3.7
Licenses & Other Taxes	\$2.4
<b>Local Government</b>	<b>\$11.3</b>
Property Taxes	\$10.5
Excise & Other Taxes	\$0.8
<b>Total Tax Revenue</b>	<b>\$26.6</b>

Source: The Economic Impact of the Equine Industry in Maine, Planning Decisions, Inc. for the Maine Harness Racing Promotion Board and the Maine Farm Bureau Horse Council, September 20, 2007.

Finally, it is important to note that the horse industry also contributes to Maine's agricultural and overall economy in ways not directly represented by business sales. The first concerns open space. Horses in Maine utilize over 170,000 acres for grazing and training and demand 57,000 acres for hay production. The sales dollars required to buy or rent this land and buy hay are reflected in the financial figures noted above. But the

value of the open fields, panoramic vistas and recreational uses made of this land by residents and visitors, by hunters and snowmobilers, by hikers and bird watchers are not included in those sales numbers. But they clearly are a value important to maintaining Maine's quality of life. These values are in one sense non-financial in that they generate no revenue for Maine's horse owners. They do, however, represent a very clear financial value to the residents who live near these lands—homes near open space have higher values per square foot—and to tourist businesses nearby—crowding, development and congestion diminish the revenue of those promoting outdoor recreation.

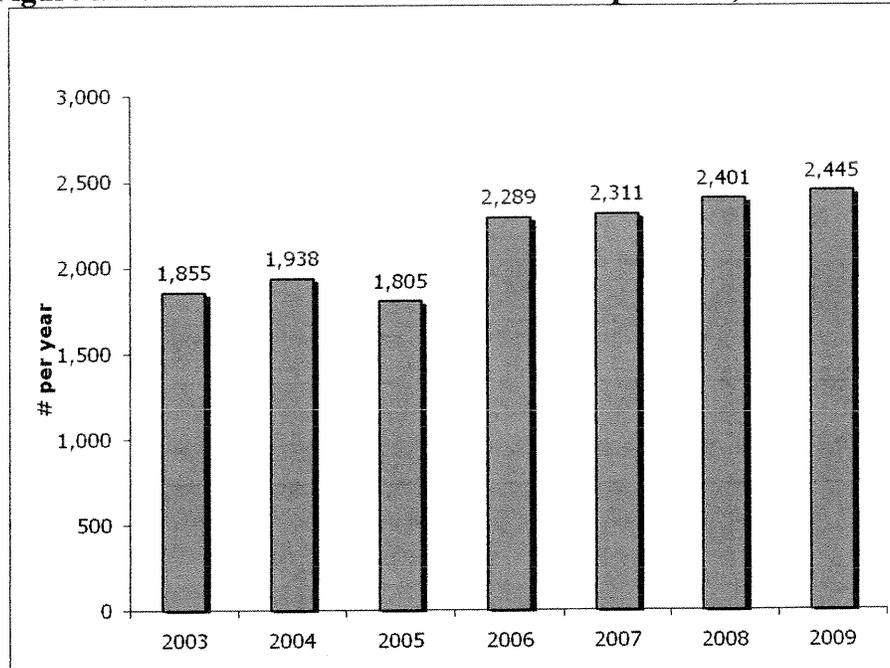
Second, Maine's horse industry also is an important factor maintaining the state's overall agricultural infrastructure. Without the demand generated by horse owners, large animal veterinarians, agricultural feed and supply stores, equipment supply and repair dealers, maintenance of hay fields and numerous other agricultural support services would soon close for lack of business. In short, the horse business helps support the dairy business, the potato business, the wild blueberry business and the small farms that provide locally grown food to farmers' markets and other local consumer outlets.

## ***2. the importance of racino revenue to Maine's equine industry***

All of the benefits noted above are maintained in large part by harness racing and the revenue it provides to Maine's horse industry. And, more importantly, revenues from racino gambling are becoming a larger and larger component of this revenue.

Over the past seven years, the number of races held in Maine has increased by nearly one-third from 1,855 to 2,401.

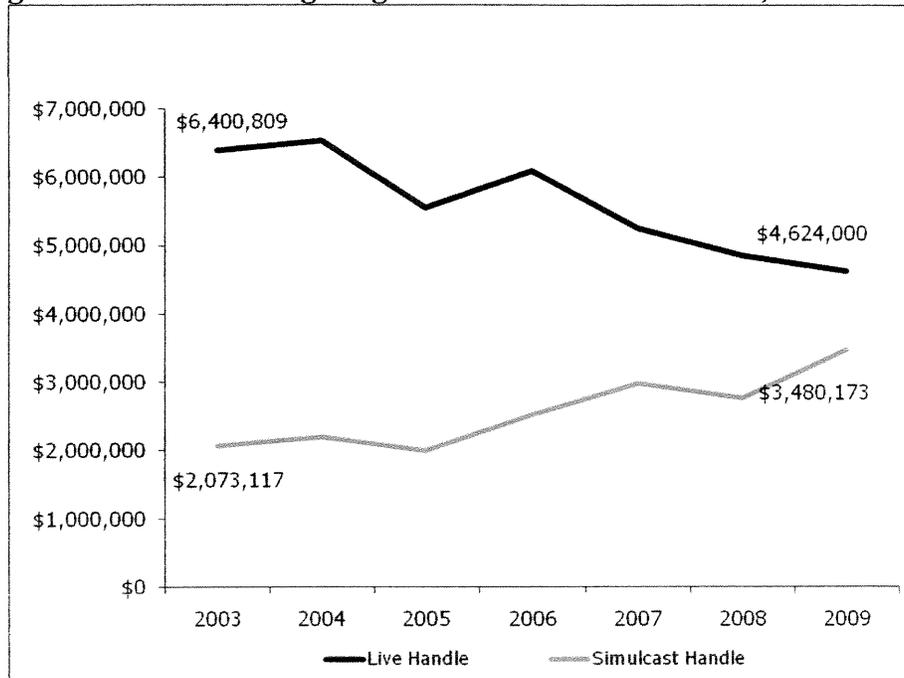
**Figure 1 Number of Harness Races in Maine per Year, 2003 to 2009**



Source: Maine Harness Racing Association <http://www.meharness.com/Handles/trackhandles.shtml>.

Over the same period, the volume of at-the-track betting on at-the-track racing has declined while revenues from simulcasts has increased.

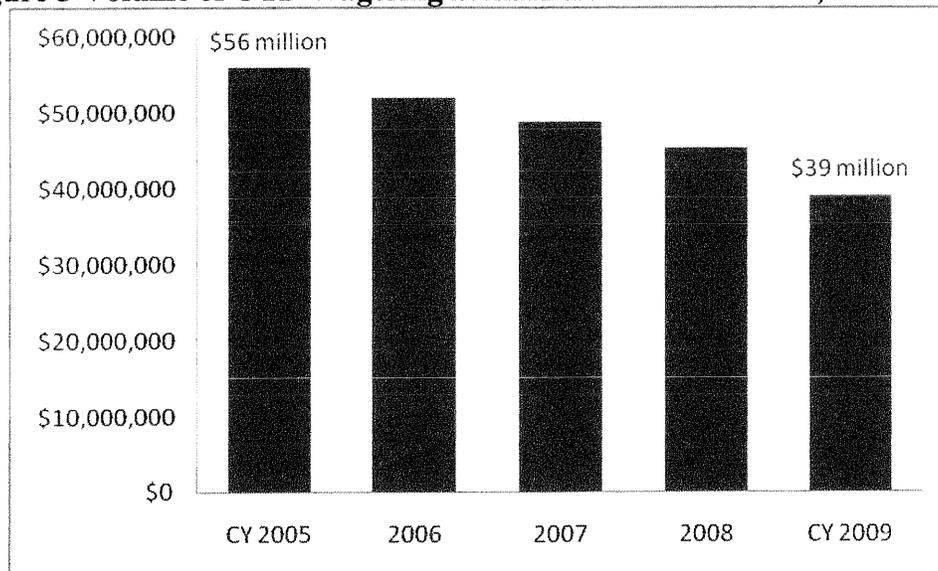
**Figure 2 Volume of Wagering at Harness Races in Maine, 2003 to 2009**



Source: Maine Harness Racing Association <http://www.meharness.com/Handles/trackhandles.shtml>.

The volume of OTB wagering, while much larger, has also declined.

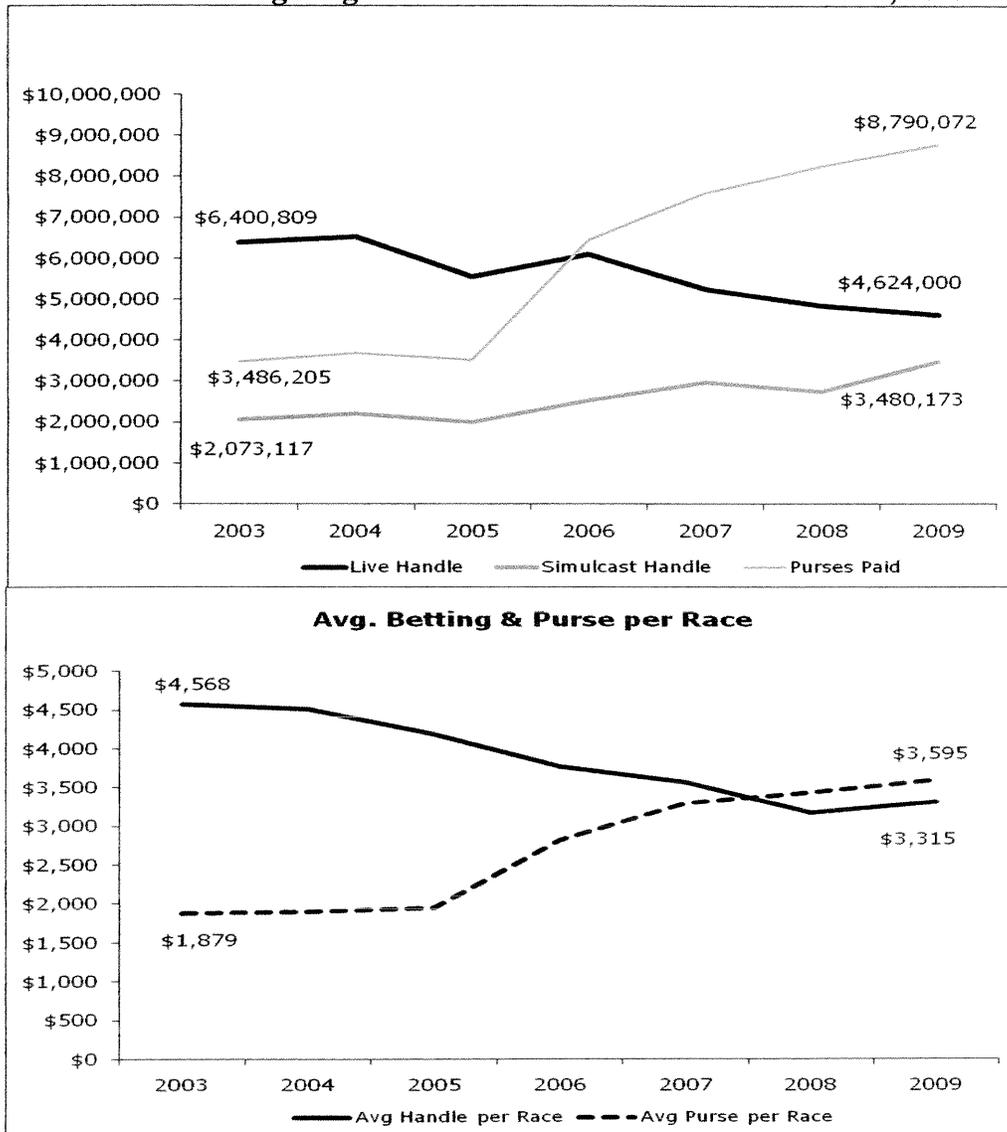
**Figure 3 Volume of OTB Wagering at Harness Races in Maine, 2003 to 2009**



