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ANNUAL REPORT ON USE OF FUNDS

PURSUANT TO 8 MRS SECTION 1037

2013

PRESENTED TO THE JOINT STANDING COMMITTEES ON:

**VETERANS AND LEGAL AFFAIRS;
AGRICULTURE, CONSERVATION AND FORESTRY; AND,
APPROPRIATIONS AND FINANCIAL AFFAIRS**

FEBRUARY 15, 2014

SUBMITTED BY:

**HENRY W. JACKSON, EXECUTIVE DIRECTOR
MAINE STATE HARNESS RACING COMMISSION
MAINE DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY**

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STATE OF MAINE
DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY
MAINE STATE HARNESS RACING COMMISSION
28 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0028

PAUL R. LEPAGE
GOVERNOR

WALTER E. WHITCOMB
COMMISSIONER

BARBARA J. DRESSER
CHAIR

HENRY W. JACKSON
EXECUTIVE DIRECTOR

February 15, 2014

Senator John L. Tuttle, Jr., Senate Chair
Representative Louis J. Luchini, House Chair
Joint Standing Committee on Veterans and Legal Affairs

Senator Eloise Vitelli, Senate Chair
Representative James F. Dill, House Chair
Joint Standing Committee on Agriculture, Conservation and Forestry

Senator Dawn Hill, Senate Chair
Representative Margaret R. Rotundo, House Chair
Joint Standing Committee on Appropriations and Financial Affairs

Dear Committee Chairs:

This report is being submitted on behalf of the Maine Department of Agriculture, Conservation and Forestry and the Maine State Harness Racing Commission's executive director pursuant to 8 MRS Section 1037, Annual Report on Use of Funds. The information contained in the Report conforms to the requirements outlined in Section 1037 as it pertains to commercial tracks; agricultural fairs that conduct harness racing; agricultural fairs that do not conduct harness racing; breeders and owners within the Maine Standardbred program; and, off-track betting facilities.

The Report has been compiled from data that was submitted by licensees that received a share of the funds generated in 8 MRS Section 1036. The figures that are contained in this report are for calendar year 2013.

Respectfully submitted by,

Henry W. Jackson
Executive Director
Maine State Harness Racing Commission

CC: Walter E. Whitcomb, Commissioner, Dept. of Agriculture, Conservation and Forestry
Barbara J. Dresser, Chair, Maine State Harness Racing Commission

Commercial Race Tracks

There were two (2) licensed pari mutuel facilities that met the definition of a Commercial Race Track pursuant to 8 MRS Section 275-A. One is located in Scarborough and the other in Bangor.

Scarborough Downs conducted 105 days of live racing offering wagering on 1033 dashes and Bangor Raceway conducted 55 days of live racing and offered wagering on 556 dashes to the Off-track Betting facilities in Maine as well as out-of-state. Both facilities were licensed to accept pari mutuel wagers on simulcast races for 363 days.

The information required to be reported in 8 MRS Section 1037 subsection 1 is contained on the following pages.

Scarborough Downs

Racino Fund to Encourage Racing At Maine Commercial Racetracks	1,093,805.61
Commercial Meet Fund Capital Improvements	0.00
OTB Simulcast Fund	282,173.53
Purse Supplement Handle	285,660.91
Extended Meet	0.00
Commercial Meet	0.00
Live On Track	31,358.61
Interstate On Track	822,732.79
Intertrack to Orig. Track	3,448.43
OTB Purse to Orig. Track	25,423.01
Racino Funds	1,983,846.13
Ag. Fair Support Fund Racino	202,352.31
Casino Funds	280,500.83
Ag. Fair Support Fund Casino	95,370.28
OTB to Orig. Track Track Share	27,974.40
Payment MHHA	45,102.13
Purse Paid	2,874,254.00
Days Raced	105.00
Dashes Raced	1,033.00
Dashes Available To OTB Intra State	1,033
To OTB Inter State	1,033
Total Live Wagers	1,283,659
Total Intra State Wagers	103,625
Total Inter State Wagers	10,728,489
Track Share	1,656,406.29
Ag. Fair Stipend Fund	129,714.24
Sire Stakes Fund	121,103.38
Promotional Board Fund	27,632.23
Purse Supplement Fund	109,282.83
Commission Operating Budget	188,759.60
Horsemen's Purse On Track	854,091.40

Capital Improvements

2013	0
Number of Employees Full Time	30
Part Time	55
Operating Costs	4,348,488
Profit And Loss	-119,269
Depreciation Figures	-123,000
Administrative Costs of Reporting Requirements	500

Bangor Raceway

Racino Fund to Encourage Racing At Maine Commercial Racetracks	557,030.63	Capital Improvements 2013	0.00
Commercial Meet Fund Capital Improvements	0.00		
OTB Simulcast Fund	63,557.94		
Purse Supplement Handle	149,631.90		
Extended Meet	0.00	Number of Employees	
Commercial Meet	0.00	Full Time	4
Live On Track	9,137.96	Part Time	26
Interstate On Track	93,029.50		
Intertrack to Orig. Track	1,448.82	Operating Costs	1,753,144.00
OTB Purse to Orig. Track	5,711.58		
Racino Funds	1,067,781.66	Profit And Loss or	-41,214.00
Ag. Fair Support Fund Racino	108,913.73	Depreciation Figures	158,590.00
Casino Funds	150,976.25		
Ag. Fair Support Funds Casino	51,331.92		
OTB to Orig. Track		Administrative Costs of Reporting Requirements	0.00
Track Share	6,277.96		
Payment MHHA	24,700.07		
Purse Paid	1,524,790.00		
Days Raced	55		
Dashes Raced	556		
Dashes Available			
To OTB Intra State	556		
To OTB Inter State	556		
Total Live Wagers	370,651		
Total Intra State Wagers	66,287		
Total Inter State Wagers	2,883,641		
Track Share	467,471.18		
Ag. Fair Stipend Fund	36,367.98		
Sire Stakes Fund	35,958.06		
Promotional Board Fund	7,751.24		
Purse Supplement Fund	30,664.46		
Commission Operating Budget	55,309.08		
Horsemen's Purse On Track	102,167.46		

Agricultural Fairs that Conduct Harness Racing

There were nine (9) licensed agricultural fairs that conducted harness racing during their annual exhibition. The total number of days these nine agricultural fairs conducted harness racing in 2013 was 55 days. Cumberland Fair conducted one (1) day of racing that is classified as an Extended Meet.

These nine fairs spent a total of \$1,022,530 in premiums and made \$1,306,398 in capital improvements in 2013. These fairs wagered \$1,761,724 at their tracks and paid out \$1,424,500 in purses.

The information required to be reported in 8 MRS Section 1037 subsection 2 is contained on the following page.

It should be noted that absent a requirement in the statute to keep funds received from the racino in Bangor and the casino in Oxford separate, most fairs commingled these funds in either their general operating account or in the horsemen's purse account. Therefore, there is not an independent accounting for the funds received pursuant to 8 MRS Section 286 and 7 MRS Section 86. However, after reviewing the annual reports required for submission to this office, it has been determined that these funds have been used in accordance with the provisions found in 8 MRS Section 286 and 7 MRS Section 86.