Source: Data provided by Maine Harness Racing Commission.

Nonetheless, the total value of purses won has increased substantially, both totally and on an average per race.

**Figure 4 Volume of Wagering and Purses at Harness Races in Maine, 2003 to 2009**



Source: Maine Harness Racing Association <http://www.meharness.com/Handles/trackhandles.shtml>.

The reason for these contradictory trends has been the revenue generated by racino gambling and allocated through the various statutory funds to the harness racing industry, a total that has increased from just under \$1 million in 2005 to just over \$11 million in 2009.

**Table 5 Racino Revenue Flowing to Horse Industry, 2005 to 2009**

Source of Funds	CY2005	CY2006	CY2007	CY2008	CY2009
Paragraph B: Harness Racing Purses	\$355,771	\$3,187,464	\$3,715,463	\$4,374,982	\$5,177,968
Paragraph C: Sire Stakes Fund	\$0	\$956,239	\$1,114,639	\$1,327,494	\$1,568,390
Paragraph D: Agricultural Fair Support Fund	\$417,056	\$874,193	\$1,019,003	\$1,199,882	\$1,420,110
Paragraph H: Fund to Encourage Racing at Maine Commercial Harness Racing Tracks	\$142,308	\$1,274,985	\$1,486,185	\$1,769,993	\$2,091,187
Paragraph I: Fund to Stabilize the State's Off-Track Betting Facilities	\$71,154	\$637,493	\$743,093	\$874,996	\$960,629
Total	\$986,289	\$6,930,375	\$8,078,383	\$9,547,347	\$11,218,284

Source: Data provided by Maine Harness Racing Commission.

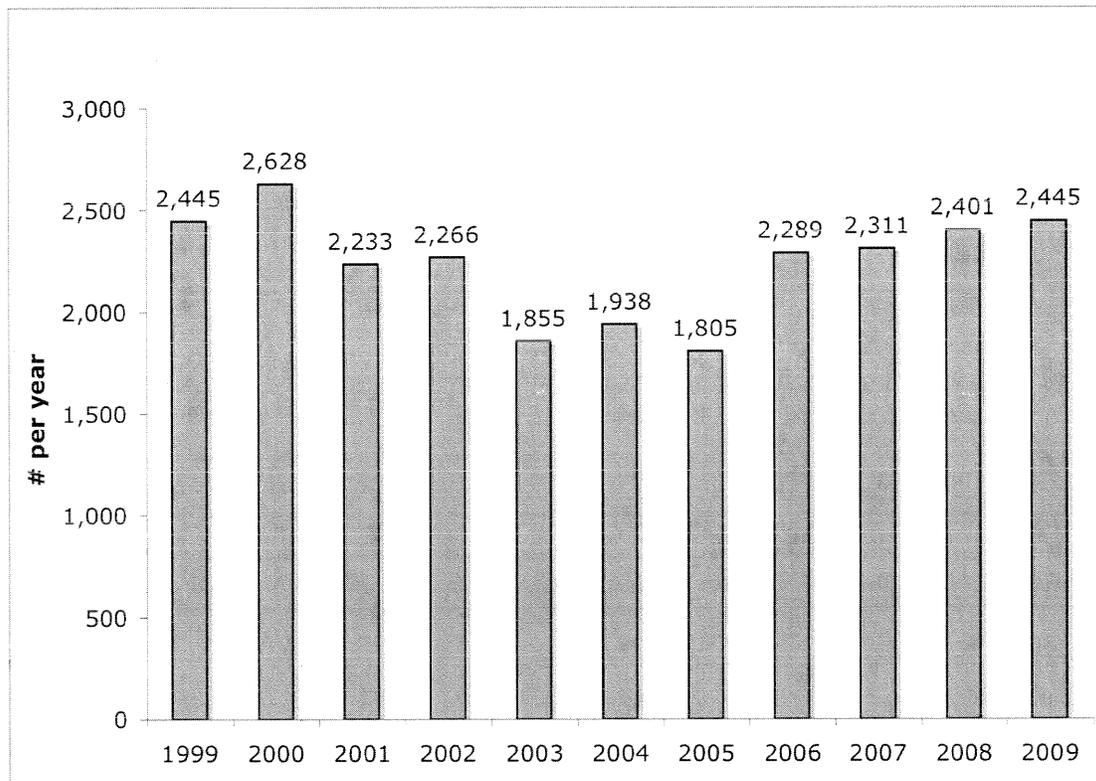
### **3. Summary**

In sum, the substantial economic effects of the horse industry in Maine are increasingly tied to racino gambling. This reflects an overall change in the pattern of recreation undertaken by Maine residents and visitors in an increasingly non-rural, non-agricultural world and culture. If Maine is to maintain many of the valued parts of its traditional life and culture, we must find ways of integrating agricultural industries with modern living. Local food production and sales, farmers markets, organic production, pumpkin rides and other non-traditional ways of generating farm income are all efforts to achieve that goal. Allocating racino revenues to supporting harness racing (and thus the horse industry as a whole) is another way at making that attempt at modernization.

**Addition to the Testimony of  
Charles Lawton, Ph.D., Chief Economist, Planning Decisions, Inc.  
Before the Joint Standing Committee on Legal and Veterans Affairs  
Concerning Review of Allocation of Slot Machine Revenue  
Public Law 2009, Chapter 571, Part FFF  
Monday, September 27, 2010**

At the hearing on Monday, September 27, 2010, Rep. Ploughman asked a question about Figure 1 listing the number of harness races per year for the years 2003 through 2009. She asked about the number of races in the years just prior to 2003. Henry Jackson of the Maine Harness Racing Commission gathered data from annual reports from 1999 to 2002. Figure 1 revised presents those data.

**Figure 1 Revised: Number of Harness Races in Maine per Year, 1999 to 2009**



Source: Maine Harness Racing Association <http://www.meharness.com/Handles/trackhandles.shtml> and Maine Harness Racing Commission.

As Rep. Ploughman suspected, the number of races fell from a peak of 2,628 in 2000 to a low of 1,805 in 2005 before rising steadily to 2,445 in 2009.

Testimony to the Legal and Veterans' Affairs Committee  
The Maine Sire Stakes – Dr. Michael D. Andrew, President MSBOA  
September 2010

I would like to give you a little background and perspective on the Maine Sire Stakes Program and then tell you how much money we have received from Racino funds, where it went and what the results have been. I will skip much of the background with confidence that you will read my written testimony.

In 1973 the state enacted a law; Title 8, Section 281, beginning the Maine Sire Stakes program to promote agriculture and develop a Maine breed of standardbred horses. Sire Stakes programs provide the incentives for breeders to raise young horses. They are the background of the industry. Without a Sire Stakes program, young horses would have little value and few would be raised. Maine had the foresight to initiate a program in 1974.

In 1996 Governor King appointed a Blue Ribbon Committee to look into ways to improve harness racing. That committee recommended a coupling of harness racing with a casino. Some leaders in the industry—including founders of the Sire Stakes Program—began negotiations with Shawn Scott, a Racino developer. A referendum ensued and horse people were at the forefront—arguing for the support of the struggling harness racing industry. The public clearly expected the money to go to racing, scholarships and health care. The Secretary of State's office wrote the referendum question—not the racing industry. There was no misrepresentation of the focus on harness racing. The only misrepresentation was failure to tell the public that the State was going to take a phenomenal 14% of revenues; 3% (and now 4%) of earnings plus

1% of total income, which amounted to 8.56 million dollars in 2009—more than the total going to horsemen's purses and the Sire Stakes combined!

In addition the State capped the Fund for Healthy Maine with the balance going to the general fund. The government of the State of Maine is now the largest beneficiary of slots revenue in the cascade and Penn National is the highest taxed business in the state.

We are pleased that this committee is seeking accountability for the Racino revenues. We hope you will be as thorough in investigating where the state's share has gone as you are in looking at the other monies in the Cascade.

The survival of the Sire Stakes program depends on owners and breeders, over time, being able to break even or make a modest profit. The cost of keeping a brood mare and raising a foal to the fall of its yearling year when it can be trained or sold is between \$8,000 and \$12,000. This does not count the cost of the mare or the stud fee. The cost of paying someone to train a yearling from the fall of its yearling year to July of the racing season is about \$12,000. Only about 1/3 of the horses raised and trained make it to the races and only about 25% of these make a profit. One of our prominent owners—showing a large amount of winnings, started this season with 18 two-year olds. Only 7 are now racing. He started 2010 with 10 three-year olds and only six are racing. I started 2010 with 10 two-year olds—six failed and were sold, given away or turned out. Only four are still racing. I started with 5 three-year olds and only two are still racing.