2013 Agricultural Fairs that Conduct Harness Racing

Fair	Handle Purse Supplement	Racino Purse Supplement	Casino Purse Supplement	Ag. Fair Racino Purse Supplement	Ag Fair Casino Purse Supplement	On Track Purse Supplement	OTB Purse Supplement	Payment MHHHA Funding	Purses Paid	Days Raced	Dashes Raced	Dashes Available to OTB	Total Live Wagered
Cumberland	21,764.64	149,796.71	21,180.12	15,279.26	7,201.24	1,488.33	1,113.78	3,111.83	192,100.00	8	78	78	150,547
Cumberland Ext.	2,720.58	19,204.71	2,715.40	1,958.88	923.24	14,142.00	0.00	438.99	27,100.00	1	10	0	14,300
Farmington	19,044.06	132,512.47	18,736.26	13,516.27	6,370.33	1,541.12	1,129.09	2,697.13	166,500.00	7	69	69	155,869
Fryeburg	16,323.48	115,228.24	16,292.40	11,753.28	5,539.42	6,096.46	0.00	2,742.49	169,300.00	6	60	0	616,648
Northern Maine	13,602.90	96,023.53	13,577.00	9,794.40	4,616.18	709.04	0.00	2,139.89	132,100.00	5	50	0	71,746
Oxford	10,882.32	80,659.77	11,404.68	8,227.30	3,877.59	617.49	640.64	1,730.05	106,800.00	4	42	42	67,696
Skowhegan	19,044.06	134,432.94	19,007.80	13,712.16	6,462.65	1,951.04	1,131.77	2,885.04	178,100.00	7	70	70	197,333
Topsham	13,602.90	94,103.06	13,305.46	9,596.51	4,523.86	587.66	595.93	1,977.90	122,100.00	5	49	49	59,072
Union	13,602.90	88,341.65	12,490.84	9,010.86	4,246.88	842.87	0.00	1,976.28	122,000.00	5	46	0	84,514
Windsor	21,764.64	165,160.47	23,352.44	16,846.37	7,939.83	3,401.56	1,470.11	3,375.87	208,400.00	8	86	86	343,999
	152,352.48	1,075,463.55	152,062.40	109,695.29	51,701.22	31,377.57	6,081.32	23,075.47	1,424,500.00	56.00	560.00	394.00	1,761,724.00
Fair	OTB Simulcast Fund	Premiums Approved	Facilities Approved	Bangor Racino Stipend	Oxford Casino Stipend	Premium Stipend	Facility Stipend	Attendance Paid	Attendance Free & Vendor	Attendance Total	Labor Costs	Operating Expenses	
Cumberland	12,060.70	92,691	50,765	46,616.39	22,650.19	9,642	14,325	51,644	4,000	55,644	82,047.50	446,673.86	
Farmington	12,655.00	73,916	29,903	37,174.02	18,062.29	7,689	14,325	21,025	3,975	25,000	65,774.60	135,049.30	
Fryeburg	0.00	341,409	826,448	171,702.28	83,427.50	35,513	14,325	166,261	166,239	332,500	856,404.00	2,301,190.00	
Northern Maine	0.00	75,636	31,232	38,039.05	18,482.59	7,868	14,325	15,463	3,511	18,974	65,240.32	192,774.76	
Oxford	7,111.66	57,961	10,510	29,149.89	14,163.50	6,029	14,325	17,496	1,754	19,250	18,466.00	161,045.00	
Skowhegan	12,194.28	123,996	215,780	62,360.38	30,299.95	12,898	14,325	53,000	3,000	56,000	68,598.00	304,847.00	
Topsham	6,476.34	52,544	36,896	26,425.56	12,839.77	5,466	14,325	22,400	5,600	28,000	44,258.00	164,843.75	
Union	0.00	79,868	19,834	40,167.42	19,516.73	8,308	14,325	24,182	6,046	30,228	28,487.00	224,125.00	
Windsor	16,417.52	124,509	85,030	62,618.38	30,425.31	12,951	14,325	42,669	46,331	89,000	119,659.00	582,011.00	
	66,916	1,022,530	1,306,398	514,253.37	249,867.83	106,364	128,925	414,140	240,456	654,596	1,348,934	4,512,560	

Agricultural Fairs that do not Conduct Harness Racing

There were fifteen (15) licensed agricultural fairs that did not conduct harness racing during their annual exhibition in 2013. These fifteen fairs paid out \$553,556 in premiums and made \$321,061 in capital improvements.

The information required to be reported in 8 MRS Section 1037 subsection 3 is contained on the following page.

It should be noted that absent a requirement in the statute to keep the funds received from the racino in Bangor and the casino in Oxford separate, most fairs comingled these funds in their general operating account. Therefore, there is not an independent accounting for the funds received pursuant to 8 MRS Section 286 and 7 MRS Section 86. However, after reviewing the annual reports required for submission to this office, it has been determined that these funds have been used in accordance with the provisions found in 8 MRS Section 286 and 7 MRS Section 86.