Successful Sire Stakes programs all have the two-tier slate of races—an "A" division for the best horses and a "B" division to allow others to gain some income. They also have a breeders incentive program. This year, the New York Sire Stakes program has 16 million dollars, plus an additional one

million in breeders awards. Indiana's Sire Stakes program has 17 million. Pennsylvania's program has 12 million for "A" level races and the fairs, 10 million in Breeders awards and 3.3 million for a new "B" division—the Pennsylvania Stallion Series. The industry in these states is booming. New horse farms are taking over old dairy farms. Training centers are being built and the best stallions are being moved to these states. All of these states benefit from slots income.

In 2010 Maine will have only about 1.75 million in slots generated Sire Stakes funds and insufficient funds for a "B" division or breeders incentive program.

In the next three minutes I will tell you what has happened to the 3% of the slots revenue going to the Maine Breeders Stakes.

The slots revenues distributed by Penn National to the Maine Sire Stakes has largely served as incentive money that has revitalized our industry. The result is hundreds of thousands of dollars flowing into Maine's economy. This return on investment far exceeds purses paid from slots revenues.

With the prospect of steady increases in slots revenues, many breeders and owners invested in upgrading breeding stock and facilities. A number of farms about to be sold for development were reclaimed as horse farms. Several new training centers were built or enlarged. The incentive provided by slots revenue worked to create a new flow of money into Maine's economy and to preserve Maine's farms.

Within eight miles of my farm there is notable investment since the slots legislation. In Saco, the Dupuis Farm has added acreage which would have gone to housing development. They now have 322 acres of open space farmland. They have added a building, a wind turbine, fencing and

upgraded breeding stock. A farm two miles from me in Buxton was reclaimed from imminent development. The barn was rebuilt, fences added and a training track put into operation for Sire Stakes horses. Five miles from me, a couple bought an old farm and have fixed it up for Maine Sire Stakes horses.

Personally, I own a 65-acre standardbred farm in Gorham with about 40 horses. Since the slots legislation, I have tripled my expenditures in capital, labor, grain, bedding, supplies, fertilizer, veterinary medicine, training, taxes and other farm expenses. I have paid over \$6,000 in sales tax on farm equipment purchased this year alone. I have invested in a new barn, fences, haying equipment and breeding stock and a full-time employee. I invested in a promise from the legislature of a law which would guarantee new slots revenue to support the standardbred industry. Others invested in this same promise.

Where does the 3% of Sire Stakes money initially go? Most goes directly into purses. You can see the distribution of that money in the Appendix of my written testimony. In addition to purses, 5% of the Sires Stakes money goes to promotion of the program. This includes TV ads such as you see on Channel 6 and on Bill Green's Maine and monies we give to support activities of the Promotion Board. About 1.1% of the money goes to support the Maine Harness Racing Commission. In addition, the Sire Stakes has paid \$10,000 per year toward drug testing (until 2009) and from 2006-2010 we have paid \$93,000 toward the Secretary's salary in the Commissioner's office. We also pay costs of supplies and printing in the race commission office. Program promotion, the yearly stallion directory, calendars and much of the record keeping for the Sire Stakes is done by the MSBOA at no charge. We also pay about 2% of our funds to support the

MHHA office, staff, lobbyist and activities.

It is important to repeat that the harness racing industry pays the entire cost of running the Race Commission office. To my knowledge, there is no other state where the industry pays for the Harness Race Commission. We cost the state nothing.

The money left for purses is distributed to the first five place finishers in each Sire Stakes race. There are 8 races for two-year olds and 12 for 3-year olds, plus a final for each group. The purses are distributed 50% for first, 25% for second , 12% for third, 8% for fourth, and 5% for fifth. The appendix with my written testimony shows the distribution by individual horse. Last year the largest number of owners ever visited the winners' circle and the largest number ever received purse money. Please note that only a fraction of the Sire Stakes expenditures comes from slots revenue.

We are in tough financial times. Government needs to do what it can to promote and support small business growth in Maine. From business growth comes jobs and state revenue. The worst thing you can do is tax a struggling business.

Slots revenue for the Sire Stakes program is NOT tax money paid to the State by citizens and industry; it is money agreed to go to the Sire Stakes program by the Standardbred industry, Shawn Scott and later Penn National.

The limiting of slots revenue to the Sire Stakes will cause breeders and owners to drop out. There will be no funds for a second division, which could allow over half the participants to make money. There will never be a breeder's incentive program.

The initial seed money from slots worked. The number of mares bred and yearlings nominated rose. This year the increase in slots funds will not

keep up with the increased number of horses racing, and we have been forced to cut the base purse. Limiting Racino funds at this time will cripple the program.

We are at a turning point where modest increases in funding and removal of the constant threat of the State taking our money could mean a strong, viable agricultural and tourist related industry in Maine.

keep up with the increased number of horses racing, and we have been forced to cut the base purse. Limiting Racino funds at this time will cripple the program.

We are at a turning point where modest increases in funding and removal of the constant threat of the State taking our money could mean a strong, viable agricultural and tourist related industry in Maine.

September 27, 2010

Legal and Veterans' Affairs Committee  
State House Station  
Augusta, Maine 04432

Senator Sullivan, Representative Trinwood and members of the Legal and Veterans' Affairs Committee:

Good afternoon. I am Chandler Woodcock, Executive Director of the Maine Harness Horsemen's Association—an organization with over 800 breeders, owners, trainers, drivers and grooms of the more than 3,000 standardbred racehorses here in our state. I am pleased to be here today and to return to the LVA Committee as this was my first committee assignment during the first of my three terms in the Maine Senate.

The sport of harness racing has a wonderful history in Maine. Harness racing has been part of the fabric of our state for nearly 200 years since farmers first wagered on whether their horse-drawn wagon was faster than a neighbor's. Time progressed and trotting parks dotted Maine's landscape as harness racing remained an important social and recreational activity. Today, our industry contributes, according to The Economic Impact of the Equine Industry in Maine, a study published in 2007, \$46 million in sales for Maine businesses. This supports nearly 2000 jobs earning \$32 million. Our owners, trainers and drivers have tripled their earning potential according to statistics from The United States Trotting Association. The impact of the equine industry in Maine is over \$300 million annually and the sport of harness racing supplies over \$100 million of that total.

Standardbred racehorses occupy approximately 4.84 acres /horse for pasture which means that our horses preserve over 14,000 acres of "green space" in Maine. They also require approximately 1.62 acres each for growing hay. This means that nearly 5,000 additional acres are used for agricultural purposes.

Today, Maine has two commercial racetracks, Scarborough Downs and Bangor Historic Raceway, and nine pari-mutuel fairs in Presque Isle, Topsham, Skowhegan, Union, Windsor, Oxford, Farmington, Cumberland(which is in session this week) and Fryeburg(which runs next week). I encourage each member of the committee, along with your family, to attend one of these harness racing venues and enjoy a day at the races watching our exceptional equine athletes.

The Maine Harness Horsemen's Association is proud to support our industry partners—the Maine Association of Agricultural Fairs, the Maine Standardbred Owners and Breeders Association, Hollywood Slots Hotel and Raceway, Scarborough Downs and the OTB's. Together, we form a strong alliance which supports harness racing in Maine.

Racino revenues are in part, by statute, used to supplement purses. Last year \$5.2 million dollars was allotted for that purpose. This money has significantly assisted in regenerating an industry. In 2009, nearly \$9 million was paid out in purses compared to \$3.5 million in 2003, prior to the racino revenues supplementing the purse monies.

Last year, according to statistics from the United States Trotting Association, the average purse for each race on the program was \$3,510. This is compared with the \$1,859 per race in 2003. The doubling of the purses has contributed to having one of the highest horse supply totals in years and also to having exceptional horses. Several track records have been eclipsed during this season of racing. This reinvigoration of harness racing can be directly attributed to increased purses.

It must be mentioned that this increase in purses has come without a cost to the state as it is important to note that harness racing occupies no "appropriation" line of the state budget while contributing nearly \$8.5 million to the General Fund, the Fund for a Healthy Maine and the scholarship funds at the University of Maine and Maine Community Colleges as part of the cascade. Our industry also funds the operation of the Maine State Harness Racing Commission-the state's regulatory agency for harness racing.

The wagering aspect of our industry has experienced an interesting phenomenon. Even with increased purses, the "live handle" has diminished and many use that as an argument to promote the "demise of harness racing." Actually, quite the opposite is true. Racino monies have bolstered our industry, but the regulatory statutes which should be in place to govern wagers placed on the internet or by telephone are lacking. It is a fact in our industry that people wager electronically. Thus, the live handle is adversely impacted as the electronic wagering continues to dilute onsite wagering. These types of wagers hurt the tracks, the OTB's and the state, which is missing an opportunity to enhance its revenues. Oversight of this form of wagering is extremely important for Maine. We encourage this committee to recommend new regulatory provisions for internet and telephone wagering as part of this review.

In conclusion, the Maine Harness Horsemen's Association is particularly grateful for the infusion of purse monies supplied by Hollywood Slots Hotel and Raceway. Those funds have assisted our agricultural enterprise as harness racing continues its resurgence as we race for more and more people want to race.