2013 Agricultural Fairs that do not Conduct Harness Racing

Fair	Premiums Approved	Facilities Approved	Bangor Racino Stipend	Oxford Casino Stipend	Handle Premium Stipend	Handle Facility Stipend	Attendance Paid	Attendance Free & Vendor	Attendance Total	Labor Costs	Operating Expenses
Acton Fair	31,173	10,521	15,677.60	7,617.51	3,243	1,320	9,394	606	10,000	11,429.93	78,159.95
Bangor Fair	48,479	0	24,381.18	11,846.44	5,043	2,052	43,378	3,047	46,425	89,446.00	385,673.00
Blue Hill Fair	63,222	0	31,795.77	15,449.08	6,576	2,677	21,769	0	21,769	63,805.40	181,241.12
Clinton Fair	40,112	13,984	20,173.23	9,801.86	4,172	1,698	12,391	1,936	14,327	4,101.00	49,577.30
Common Ground Fair	55,717	76,300	28,021.34	13,615.14	5,795	2,359	39,178	16,973	56,151	51,071.38	461,078.38
Harmony Free Fair	12,029	58,812	6,049.66	2,939.43	1,251	509	0	0	10,000	0.00	37,822.20
Houlton Fair	80,004	2,570	40,235.82	19,549.96	8,322	3,388	8,500	440	8,940	11,749.00	56,259.00
Litchfield Fair	43,133	14,014	21,692.56	10,540.08	4,487	1,826	10,359	4,912	15,271	11,564.50	62,378.99
Monmouth Fair	16,736	906	8,416.91	4,089.65	1,741	709	3,176	1,099	4,275	60.00	25,541.15
North New Portland Fair	10,575	14,193	5,318.41	2,584.13	1,100	448	4,680	70	4,750	2,453.00	2,197.00
Ossipee Valley Fair	38,225	6,150	19,224.21	9,340.75	3,976	1,618	5,094	2,500	7,594	2,829.50	45,932.96
Piscataquis Valley Fair	30,897	13,482	15,538.80	7,550.06	3,214	1,308	10,100	400	10,500	3,500.00	100,491.06
Pittston Fair	26,792	83,741	13,474.30	6,546.96	2,787	1,134	2,832	622	3,454	56,000.00	21,224.26
Springfield Fair	44,614	21,512	22,437.39	10,901.98	4,641	1,889	7,700	1,000 990	8,700	15,039.53	81,477.32
Waterford World's Fair	11,848	4,876	5,958.63	2,895.20	1,232	501	1,010	303	1,313	0.00	44,711.40
TOTALS	553,556	321,061	278,395.81	135,268.23	57,580	23,436	179,561	33,908	223,469	323,049.24	1,633,765.09

Standardbred Sire Stakes Program

The industry has experienced an increase in the number of Sire Stakes eligibles participating in overnight events at the various licensed racetracks. However, it is not sufficient enough to replace the number of horses that are no longer able to participate in our overnight racing program. Therefore, we continue to import horses from other racing jurisdictions that are unable to compete favorably in their racing program.

2013

Yearlings Nominated	132
Mares Bred	141
Stallions Registered	31
Total Number of Dashes	166
2 year olds	60
Average Purse per Dash	\$11,254
Average Final Purse	\$52,326
Average Consolation Final	\$10,900
3 year olds	104
Average Purse per Dash	\$11,414
Average Final Purse	\$77,458
Average Consolation Final	\$14,200

The revenues generated for 2013 from the operation of the slot facility in Bangor was \$1,277,413.12; from the Oxford Casino was \$583,539.48; and from the wagering handle was \$320,395.29.

Page 13 contains the individuals who received purse money from the Sire Stakes Program and how much each individual earned. It also contains the number of horses that earned purse winnings throughout the racing program.

I have included an accounting of all the funds received for the Sire Stakes Program and the expenditures from that account. At the end of the 2012 racing year there was a deficit of \$54,523.15. This deficit was transferred from the revenues generated in 2013 to balance the 2012 accounts.

Further, I have included a breakdown of the number of participants for calendar year 2012.

2013 STALLIONS REGISTERED AND NUMBER OF MARES COVERED

Art By Keene	0
B Dramatic	0
Baron Biltmore	12
Berley	1
Boy Band	12
Bry Jess Fella	0
Cheyenne Hollywood	16
CR Power Glide	9
Credit Marker	4
Current Cast	7
Destry Hanover	2
Eicarl's Ramrod	0
Foreign Authority	0
Fox Ridge Connor	6
Imperial Victory	4
Keystone Rodeo	11
Lord Valentine	1
Luckcamotion	3
Luke's Frank	0
Matt Cody	0
Musclini	7
Neutralize	5
Noble Venture	16
Pictonian One	2
R S Banker	2
Rare Bunny	1
Roadshow Hall	0
Shipps Super Cruise	2
Victor Blue Chip	1
Western Cyclone	8
Western Maverick	9
Yebo	0