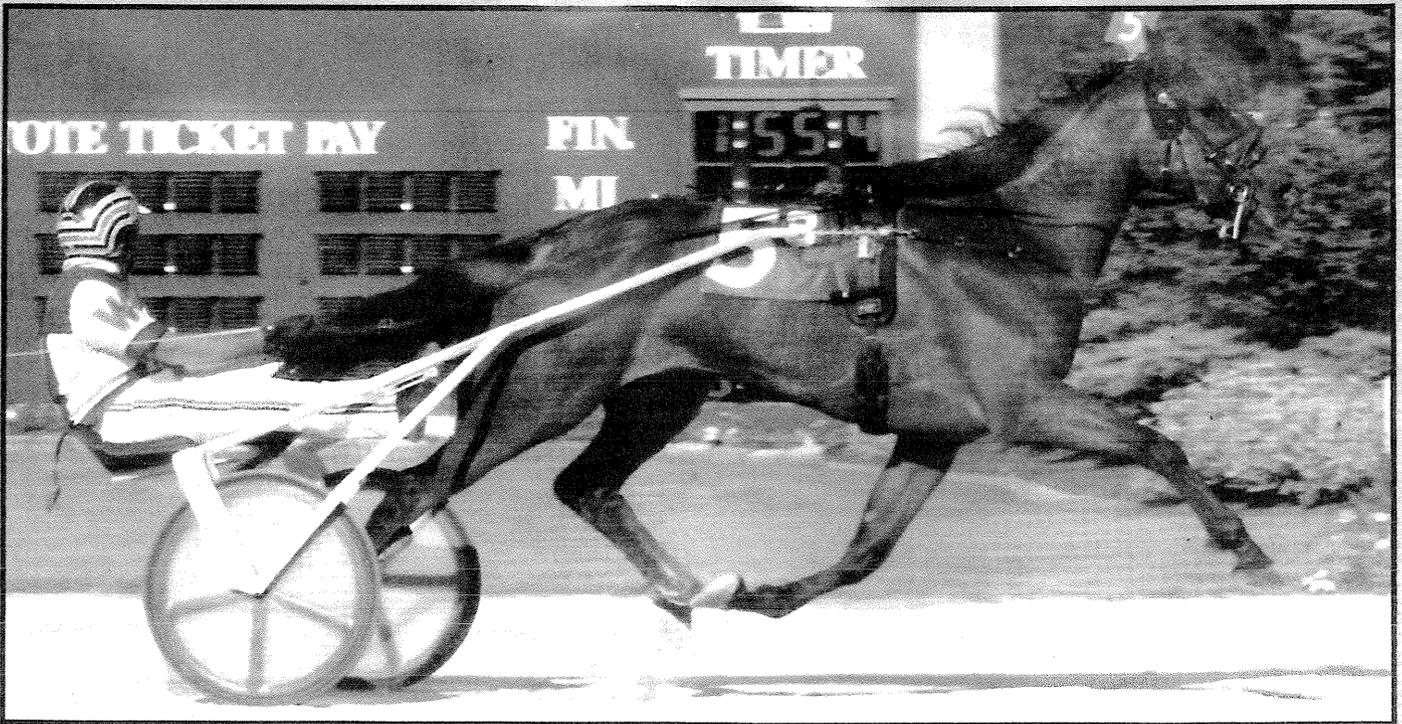
The MHHA thanks the committee for this opportunity and would be pleased to answer questions from its members.

Thank you.

Donald Marean  
233 Bonny Eagle Road  
Hollis, Maine 04042  
(2070 727 5527  
[lindonfarm@sacoriver.net](mailto:lindonfarm@sacoriver.net))

Good Morning Senator Sullivan, Representative Trinward and Distinguished members of the  
Legal and Veterans Affairs Committee. I am Don Marean here today to speak on behalf of the  
horse racing industry. I am hoping to convey to the committee an overview of the industry and  
the benefits received by the State of Maine and the industry since the inception of the one Racino  
in Maine.

# TAKE A LOOK AT INDIANA



Linscott Photo

*Msnaughtybynature, 3, 1:56 (\$405,150) - Victorious in 14 of 17 career starts with three ISS finals wins.*

## ...Over 17 Million Reasons Why You Should

The Indiana Standardbred Breed Development Program is offering a budget in excess of **\$17 MILLION** for 2010. Wouldn't you like to earn some of it?

Indiana Sires Stakes offering in excess of **\$9.6 MILLION** in purses

- **\$40,000 Legs** (6 legs for 2 YR Olds; 8 legs for 3 YR Olds)
- **\$200,000 Finals** for 2 & 3 YR Olds (two finals each)
- **\$30,000 Consolations** for 2 & 3 YR Olds

More than **\$1.2 MILLION** in purses were awarded to Indiana-sired horses during **Hoosier Champions Night – July 10th** at Hoosier Park Racing & Casino.

But that is not all...the program also offers:

- Lucrative Fair Program with racing from June – October
- Indiana-sired Late Closers
- Owner's Bonus Program
- Breeder's Awards
- Increased Purses for Indiana Sired Overnight Races
- Mini – Series



If you have any questions regarding the Indiana Standardbred Breed Development Program or would like to receive additional information, please contact the offices of the Indiana Horse Racing Commission at (317) 233-3119 or visit our website at [www.in.gov/hrc](http://www.in.gov/hrc).



## **Cascade Testimony Material**

### OVERVIEW OF EVENTS

Harness racing in Maine is over 150 years old and has always been a family tradition.

The business of Maine harness racing is no different than most business and in order to remain viable it has had to make some changes along the way. A major change happened in 2003 when the people of Maine voted to allow two racinos in Maine to support the harness racing industry.

The addition of slot machines to harness racing is no different than a local Mom & Pop store adding another line of bread to increase sales and interest in their business. Harness racing has been associated with gambling since 1937 when the legislature passed pari-mutuel wagering for the purpose of funding the industry and to control wagering. In 2004 the legislature again passed legislation to help fund harness racing and that was supported by the voters and the entire harness racing industry.

Harness racing is made up of small Maine businesses that are all impacted by our industry and it all starts on a farm. A viable race horse has a large economic impact on the State of Maine. The most important of them are farms and open space. Without the complete Cycle there is no need for the commercial tracks or the off track betting parlors. From the time

a mare (mother horse) conceives it takes three years to get the finished product to the track.

During that three years the farm experiences nothing but expense and won't realize any income until the horse races or its is sold as a yearling. Two and one half to three years to have a product ready for sale or race with an investment of several thousand dollars.

The year of 2000 the industry was about a 58 million dollar impact in Maine. The pari-mutuel handle (the betting) at the race tracks, off track betting sites and agricultural fairs were in a decline and these were the only source of revenue for purses

Those involved in racing horses were racing for purses as low as \$600 and they knew those amounts could never sustain a viable stable. Purses are distributed to the first five horses to cross the finish line, the first place gets 50% of the purse and in the case of a \$600 purse the winner would receive \$300, 2<sup>nd</sup> place \$150, 3<sup>rd</sup> 12% or \$72, 4<sup>th</sup> 8% or \$48, and 5<sup>th</sup> place 5% or \$30 if you finished behind the 5<sup>th</sup> place position you got nothing. If you consider that in the year 2000 it costs about \$25 per day or \$175 per week to train a horse and it raced only once a week and the training fee didn't include the farrier, the vet, or any equipment. Even if you won every week which is

highly unlikely you couldn't generate enough to cover your costs.

The folks in the industry knew something had to be done to sustain harness racing so they got together and supported the Racino bill put forth by an out of state developer Shawn Scott. The passage of LD1371 were the efforts and agreements of the industry and a agreement between Scott and the industry called The Industry Agreement. The bill LD1371 was not going to work for Maine Harness Racing but the industry agreed to support it as long as the developer was willing to make an agreement to change the language in the bill if the referendum was passed by the voters. The referendum language in LD1371 was written by the Sec of States office and the industry had no say or control over the language it was to be changed by the legislature where we hoped to include industry agreement. The passage by the voters of Maine to support harness racing and allow two racinos at the commercial tracks was confirmed by the voters.

With industry agreement in hand, a new bill (known as the Governors Bill) LD1820 we went before the legislature and an agreement was worked out based on some of the original language

in LD1371 and language in the industry agreement plus several amendments.

LD1371 wasn't something the harness racing industry agreed to support knowing it could be changed by LVA Committee and the Legislature. The MISSION of the industry was to preserve harness racing as a whole, most importantly the agriculture side of the industry and the agriculture fairs. The commercial tracks and the off track betting parlors and the fairs play a key role as they provide the public the opportunity to see the results of three years of hard work and investments on the farm. The public viewing at the races also stimulates interest in the sport and increases the demand for horses and this directly benefits the farms by driving up the demand for their horses and with that comes increased value which benefits everyone including the State of Maine. It was never the intent of the industry to increase attendance or betting handles but to preserve harness racing which in turns preserves farms, jobs and open space.

The passage of LD1820 has had a huge impact on the industry as it has on the States general

fund. As I testified a few moments ago the impact in 2000 was about \$58 million dollars and today it is estimated the impact is in excess of \$100 million. The horse industry as a whole, all breeds had an impact in 2007 of \$364 million dollars these numbers came from an economic study that was partially funded by the harness racing community. The study also shows horses number in excess of 35,000 and keep open 226,000 acres of hay and pasture land. The number of folks employed was estimated at 5700. The harness racing horses including breeding stock and horses to young to race number 3500 or ten percent of the total horse population. Although the total is only 10 percent the impact from those 3500 is about one third of the \$364 million or \$120 million, that is a significant benefit to Maine.

It is also important to note that in 1940 there were six million plus acres of tillable land including pasture and hay land as well as crop land. Today that number is about one million acres and 25% of that is open space and used by horses. Think about the importance of the horse and open land.

The question being asked here, is the industry worthy of keeping the agreement it has with the State of Maine ? The agreement that was carefully negotiated by all parties during the legislative session in 2004, is exactly that, "an agreement" and was passed by this committee, and the House and Senate and signed by the Governor. The cascade agreement by statute is a pass through to the harness racing industry and revenue belongs to the recipients and not the State of Maine. The State receives a substantial portion of the revenue from LD1820 and got an additional one per cent this past year from the off track betting share making the States receipts in excess of ten million dollars in 2009. That is substantial revenue from an idea and an effort put forth by an industry that figured out a way to save itself, **and the general fund rode in on our coattails.**

The people of Maine voted to allow two racinos at our two commercial tracks because they could

see the value of preserving harness racing. The industry has beyond all reasonable doubts accomplished what the racino was designed to do, revival of a struggling industry. In 2000 it was very difficult for the fairs and the two commercial race tracks to get enough horses to fill their race cards because of the horse shortage and small purses. Some had to cancel some of their race days and some in order to race had to race double dashes where a horse races twice in one day. It was also very common for a horse to race two and three times a week. This racing season horses are racing once a week and sometimes once every other week because the horse supply is the best it has been in many many years. All of the stabling facilities in Maine are full and there no rooms at the inn. The reason of course is the money being offered by all the racing venues in the form of much higher purses. More horses mean more of everything from jobs to farms to

equipment purchases. The caveat of the cascades is this: NOT ONE person that breeds or races horses gets one dime of the money without first earning it. This is not a hand out, it requires all recipients to buy licenses and meet very strict and regulated performance levels before they are even allowed to try and earn any money. After meeting all the requirements they then have to be lucky enough to finish 5<sup>th</sup> or better in the race to receive funds. There are dozens of horses on any given race day that race and receive no winnings at all, so to think that all the folks in this industry are welfare recipients and everyone gets a piece of the cascades without earning them is a misnomer and troubling

The harness racing industry has pulled itself up by its boot straps and along with it the State of Maine has been the benefactor of several new family owned businesses and the rejuvenation

of family owned farms.