2013 PARTICIPATION STATISTICS

Stallions Registered	31
Mares Bred	141
Yearlings Nominated	132
Two Year Old Continued	113
Two Year Old Sustained	108
Pacing	
Colts:	43
Pacing	
Fillies:	31
Trotting	
Colts:	19
Trotting	
Fillies:	15
Three Year Old Continued	103
Three Year Old Sustained	98
Pacing	
Colts:	33
Pacing	
Fillies:	28
Trotting	
Colts:	16
Trotting	
Fillies:	21

2013 STANDARD BRED BREEDERS SIRE STAKES FINANCIAL REPORT

TOTAL HANDLE: 31,517,925

REVENUES:

Revenue from the handle	\$320,395.29
2011 Commercial Meet Fund	484.68
Fees	27,400.00
Revenue from the Racino, 2012	1,277,413.12
Revenue from Oxford Casino, 2012	583,539.48
TOTAL	\$2,209,232.57

EXPENSES:

Total legs	\$1,465,308.00
Finals	509,539.00
Consolation Finals	35,700.00
MHHA Contract 1.6199%	32,166.33
MSBOA Promotion Contract, Handle, 2013	16,019.76
MSBOA Promotion Contract, Racino, 2012	63,870.66
Printing	243.16
MSBOA Promotion Contract, Racino 2012	45,544.06
2012 Shortfall, Transfer from 01 Acct.	8,979.09
Transfer to Commission Operating Budget	39,285.68
Dicap Charges	39.06
TOTAL	\$2,216,694.80

BALANCE 2013: (\$7,462.23)

BALANCE FROM 2012 0.00

BALANCE CARRIED FORWARD TO 2014: (\$7,462.23)

Shortfall in 2012 was \$54,523.15. Transferred from 2013 revenues to Balance 2012 Accounts.

2013

Owner	No. of Horses Earned Purse Money	Amount Earned	Owner	No. of Horses Earned Purse Money	Amount Earned
Allen, Kermit	1	8,293.00	Hadlock, Bruce	1	26,602.80
Andrew, Michael	5	213,206.54	Hall, Christine	1	1,407.70
Ballard, Elmer	1	26,414.91	Hall, Gary	1	10,483.65
Beckwith, Douglas	1	13,267.08	Hall, Sandra	1	34,365.58
Ben Bill and Will Stable	5	113,478.90	Hall, Stephen	3	48,320.16
Blash, Kathleen	2	39,145.62	KDK Standardbreds	4	127,956.56
Brainard, Donald	1	3,774.65	Kelley, James	3	34,320.53
Brekke, Kevin	1	1,704.00	Kennebec Pace Club	1	3,776.48
C & S Racing Stable	1	1,424.79	Korhonen, John	1	6,997.86
Card, Andrew	1	5,962.55	Lacasse, Stephen	2	96,774.52
Catabia, Christine	1	84,400.76	Lyons, Philip	1	9,377.57
Chamberlin, Carlton	1	533.55	Marston, Emily	2	10,267.34
Cloutier, Rosario	1	5,207.55	Muldoon, Susan	3	52,802.88
Cole, Roland	1	27,695.50	Nelson, Linda	2	2,098.10
Corso, Carolyn	2	21,047.44	Nelson, Michele	1	1,630.95
Crochere, Robyn	1	19,324.90	O'Keefe, Florence	4	144,582.42
Cushing, Charlene	1	5,594.00	Orr, Kenneth	1	32,124.98
Cushing, Michael	1	1,968.57	Perpall, Michael	2	23,165.01
Cushing, Robert	2	65,907.49	Pratt, Stephen	1	2,306.21
Cushing, Ronald	1	4,148.99	Race ME Stables	1	35,531.16
Dansan Farm	2	18,910.65	Ralph, Ronald	1	2,783.00
Davies, Donna	1	68,071.50	Reny, Paul	1	22,374.75
Dearborn, Tony	2	51,992.79	Salzillo, James	1	523.25
Dempsey, Galen	1	7,228.65	Shaw, Arlene	1	11,269.50
Dickison, Donald	2	64,662.44	Silva, Lynn	1	557.00
Dillon, Thomas	5	112,923.15	Smallwood, James	2	30,480.45
Doucette, Peter	1	11,242.07	Smythe, William	1	9,399.86
Dowling, Alan	1	7,641.60	Soule, Barry	1	12,479.88
Dowty, Bradford	1	566.25	St. Clair, Normand	1	31,850.21
Dresser, Harold	3	78,637.26	Stanhope, Enos III	1	16,781.99
Dual Pats Farm	2	8,456.55	Tibbetts, Darrell	1	25,040.00
East Pond Stable	1	62,976.90	Trice, Joseph	1	15,115.86
Foss, Dennis	3	57,196.64	Try Try Try Stable	1	1,678.56
Frazier, Diane	2	16,094.46	Tulloch, Greg	1	10,406.46
Gilman, Goodwin	1	4,230.72	Varney, William	7	107,421.46
Gordon, Heidi	1	28,576.90	Watson, Wallace	1	23,917.27
Graham, Michael	1	7,892.38			

Off-track Betting Facilities

There were four (4) licensed off-track betting facilities that operated in 2013. Pioneer Gaming LLC is located in Waterville; Winners OTB is located in Brunswick; Winners Circle OTB is located in Lewiston and, OTB Facilitators is located in Sanford.

All four facilities offer pari mutuel wagering on races that originate in Maine as well as races from other states.

The information required to be reported in 8 MRS Section 1037 subsection 5 is contained on the following pages.

It should be noted that the requirement for Section 1037 subsection 5 paragraph A is not included in this report. None of the off-track betting facilities were able to extract this information from the totalizator records that were in their custody.

Off-track Betting Facility Information

Pioneer Gaming LLC
Favorites OTB

Number of Wagers	
Amount Wagered	
Intrastate	163,570
Interstate	2,547,540
Number of Employees	
Full Time	2
Part Time	3
Operating Costs	742,000.00
Primary Location	Waterville
Number of Races	
In State	1,983
Capital Improvements	6,000.00
Distribution of Wagering Handle	
OTB Share	293,792.18
Ag. Fair Stipend	29,057.92
Sire Stakes	30,643.18
Purse Supplement	85,804.76
Promotional Board Fund	6,199.34
Commission Operations	53,956.30
OTB Simulcast Fund	77,889.08
Originating Track Share	12,950.89
Horsemen's Purse Acct.	12,004.34
Racino Fund to Stabilize OTB	103,177.30

Off-track Betting Facility Information

LRI, Inc. D/B/A
Winners Circle OTB

Number of Wagers	
Amount Wagered	
Intrastate	200,315
Interstate	4,348,320
Number of Employees	
Full Time	4
Part Time	8
Operating Costs	779,227.05
Primary Location	Lewiston
Number of Races	
In State	1,983
Capital Improvements	0.00
Distribution of Wagering Handle	
OTB Share	469,491.07
Ag. Fair Stipend	46,847.61
Sire Stakes	42,940.37
Purse Supplement	128,817.34
Promotional Board Fund	9,978.04
Commission Operations	79,253.15
OTB Simulcast Fund	127,427.79
Originating Track Share	15,857.06
Horsemen's Purse Acct.	14,314.68
Racino Fund to Stabilize OTB	103,177.30

Off-track Betting Facility Information

Midcoast OTB D/B/A
Winners.... OTB

Number of Wagers	
Amount Wagered	
Intrastate	84,632
Interstate	3,644,223
Number of Employees	
Full Time	4
Part Time	2
Operating Costs	954,036.99
Primary Location	Brunswick
Number of Races	
In State	1,983
Capital Improvements	0.00
Distribution of Wagering Handle	
OTB Share	442,486.91
Ag. Fair Stipend	43,642.57
Sire Stakes	39,516.84
Purse Supplement	121,531.98
Promotional Board Fund	9,294.25
Commission Operations	73,229.89
OTB Simulcast Fund	121,091.75
Originating Track Share	9,117.83
Horsemen's Purse Acct.	8,339.83
Racino Fund to Stabilize OTB	103,177.30

Off-track Betting Facility Information

OTB Facilitators, LLC

Number of Wagers	
Amount Wagered	
Intrastate	68,990
Interstate	3,208,771
Number of Employees	
Full Time	6
Part Time	4
Operating Costs	617,785.00
Primary Location	Sanford
Number of Races	
In State	1,983
Capital Improvements	0.00
Distribution of Wagering Handle	
OTB Share	355,429.37
Ag. Fair Stipend	34,505.80
Sire Stakes	33,859.65
Purse Supplement	102,039.77
Promotional Board Fund	7,355.30
Commission Operations	61,015.98
OTB Simulcast Fund	96,598.42
Originating Track Share	5,460.50
Horsemen's Purse Acct.	4,832.95
Racino Fund to Stabilize OTB	103,177.30



STATE OF MAINE
DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY
MAINE STATE HARNESS RACING COMMISSION
28 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0028

PAUL R. LEPAGE
GOVERNOR


WALTER E. WHITCOMB
COMMISSIONER

BARBARA J. DRESSER
CHAIR

HENRY W. JACKSON
EXECUTIVE DIRECTOR

February 10, 2014

TO: Licensed Off-track Betting Facilities; Licensed Race Tracks; and Licensed Agricultural Fairs that Received Funds from the Operation of Slot Facilities in Maine in 2013.