As we made our recovery we knew we had to make every effort to protect our image in order to prosper. We asked the legislature in 2006 for permission to do a study of the industry so we might identify our weakness and set the stage for economic prosperity of industry. The study was granted and it was funded by the industry and it cost to the States general fund nothing. It was chaired by the Senate chair of Agriculture, Conservation and Forestry Committee and membership was made up of legislators and industry. The goal of the study was to protect the integrity of the industry as well as identify ways to improve oversight by the Harness Commission. The final unanimous report contained several upgrades and new oversight suggestions. The final report was accepted and adopted by the Agriculture, Conservation and Forestry Committee. Most

This was the result of the legislature every year cutting budgets and the cuts from the Agriculture budget usually came out of the Harness Commissions budget for testing. The industry decided this was bad for our image and for the fans because without the proper testing we were subject to some unscrupulous participation by some. We were also concerned for the well being of the horses if testing wasn't sufficient . In the 2007 the legislature cut the Harness Commission budget by two hundred thousand dollars and it came from the testing funds. The industry knew this was a red flag and we needed to address ASAP. We went to Governor Baldacci and offered to fully fund the Hamess Commission if our funds received from the Racino could be put into dedicated revenue accounts. Having reached and agreement with the Governor and in the best interest of harness racing's integrity to protect the Commissions operations and to fully fund

testing it came to pass. The harness racing industry receives NO GENERAL FUND dollars and it contributes far more to the State of Maine than anyone could have ever imagined.

We know how hard we worked to make this all a reality and a prosperous industry that gives so much to Maine. I remind this committee this was a deal agreed on by all involved and encourage you to continue to honor the agreement and let the industry continue to show the way on economic recovery. These pass through funds belong to the industry and not to the legislature. It was never the intention of the industry to increase attendance at the track or increase wagering but to sustain an agricultural community that is so important to Maine. If this committee wants to increase attendance at the tracks and fairs and also wants to increase betting they will need to address the issue of internet gambling and interstate telephone wagering. Everyone loses with this type of

gambling and the only fix is regulation by the State of Maine which where this committee could use it legislative muscle.

Thank you for allowing me to present this testimony on behalf of all hard working men and women involved in an agricultural and economic venture.

**Legislative History of Slot Distribution**

	<b>LD1371 Approved at referendum</b>	<b>LD1820 Governor's bill</b>	<b>LD1820 as enacted</b>
<b>Registration of each slot machine</b>	<b>\$10</b>	<b>\$50</b>	<b>\$100</b>
<b>License for distributor</b>	<b>\$1000</b>	<b>\$200,000</b>	<b>\$200,000</b>
<b>License for operator Renewal</b>	<b>\$1000 (10 year)</b>	<b>\$200,000</b>	<b>\$200,000 \$75,000 (\$25,000 to Municipality)</b>
<b>General fund</b>	<b>1% of net slot revenue</b>	<b>1% of net</b>	<b>1% of gross 3% of net</b>
<b>Purse supplement</b>	<b>7% of net</b>	<b>7% of net</b>	<b>10% of net</b>
<b>Sires stakes</b>	<b>1% of net</b>	<b>1% of net</b>	<b>3% of net</b>
<b>Agricultural Fairs</b>	<b>3% of net</b>	<b>3% of net</b>	<b>3% of net</b>
<b>Healthy Maine</b>	<b>10% of net</b>	<b>10% of net</b>	<b>10% of net</b>
<b>U of M Scholarship</b>	<b>2% of net</b>	<b>2% of net</b>	<b>2% of net</b>
<b>Technical College</b>	<b>1% of net</b>	<b>1% of net</b>	<b>1% of net</b>
<b>Commercial meet fund</b>			<b>4% of net</b>
<b>OTB Fund</b>			<b>2% of net (Drops back to 1%)</b>
<b>Host municipality</b>			<b>1% of net (plus additional 3% by contract)</b>

The referendum and the Governor's bill both left the operator with 75% of the net slot revenues. LD 1820 as finally enacted left the operator with approximately 51% of net slot revenues.

Compiled by: **Robert J. Tardy**  
**Somerset Associates**  
**Newport, Maine**  
**207-341-0343**

# **The Evolution of LD1820**

**Submitted by Peter Martin**

September 27, 2010

To the distinguished members of Legal and Veterans Affairs Committee

## **Overview**

Having had a seat at almost all discussions and meetings regarding the evolution of LD1820 and an OTB owner at the time, I believe I am qualified to offer a clear account of how LD1820 was developed.

The following is a time line leading up to the Racino referendum of 2003 along with subsequent development and passage of LD1820. I think is important to look at the evolution that brought us to LD1820 and the basis for the cascade and changes from the actual referendum that was passed in 2003. Having knowledge of the timeline along with all of the players will help evaluate the process and the end result.

## **2002**

Sometime in early 2002 the Maine Sec. of States office certified petitions for 2 statewide gaming referendums, one being the Native American Casino in Sanford and the other The Racino referendum in Scarborough/Bangor. The Racino referendum was being backed by Shawn Scott an out of state business person with a reputation of passing gaming legislation and then flipping the projects. Scott conferred very little with any industry components i.e., commercial tracks, horsemen, fairs, breeders and OTB's (the industry) before he wrote the referendum and subsequently the actual referendum was unbalanced and unfair in regards to industry needs. Most industry components at that time felt the Racino legislation in Delaware was by far the best written and many felt Scot's referendum was truly weighted in favor of the licensee.

## **2003---January through June**

Both petitions got their required signatures placing them on the 2003 November statewide election. The Industry in fear that the Scott referendum could actually pass; leaving the industry at in an inequitable position, introduced LD1361 a bill that would fairly distribute slot machines to both commercial tracks and at Maine's 5 OTB facilities. It also sought to give more funding to the Horsemen, breeders and fairs, more in line with the Delaware language. LVA under the leadership of Rep. Patrick and Senator Gagnon recognized LD1361 in its current form would have to be considered as a competing measure if endorsed by the legislature and rejected the idea, as did the industry. It was determined that LD1361 would be modified to strip the commercial tracks out and only leave the language in for the OTBs, thus coming below the threshold of a competing measure. LD1361 in its modified form passed the Senate 30 to 5 and in the house 121 to 16. The bill was passed in the last week of the session and the governor refused to sign it not wanting to send a signal that he supported gaming expansion ahead of the

referendum votes in November, however he said he would likely sign LD1361 if any one of the referendums passed into law in January 2004.

### **2003—June through December**

With Shawn Scott's referendum the only hope for Harness Racing, the industry put all of its support behind the Racino referendum hoping with its passage some modifications would take place in LVA in 2004, to make it more equitable. In September of 2003 most industry components signed an agreement, including Shawn Scott referred to as the Industry Agreement. This agreement basically stated we would all work collectively in the best interests of the harness racing industry. The agreement was in effect until 2005. It included, if the Racino referendum passed to support a better and more equitable cascade, however it would not change any of the non industry components of the referendum and also support the pending OTB bill being held by the Governor.

The Racino referendum passed. The OTB's were notified in December of 2003 by Kurt Adams, the governor would veto LD1361 upon the return of the legislature. He stated there was not enough of a mandate of the voters in the passage of the Racino referendum 53/47 and the defeat of the casino referendum 64/36, as not a clear sign the public really endorsed gaming expansion. However Kurt went on to say the governor would be presenting a bill LD1820 which would seek to establish a gaming control board of oversight and to modify the referendum cascade to divert more funding and tax revenue for the state. The industry was instructed to work with the Chairs of LVA to make sure the state had enough revenue, not to touch any non industry cascade recipients from the original Racino legislation and once those goals were accomplished the industry could negotiate on the remaining funds to address the industry need. The genesis for LD1820 was born.

### **2004 January to May**

Shawn Scott had identified months earlier because of his background he may never be awarded a gaming license in Maine and discussions had begun with Penn National as a potential company to buy him out. It was evident when the legislature came back in 2004 that Penn National would be the eventual license holder and that all industry cascade discussions were negotiated with Penn. Senator Gagnon discussed with representatives from the industry what exactly the state needs were going to be, a tax rate system of 39% of slot revenue and 1% of the coin in and more money to fund the Maine Gaming Board.. Once those needs were met and the original Racino recipients that were non industry related were protected, that the committee did not care how the rest of revenue was divided up as it was the eventual licensee's money and not the states. He left those negotiations to the industry components to agree too. The each component of the industry negotiated with Penn National and the results are the cascade as you see today.

### **2004 to the present**

There is absolutely no question in my mind the formation and passage of LD1820 was in the best interests of the state of Maine and its citizens. The original passage of the Racino referendum would have left 75% of the proceeds in the hands of the license holder, with no gaming oversight or gaming board, along with an industry at risk with unbalanced funding weighted in the favor of the license holder. LD1820 corrected a very poorly written referendum but never compromised

the non industry components as they received the same funding endorsed by the people of Maine. It is also critical to remember all of the changes made to the cascade finally adopted by the legislature in LD1820 came from the license holder and none of the money was ever earmarked for the Maine. The state should be proud of that legislation and the public should be made aware that all changes made were accepted by the Maine legislature and none of the negotiations as some would have you believe were anything but fully vetted in front of LVA, at numerous public hearing and workshops.

Respectfully submitted by

Peter Martin  
Former OTB owner, Waterville Maine.