FROM: Henry W. Jackson,  Executive Director

RE: The Reporting Requirements are Found in 8 MRS Section 1037.

Pursuant to 8 MRS Section 1037, the Department of Agriculture, Conservation and Forestry is required by to prepare a report outlining the use of the funds generated in 8 MRS Section 1036 and distributed to recipients pursuant to 8 MRS Sections 281, 298, 299 and 300 and 7 MRS Section 91. The distribution of the funds generated at the Slot Facility in Bangor are found in 8 MRS Section 1036, sub-section 2.

Please provide me with the required information on or before February 21, 2014.

I am enclosing a copy of MRS Section 1037 as a guideline of the reporting requirements of each licensee and recipients of the funds identified in the legislation. Also, I am enclosing a copy of 8 MRS Section 1036, sub-section 2.

I will try to answer any questions you may have regarding this reporting requirement.

Title 8: AMUSEMENTS AND SPORTS
Chapter 31: GAMBLING CONTROL BOARD

Subchapter 3: SLOT MACHINE OPERATION; ALLOCATION OF FUNDS

§1036. Allocation of funds

1. **Distribution for administrative expenses of board.** A slot machine operator licensed under section 1011, subsection 2 or a casino operator that is a commercial track that was licensed to operate slot machines under section 1011, subsection 2 on January 1, 2011 shall collect and distribute 1% of gross slot machine income to the Treasurer of State for deposit in the General Fund for the administrative expenses of the board.
[2011, c. 417, §7 (AMD) .]
2. **Distribution of net slot machine income from casino with commercial track.** A slot machine operator licensed under section 1011, subsection 2 or a casino operator that is a commercial track that was licensed to operate slot machines under section 1011, subsection 2 on January 1, 2011 shall collect and distribute 39% of the net slot machine income from slot machines operated by the slot machine operator to the board for distribution by the board as follows:
 - A. Three percent of the net slot machine income must be deposited to the General Fund for administrative expenses of the board in accordance with rules adopted by the board, except that of the amount calculated pursuant to this paragraph, the following amounts must be transferred annually to the Gambling Addiction Prevention and Treatment Fund established by Title 5, section 20006□B:
 - (1) For the fiscal year beginning July 1, 2011, \$50,000;
 - (2) For the fiscal year beginning July 1, 2012, \$50,000; and
 - (3) For the fiscal year beginning July 1, 2013 and for each fiscal year thereafter, \$100,000; [2009, c. 622, §2 (AMD).]
 - B. Ten percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the fund established in section 298 to supplement harness racing purses; [2005, c. 663, §12 (AMD).]
 - C. Three percent of the net slot machine income must be credited by the board to the Sire Stakes Fund created in section 281; [2005, c. 663, §12 (AMD).]
 - D. Three percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Agricultural Fair Support Fund established in Title 7, section 91; [2007, c. 466, Pt. A, §29 (RPR).]
 - E. Ten percent of the net slot machine income must be forwarded by the board to the State Controller to be credited to the Fund for a Healthy Maine established by Title 22, section 1511 and segregated into a separate account under Title 22, section 1511, subsection 11, with the use of funds in the account restricted to the purposes described in Title 22, section 1511, subsection 6, paragraph E. For the fiscal years ending June 30, 2010, June 30, 2011 , June 30, 2012 and June 30, 2013, the amount credited annually by the State Controller to the Fund for a Healthy Maine under this paragraph may not exceed \$4,500,000 annually and any funds in excess of \$4,500,000 annually during these fiscal years must be credited as General Fund undedicated revenue; [2011, c. 380, Pt. II, §1 (AMD).]