7:26 AM  
 09/27/10  
 Cash Basis

**K D K Standardbreds**  
**Profit & Loss**  
 January through December 2009

*Denise Melitt*

	Jan - Dec 09
Ordinary Income/Expense	
Income	
credit	30.00
Driver/Trainer %	10,015.35
Purse	
Adieu	1,461.71
April's Golden Hour	10,652.99
Arrowsmith	603.00
Current Cash	-1,094.00
Escape From Alcatraz	27,280.75
Etched In Stone	72.00
Four Starzz Dragon	10,548.00
Grumpy	10,024.05
KDK Alex	11,740.09
Lady Dreamer	1,710.00
Lllyr	2,448.00
McCoy	7,504.75
Primadonna	22,746.97
scylla hanover	11,599.70
Shady Sabrina	50,778.25
Switz and Swag	7,198.79
Time for a win	166.50
Visioness K	12,713.50
Wellington	2,256.60
Whitlock	7,577.80
Purse - Other	3,894.00
Total Purse	201,883.45
refund	3,609.45
Sales (Sales)	
Board and Care	20,275.88
Livestock Sales (Livestock Sales)	13,610.00
Training	101,802.08
Total Sales (Sales)	135,687.96
Services provided by owners (Any service done by KPS/DLM) management fee	16,078.94
Total Services provided by owners (Any service done by KPS/DLM)	16,078.94
trucking	1,344.65
4060 · Reimbursed Expenses (Reimbursed Expenses)	
Farrier Fees	75.00
Reimbursement-BHVC	2,196.50
4060 · Reimbursed Expenses (Reimbursed Expenses) - Other	10,757.75
Total 4060 · Reimbursed Expenses (Reimbursed Expenses)	13,029.25
Total Income	381,679.05
Cost of Goods Sold	
Cost of Goods Sold (Cost of Goods Sold)	
Vet Medicine (Vet work done for KDK)	-817.00
Total Cost of Goods Sold (Cost of Goods Sold)	-817.00
Total COGS	-817.00
Gross Profit	382,496.05
Expense	
AdVertising	1,050.00

7:26 AM  
09/27/10  
Cash Basis

**K D K Standardbreds**  
**Profit & Loss**  
January through December 2009

	<u>Jan - Dec 09</u>
Other Income/Expense	
Other Expense	
Bad Debt	350.00
Capital Improvement	
Barn Addition 2004	63.72
Total Capital Improvement	<u>63.72</u>
Total Other Expense	<u>413.72</u>
Net Other Income	<u>-413.72</u>
Net Income	<u><u>18,560.67</u></u>

Harness Horsemen  
Chandler Woodcock

September 27, 2010

Legal and Veterans' Affairs Committee  
State House Station  
Augusta, Maine 04432

Senator Sullivan, Representative Trinwood and members of the Legal and Veterans' Affairs Committee:

Good afternoon. I am Chandler Woodcock, Executive Director of the Maine Harness Horsemen's Association—an organization with over 800 breeders, owners, trainers, drivers and grooms of the more than 3,000 standardbred racehorses here in our state. I am pleased to be here today and to return to the LVA Committee as this was my first committee assignment during the first of my three terms in the Maine Senate.

The sport of harness racing has a wonderful history in Maine. Harness racing has been part of the fabric of our state for nearly 200 years since farmers first wagered on whether their horse-drawn wagon was faster than a neighbor's. Time progressed and trotting parks dotted Maine's landscape as harness racing remained an important social and recreational activity. Today, our industry contributes, according to The Economic Impact of the Equine Industry in Maine, a study published in 2007, \$46 million in sales for Maine businesses. This supports nearly 2000 jobs earning \$32 million. Our owners, trainers and drivers have tripled their earning potential according to statistics from The United States Trotting Association. The impact of the equine industry in Maine is over \$300 million annually and the sport of harness racing supplies over \$100 million of that total.

Standardbred racehorses occupy approximately 4.84 acres /horse for pasture which means that our horses preserve over 14,000 acres of "green space" in Maine. They also require approximately 1.62 acres each for growing hay. This means that nearly 5,000 additional acres are used for agricultural purposes.

Today, Maine has two commercial racetracks, Scarborough Downs and Bangor Historic Raceway, and nine pari-mutuel fairs in Presque Isle, Topsham, Skowhegan, Union, Windsor, Oxford, Farmington, Cumberland(which is in session this week) and Fryeburg(which runs next week). I encourage each member of the committee, along with your family, to attend one of these harness racing venues and enjoy a day at the races watching our exceptional equine athletes.

The Maine Harness Horsemen's Association is proud to support our industry partners—the Maine Association of Agricultural Fairs, the Maine Standardbred Owners and Breeders Association, Hollywood Slots Hotel and Raceway, Scarborough Downs and the OTB's. Together, we form a strong alliance which supports harness racing in Maine.

HALL IMPLEMENT CO.

1 JOHN DEERE ROAD  
WINDHAM ME 04062-4836

September 16, 2010

Legal and Veterans Affairs Committee:

Good Morning Senator Sullivan and Representative Trinward and committee members. My name is George Hall. I am the owner of a family operated farm equipment business in Windham since 1961. We currently have 15 employees.

We have always been associated with harness racing in different ways back to the days when Cumberland raced three sessions in a year.

Since the years beginning in 2006, we have had an increase in the sales and service of farm equipment and some larger tractors to accounts that depend on this great industry for a living.

Anything that can be done to support this industry would be greatly appreciated by everyone at Hall Implement Co.

With Best Regards,



George Hall, Pres.  
Hall Implement Co.

Our equipment helps make the good hay for horses.



JOHN DEERE

September 21, 2010

Senator Sullivan, Representative Trinward and Members of the Joint Standing Committee on Legal and Veterans Affairs:

I wish to address this committee with regards to a proposal for re-allocation of slots revenues procured from the gambling facility owned and operated by Penn National Gaming Inc. at Hollywood Slots Hotel and Raceway in Bangor, Maine to ends other than the continued revitalization of Harness Racing in this state.

Before I comment further on the issue at hand, let me first take a moment to impress the importance of harness racing to the citizens of Maine. Harness racing began as and remains the sport of the masses. In the days when a horse and cart were a necessity for personal transportation, the question of who had the fastest horse naturally arose, and so ensued tests of speed and courage along 19<sup>th</sup> century roads and eventually at organized race meets. While thoroughbred racing throughout history has gained popularity among the more affluent and has long been deemed the “sport of kings”, harness racing’s grass roots origins strike a cord with the common man. Harness racing in Maine remains to this day a sport where men and women of all economic backgrounds come together and enjoy the camaraderie of competition whether on the fence with a win ticket in hand, or participating as an owner, groom, trainer, or driver. Though, admittedly, the sport has experienced a decline in public support over the past quarter century with the advent of easier, more convenient methods of entertainment, harness racing remains a fixture at the annual agricultural fairs held throughout Maine each summer and fall. To many, a trip to the fair is not complete without spending time on the fence bordering the racecourse, marveling at the poetry of a horse in motion. In the words of Winston Churchill, “There is something about the outside of a horse that is good for the inside of a man.”

Personally, I became involved with the sport of harness racing very early in my life. My father always had horses to help run his small dairy farm, and from him I inherited a great respect and admiration for horses. I particularly enjoyed accompanying my father to the racetrack on weekends where we would marvel at the horses and drivers engaged in fierce competition. After a few years of just watching, my father persuaded my mother to invest in a racehorse. Blodwen, a brown mare by Hi Kitty out of Tegwen, was a great horse for us, winning several times in her five years of service. She remains on my father’s farm to this day, retired from competition and living the good life of green pasture. Since those early days, my family and I have raced several other horses, and bred, raised, and trained some of our own. Apart from being a fun sport to participate in, harness racing taught me many virtues during my development. Above all the sport instilled within me the ability to persevere in the face of adversity, which I would like to think had a hand in graduating in 2008 from Mount View High School as the class valedictorian. In 2007, I received a license to drive in competitive races, which had been an ambition of mine since those early days peering through the fence at Bangor Raceway. Over the past several years I have honed my abilities as a driver, recently so while pursuing a degree in Biology from Colby College in Waterville, Maine. In short, harness racing is my passion in life, and it should not be allowed to fade into the pages of history, but rather continue on to entertain and thrill generations to come.

More to the point of this discourse, harness racing in Maine has benefited immeasurably from the infusion of purse monies provided by the slot machine revenue. Purses for regular condition racing went from a range of 900-4000 dollars, to a whopping 2000-6000 dollars over the course of the

[Over]

past decade. This greatly helped offset the rising costs of gas, grain, and hay. I fear that decreasing the purse account funds by an appreciable amount would ultimately lead to the end of harness racing in Maine. At this time, the horsemen need all the money they can get to help them through the winter months and pay the never-ending barrage of expenses during the racing season that are inherent with racing horses.

I leave this committee with these thoughts and a plea to please allow the harness racing industry in Maine to live on. Please do not sever this life line of hope that so many in this state depend on not just from within the industry, but also countless individuals who enjoy a day at the races. Ladies and Gentlemen of the committee, thank you for your time.

Respectfully,

A handwritten signature in cursive script, appearing to read "B. Blanchard". The signature is written in dark ink and is positioned below the word "Respectfully,".

Brian D. Blanchard

To the Joint Standing Committee on Veterans and Legal Affairs  
Maine State Legislature

Dear Senator Sullivan, Representative Trinward and Ladies and Gentlemen of the  
Committee:

My name is Jason Bartlett. I was born and raised in Augusta, Maine. My grandfather, Dick Bartlett Sr. started racing harness horses here in the State of Maine in the 1960's. For the past 5 decades, he has owned and operated a successful, family-oriented stable at the Windsor Fairgrounds in Windsor, Maine. My grandfather passed his trade onto two of his children, my mother Sonia and my uncle Dick Jr. Both, to this day, still work at the Bartlett Stable.

I, myself started with the horses at a very young age. It was easy for me to fall in love with the sport, seeing as it was what my mother and grandfather did as a living. I would be at the barn on weekends, vacations, and holidays, helping out in anyway I could. In 1998, all those long days of jogging and training horses with my grandfather finally paid off. I won my first pari-mutual race, driving a horse owned by my grandfather, named Geri's Beauty. What made that win even more special, was that it was at the Windsor Fair, my hometown track.

Harness racing and horses has always been my true passion, but throughout high school and college I played basketball as well. I learned to juggle both my responsibilities at the barn and on the court. No matter what I was doing, whether shooting hoops or racing horses, I always got a lot of support from my family.

A career in harness racing is what I always dreamed about, but my parents/grandparents were adamant that I go to college and get a degree just in case things did not work out in that aspect. I attended the University of Southern Maine for a year and then went on to Southern Maine Community College where I earned a degree in Industrial Electricity. During college, I met my wife, Kristen, while racing in Massachusetts. She too, has a family with a history of harness racing. Her mother also operates a stable at the Windsor Fairgrounds. After graduation in the spring of 2003, I took up driving horses full time.

In the winter of 2007, I decided to head south to New York to race horses. Maine did not offer any racing from mid- December to early April at that time. I wanted to be able to provide for my family through the winter, rather than living off what we saved through the summer. To date, I race 90% of the time at Yonkers Raceway. After much success, in early 2008, I decided to relocate my family to New York, so I could race year round. The purses in New York are some of the highest in the country. They are also able to offer health insurance through their Standardbred Owners Associations.

I had great success in the past two years. In 2009, I was named the United States Harness Writers' Rising Star. An award given to a young harness horse trainer or driver for

exceptional early career accomplishments. Also in 2009, I was the US Representative in the World Driving Championship held in Norway. The WDC is one of the oldest and most prestigious competitions we have in harness racing. On top of that I have been the leading driver at Yonkers Raceway for the past two years.

As you can see, my roots run deep in the State of Maine and harness racing. Without my family's support, as well as, the support from other fellow Maine horseman and woman, I would not be where I am today. Harness racing in Maine is a long time family tradition. I make sure to go back a few times a year to race either at Scarborough Downs, Bangor Raceway, or one of the many fairs held in Maine. I love to go back and experience, even if just for day, where it all began.

Thank you for your time,

Jason Bartlett



Members of the Legal and Veterans Affairs Committee;

Good afternoon. First I want to thank the members of The Legal and Veterans Affairs Committee for offering the horseman an opportunity to speak.

My name is Denise McNitt. I'm a Standard bred breeder and owner, an equine veterinarian and business owner and in 2003 I was the spokesperson for Question 2. I brought a picture of my husband and son and I at Union Fair. Yes I even drove a few races! But I had to stop because I couldn't get the horse to go for me! And that's our farm In Cumberland Center. 30 acres of open space. That's why I worked for Q2- for my family, my farm and my industry.

I came today to say two things. I understand the Committee wants the "cascade entities" to be accountable for what they have done with their money. I want to be accountable to you and the people of Maine for what my family and our business has done with the increased revenues we've received since 2004. I brought you all a copy of our profit and loss for 2009, the first year we showed a profit since we started KDK Standardbreds. In 2009 we spent 10K in breeding fees; 40K in field maintenance- fence work, field improvements and seeding and fertilizing; 71,660 for hay, grain and bedding; 49 for payroll; 20 for the farrier. And every dollar we spent with a vendor and every dollar we paid an employee was spent by them- in Maine. That's the untold story. When a we earn a dollar of purse money that dollar is spent over and over again for feed, fuel trucks trailers, bedding the list of expenses involved is endless!. And the hay we buy does keep open spaces and the pasture we own does too. Its not a scratch ticket. There is a complex ecology between the raising and racing of horses and the land that we won't understand unless its gone and by then it will be too late.....that's what worries me.

In 2003 the people spoke, and in 2004 horseman, tracks, fairs, legislators and the governor designed a bill that provided for the will for the people and protected Maine and its citizens. Its a good bill. The increased purse opportunities made possible through LD1820 have enabled many horseman to have a better existence. Yet it worries me that we've had to come to Augusta three times since 2004 to try to prevent the State from tampering with LD1820. We made a deal with you and we have fulfilled our end of it admirably.

I understand there are unmet needs in Maine. Don't get me wrong I'm a card carrying Hillary Clinton, Barak Obama Democrat. I understand our responsibility to help those less fortunate. But horseman saw their own needs and they worked long and hard to get the referendum passed to give them an opportunity. And it has worked. Truthfully there will always be unmet need. I hate to say it because I am a Democrat but sometimes it seems like our government has an insatiable appetite for tax revenues. Where does it end? And if the people voted for slots at harness tracks to give horsemen an opportunity who are you to change their decision? But I digress..... I know many of you were not participants in the process that resulted in our current law. You've spent much of today hearing testimony that hopefully has helped you understand how we got here today. So lets keep it simple because I'm no politician anymore. - All I am asking - all we are asking is that our government will stand by its word- stand by its promise to us made through vote and made through legislation. Leave LD1820 untouched. Let us go back to our farms and our families and our horses with confidence that we can build upon a future here in Maine. I thank you and would be happy to answer any questions/.

*Need copies  
for P.T. JT  
WP ACD*

## Remarks of Sharon Terry

Representatives and Senators, thank you for this opportunity to outline the historic case that harness racing is vital to Maine family farming, open space preservation and our historic fairs and that, given the less expensive forms of gaming with which we compete, Maine harness racing needs and deserves to be associated with slot machine gaming in order to survive.

My name is Sharon Terry, and I have been the owner of Scarborough Downs since my husband's death in January 2001. Let me say straight away that neither the track nor Maine harness racing will survive until we have slots without revenue sharing from the Bangor racino. For sixty years, the Downs has been the center of Maine racing; we provide more live racing than all other Maine tracks and fairs combined. Because of increased competition with other forms of gaming and even with the racino revenues, I have had to lay off employees. Even with the cuts we face operating losses, and my track and company are fighting to survive until the day comes when we combine Maine's best racing with a gaming and entertainment destination.

My education concerning the need to associate Maine harness racing with additional forms of gaming began in 1996, when I was privileged to serve along with a former Speaker of the House, the Commissioner of Public Safety, a former Attorney General, and sitting legislators, public officials, private citizens and members of the harness racing industry on the Maine Harness Racing Task Force established by Governor King's Executive Order Number 6. The governor's order creating the task force explained that "Maine harness racing and related businesses are an important part of the Maine economy and a vital part of Maine's long standing tradition of agricultural fairs." The gubernatorial order charged the Task Force with recommending a "strategic plan to support the harness racing industry including both governmental and private initiatives, but designed to be accomplished within existing state resources."

For more than a year, the Task Force studied the growth of harness racing and agriculture where racing was associated with video gaming – or slot machines – and the accelerated decline of harness racing in states such as Maine where the industry was instead required to compete with alternative, less expensive forms of gaming. The overwhelming majority of the Task Force concluded, and I quote, "[we] believe strongly that video gaming must be approved at Maine commercial tracks and off-track betting facilities if commercial harness racing is to survive in Maine."

The Task Force also reported on the important economic contribution of harness racing. That impact goes far beyond the many millions of dollars we generate for the economy. Our sport supports all of Maine's agricultural fairs, including those with no harness racing. The wonderful horse farmers in our industry preserve well over 100,000 acres of this state's most beautiful, productive open spaces

To preserve our industry and our important contribution to Maine's economy, heritage and environment and to carry out the recommendation of the Task Force, the harness racing industry, with the assistance of this committee, crafted in 2002 and 2003 legislation that would have authorized slot gaming at Maine's commercial tracks and OTBs. The legislation, L.D. 1361 in 2003, was known as the "Industry Bill." It passed both houses with approximately 80% of Maine legislators voting for it, but ultimately the governor refused to sign the bill.

At the same time, an out-of-state investor acquired the right to purchase the race meet -- but not the racetrack -- in Bangor and proposed a citizens' initiative that became Question 2 on the 2003 statewide ballot. Question 2 was promoted and advertised as designed to allow slot machines at both commercial tracks and to preserve and promote Maine harness racing. But Question 2 by itself offered no reasonable assurance of increased racing opportunities. The fine print required that a commercial track obtain local approval for slot machines by December 30, 2003, and the out-of-state investor knew it would be difficult for the Downs to garner such approval. To increase the difficulty, his company employed shell entities which secretly campaigned against the Downs' local campaigns.

Although the harness racing industry had not been aware of the source of that secret campaign, we did perceive that the legislation could well create a slot monopoly in Bangor at a track that traditionally had run only 26 days of live racing each year. The legislation would have allowed the out-of-state investor to retain 75% of the gaming revenues, with limited monies going to harness racing and none to purses or operating expenses at Maine's largest and most important commercial track. Perceiving the risk, the racing industry negotiated an "Industry Agreement" under which the out-of-state investor agreed that if the referendum passed he would support legislative changes to divert some of his gaming revenues to Maine's other venues, including the Downs.

The investor requested that the Industry Agreement be confidential, but the industry insisted that our agreement must be public and we provided the Industry Agreement to the administration and to the press before the statewide vote.

Maine voters approved Question 2003, fully expecting that Maine harness racing would have two racinos, with slot machines right at the track. The campaign emphasized that slot machines would be available at both of Maine's commercial tracks, the industry agreement promised a cooperative effort to open both racinos and the ballot question itself asked whether voters "want[ed] to allow slot machines at certain commercial horse racing *tracks*."

Although the Downs could not secure local approval in 2003, the entire industry worked with the legislature and Governor Baldacci in 2004 to pass L.D. 1820, which revised the legislation to strengthen governmental regulation and to implement the provisions of the Industry Agreement for revenue sharing. Those changes did not reduce the state's share a single penny. Instead, the changes diverted a portion of the slot operator's revenues to

others in Maine harness racing – thereby ensuring that the slots would serve their advertised and proper purpose.

One of those changes was the creation of the Fund to Encourage Live Racing at Maine's Commercial Tracks, under which the commercial tracks share 4% of the revenues that, but for the legislation, would have been retained by the slot operator. Everyone involved agreed the fund is essential to saving Maine harness racing, including this committee, the original out-of-state racino investor, Penn National, which purchased his interest, and the entire Maine harness racing community.

A floor amendment was introduced to strip the fund from the legislation, but the amendment was rejected by overwhelming majorities.

The revenue sharing required by LD 1820 and the Industry Agreement is fair, equitable, consistent with legislation that requires revenue sharing of all harness racing revenues and essential to the Downs' survival until we are able to offer gaming to our patrons. Back in 1997 the Task Force concluded that without gaming Maine's tracks could not compete with out-of-state tracks or with less expensive gaming in Maine. It of course follows that the Downs cannot compete with an in-state racino that does not share revenues with the rest of the industry.

Our race meet involves extraordinary expense not associated with other forms of gaming. Each race day we are required to have teams of race, track and paddock officials, along with veterinarians, safety equipment, emergency medical personnel, and sophisticated race recording, broadcasting and judging electronic systems. My staff maintains and we constantly strive to improve an expansive physical plant, including two racetracks, barns, paddocks, and those sophisticated electronics. Because of these requirements, we lose more than \$10,000 from operations each live race date. The people in their wisdom recognized that the Downs should be allowed to operate slot machines so that it may compete. Until we have the machines, the compelled and agreed-upon revenue sharing is fully appropriate, necessary and vital to our survival and to the survival of the racing industry.

Compelled revenue sharing is an important tradition in Maine harness racing. A complicated maze of statutes requires all Maine tracks and OTBs to share funds with every agricultural fair and to contribute additional monies to fund purses at all venues. This web of interdependence is expressly designed to preserve the diversity of Maine harness racing, and our industry is proud of the resulting cooperative spirit. The slot revenues that Maine's voters granted to harness racing have no valid exemption from this important tradition of mutual support.

I do note that the harness racing community made one mistake with respect to LD 1820. The law changed the requirement that the gaming machines be at the track, allowing them to be a short distance away. Many believed the distance would be employed only for a temporary facility. Although we are grateful for the permanent operation in Bangor, our industry may be in the position of defending revenue sharing from that facility

precisely because of its modest physical distance from Bangor Raceway, and that distance also means gaming patrons do not have ready access to our wonderful animals and sport.

If continued revenue sharing from the Bangor racino allows us to survive until the Downs has slots, I promise you and my friends from the industry that the Southern Maine racino will feature slot machines and a variety of entertainment immediately at the racetrack, creating new excitement for our great sport and revenues that will guaranty the vitality of Maine harness racing for the next hundred years.

Thank you for your patience, your understanding of Maine harness racing and your long-standing support of the wonderful families and farms that are the backbone of our proud industry.

Testimony before the Legal and Veterans Affairs Committee respectfully submitted by Michael M. Sweeney, Track Announcer, Scarborough Downs – September 27, 2010

Harness Racing in the state of Maine is once again experiencing an upward trend after many seasons of stagnation or decline. This new found spark of life is in large part attributable to the thoughtful structure that was engineered when the cascade of LD 1820 was put into existence.

While not all parts of the industry have enjoyed the same levels of success, many encouraging signs are present today - demonstrating that we are heading in the right direction.

Scarborough Downs does not charge admission and therefore cannot demonstrate in black and white an increase in attendance, but I've been at the track every racing day for the past 5 years and from my perch in the announcer's booth I've watched the foot traffic on the apron below. This year I've detected a marked increase in the numbers watching the races trackside. In fact, I've been startled on more than one occasion as I glimpsed the sudden swarm of the crowds toward the fences as the horses approach the start and likewise by the building of the cheers as the horses thunder toward the wire – People really have begun to come back to the track this season – And it's been great fun to see the excitement return.

This perception of increased attendance is supported by a couple of very important and encouraging numbers – The Scarborough Downs live handle is once again trending upward. Our 2010 average daily on-track handle increased by 7.8% over last season while the average daily export-handle (money wagered on the Scarborough Downs product from off track locations) experienced a 15% growth.

Both numbers buck the national trend and are particularly significant given the current economic climate in Maine.

We've given the fans a pretty good product to watch as they've returned to the races this year too – The big Invitational Races are back on the calendar.

This year's \$50,000 Joe Ricci Memorial attracted the World Champion trotter Enough Talk to Scarborough Downs to face off against locally owned Pembroke Prayer (coming off a record setting performance at Yonkers) and former Ricci winner Likeabatoutahell who accepted an invitation to race fresh off a win in the Vincennes Cup on Hambletonian Day at the Meadowlands. This star studded field captured the imagination of the local fan base and in conjunction with the USTA's "Get Back to the Track" promotion (a nationwide day of harness celebration), the fans came out in droves.

What really touched my heart though was the fact that with all the hoopla surrounding this nationwide promotion, the lead story on the USTA's website that evening was Pembroke Prayer's upset of Enough Talk at Scarborough Downs – And we held the lead story spot the entire next day. Maine harness racing once again has found the ability to capture national attention and this is in no small measure directly related to benefits derived from 1820.

The Mid-Summer Classic pacing series has once again assumed a leadership role on the local harness racing calendar providing incentive for local horse owners to invest in higher caliber stock while at the same time enabling Maine owned or trained horses who are racing elsewhere to return to the state and compete before the hometown fans in the \$25,000 final.

The Rising Star Pacing Series debuted this season at the Downs with a \$15,000 final. This series dovetails with Scarborough's stated objective to encourage the development of quality young stock – An effort that, after only one season, has already met with a great level of success.

The overall caliber of horses racing in Maine continues to improve by leaps and bounds as witnessed by upwards to 50 track records being rewritten around the statewide circuit during this incredible summer of speed.

The fruits of the cascade are just beginning to ripen but we have not reached harvest quite yet.

Maine cannot ignore the financial impact of its harness racing industry but the continuation of the cascade is vital to the continuation of this impact. We in the industry take our stewardship of the opportunities recently provided quite seriously and will continue to steer true the course to our anticipated renaissance.

Maine has always played a prominent role on the national stage of harness racing. We boast a proud history of developing outstanding drivers and trainers and sending them out to compete under the bright lights of the major raceways. With the continuation of the path set forth in 1820 and the hope of the realization of the always anticipated southern Maine Racino, not only will we continue to foster great horsemen and women, but the bright lights that they will soon compete under will be right here on the home-tracks of Maine.

7:26 AM  
09/27/10  
Cash Basis

**K D K Standardbreds**  
**Profit & Loss**  
January through December 2009

*Dewee McHitt*

	<u>Jan - Dec 09</u>
Ordinary Income/Expense	
Income	
credit	30.00
Driver/Trainer %	10,015.35
Purse	
Adieu	1,461.71
April's Golden Hour	10,652.99
Arrowsmith	603.00
Current Cash	-1,094.00
Escape From Alcatraz	27,280.75
Etched In Stone	72.00
Four Starzz Dragon	10,548.00
Grumpy	10,024.05
KDK Alex	11,740.09
Lady Dreamer	1,710.00
Lllyr	2,448.00
McCoy	7,504.75
Primadonna	22,746.97
scylla hanover	11,599.70
Shady Sabrina	50,778.25
Switz and Swag	7,198.79
Time for a win	166.50
Visioness K	12,713.50
Wellington	2,256.60
Whitlock	7,577.80
Purse - Other	3,894.00
Total Purse	201,883.45
refund	3,609.45
Sales (Sales)	
Board and Care	20,275.88
Livestock Sales (Livestock Sales)	13,610.00
Training	101,802.08
Total Sales (Sales)	135,687.96
Services provided by owners (Any service done by KPS/DLM) management fee	16,078.94
Total Services provided by owners (Any service done by KPS/DLM)	16,078.94
trucking	1,344.65
4060 · Reimbursed Expenses (Reimbursed Expenses)	
Farrier Fees	75.00
Reimbursement-BHVC	2,196.50
4060 · Reimbursed Expenses (Reimbursed Expenses) - Other	10,757.75
Total 4060 · Reimbursed Expenses (Reimbursed Expenses)	13,029.25
Total Income	381,679.05
Cost of Goods Sold	
Cost of Goods Sold (Cost of Goods Sold)	
Vet Medicine (Vet work done for KDK)	-817.00
Total Cost of Goods Sold (Cost of Goods Sold)	-817.00
Total COGS	-817.00
Gross Profit	382,496.05
Expense	
AdVertising	1,050.00

7:26 AM  
 09/27/10  
 Cash Basis

## K D K Standardbreds Profit & Loss January through December 2009

	Jan - Dec 09
<b>Automobile Expense (Automobile Expense)</b>	
Fuel (Fuel)	15,222.31
Maintenance & Repairs	8,000.05
Tolls/ transpass	1,391.25
Trailers	974.00
Vehicle Registration/Tax	1,861.85
Automobile Expense (Automobile Expense) - Other	25.00
<b>Total Automobile Expense (Automobile Expense)</b>	27,474.46
<b>Bank Fees</b>	
Bank Service Charges (Bank Service Charges)	44.33
Loan Fees	63.92
Bank Fees - Other	125.45
<b>Total Bank Fees</b>	233.70
<b>Breeding Expenses</b>	
A/I Costs	4,942.00
Breeding Fees (Breeding Fees)	5,000.00
<b>Total Breeding Expenses</b>	9,942.00
discount	-640.69
<b>Dues and Subscriptions (Dues and Subscriptions)</b>	
Research	174.95
Dues and Subscriptions (Dues and Subscriptions) - Other	1,240.00
<b>Total Dues and Subscriptions (Dues and Subscriptions)</b>	1,414.95
<b>Equipment and supplies-horse (Equipment &amp; supplies)</b>	
Harness/bikes	9,402.35
Supplies	2,183.69
Equipment and supplies-horse (Equipment & supplies) - Other	2,751.45
<b>Total Equipment and supplies-horse (Equipment &amp; supplies)</b>	14,337.49
<b>Farm Expense</b>	
Building, Maintenance & Supply	18,155.50
Equipment Repairs (Equipment Repairs)	680.11
Fields & Fences Supplies & Main	20,656.90
<b>Total Farm Expense</b>	39,492.51
<b>Feed and Grain (Feed and Grain)</b>	
Bedding (Spraying)	16,055.00
grain	39,526.21
Hay	15,925.60
Feed and Grain (Feed and Grain) - Other	153.80
<b>Total Feed and Grain (Feed and Grain)</b>	71,660.61
<b>Fees</b>	
Driving Fines	775.00
Eligibility Papers	579.50
Entry Fees	150.00
Licenses and Permits (Licenses)	1,172.00
medication fees (Fees for med programs)	200.00
Registration, foals	1,759.00
Stakes Entry Fees	1,388.22
Stakes Nomination Etc Fees (stakes payments)	1,425.00
Transfers	443.50
Fees - Other	-133.75
<b>Total Fees</b>	7,758.47
<b>Horse Care, subcontracted</b>	
Board	1,080.00
Paddocks (Paddocks etc)	21,019.50
Transportation of horses	750.00
<b>Total Horse Care, subcontracted</b>	22,849.50