- F. Two percent of the net slot machine income must be forwarded by the board to the University of Maine System Scholarship Fund created in Title 20-A, section 10909; [2005, c. 663, §12 (AMD).]
- G. One percent of the net slot machine income must be forwarded by the board to the board of trustees of the Maine Community College System to be applied by the board of trustees to fund its scholarships program under Title 20-A, section 12716, subsection 1; [2005, c. 663, §12 (AMD).]
- H. Four percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at Maine's Commercial Tracks, established in section 299; however, the payment required by this paragraph is terminated when all commercial tracks have obtained a license to operate slot machines in accordance with this chapter, in which case, that 4% of the net slot machine income must be credited to the General Fund as undedicated revenue; [2011, c. 358, §4 (AMD).]
- I. Two percent of the net slot machine income must be forwarded by the board to the Treasurer of State, who shall credit the money to the Fund to Stabilize Off-track Betting Facilities established by section 300, as long as a facility has conducted off-track wagering operations for a minimum of 250 days during the preceding 12-month period in which the first payment to the fund is required. After 48 months of receiving an allocation of the net slot machine income from a licensed operator, the percent of net slot machine income forwarded to the Fund to Stabilize Off-track Betting Facilities is reduced to 1% with the remaining 1% to be forwarded to the State in accordance with subsection 1; and [2005, c. 663, §12 (AMD).]
- J. One percent of the net slot machine income must be forwarded directly to the municipality in which the slot machines are located. [2005, c. 663, §12 (AMD).] [2011, c. 358, §4 (AMD); 2011, c. 380, Pt. II, §1 (AMD); 2011, c. 417, §8 (AMD).]

Title 8: AMUSEMENTS AND SPORTS
Chapter 31: GAMBLING CONTROL BOARD

Subchapter 3: SLOT MACHINE OPERATION; ALLOCATION OF FUNDS

§1037. Annual report on use of funds

Beginning February 15, 2012, the executive director of the State Harness Racing Commission, in consultation with the Commissioner of Agriculture, Food and Rural Resources, annually shall submit a report to the joint standing committees of the Legislature having jurisdiction over slot machines, harness racing, agricultural fairs and appropriations and financial affairs regarding the use of slot machine revenue deposited in funds under section 1036, subsection 2, paragraphs B, C, D, H and I. The executive director and the commissioner shall obtain the information as described in this section. The report required by this section must be completed using budgeted resources. The executive director may not distribute funds listed under section 1036, subsection 2, as applicable, to harness racing tracks, off-track betting facilities, agricultural fairs or the Sire Stakes Fund under section 281 until the information required to submit the report required by this section is provided. [2011, c. 358, §6 (NEW).]

1. Commercial tracks. A report required by this section must include the following information from commercial tracks licensed in accordance with chapter 11 that receive a distribution of slot machine revenue under section 1036, subsection 2, paragraph B, D or H:

- A. The total amount wagered on live harness races; [2011, c. 358, §6 (NEW).]
- B. The total amount wagered on intrastate simulcast races; [2011, c. 358, §6 (NEW).]
- C. The total amount wagered on interstate simulcast races; [2011, c. 358, §6 (NEW).]
- D. The number of harness races originated in the State and made available for simulcast outside of the State; [2011, c. 358, §6 (NEW).]
- E. The amount of the harness racing handle from wagers at the commercial track kept by that commercial track and the distribution of the handle to the State and industry recipients under section 286; [2011, c. 358, §6 (NEW).]
- F. The amount received from the handle distribution from wagers at other tracks and off-track betting facilities under section 286; [2011, c. 358, §6 (NEW).]
- G. The amount of revenue received in accordance with section 1036, subsection 2, paragraphs B, D and H; [2011, c. 358, §6 (NEW).]
- H. The number of full-time and part-time employees at the commercial track; [2011, c. 358, §6 (NEW).]
- I. The amount, if any, spent on capital improvements to the commercial track and related facilities and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year; [2011, c. 358, §6 (NEW).]
- J. Operating costs for the commercial track; [2011, c. 358, §6 (NEW).]
- K. Profit and loss or depreciation figures for the commercial track; and [2011, c. 358, §6 (NEW).]

L. Administrative costs to comply with reporting requirements and contributions to the State Harness Racing Commission's operating account described in section 267-A. [2011, c. 358, §6 (NEW).]
[2011, c. 358, §6 (NEW) .]

2. Agricultural fair that conducts harness racing. The report required by this section must include the following with regard to the use of slot machine revenue distributed to an agricultural fair that is licensed under chapter 11 to conduct harness racing:

A. An estimate of the number of people that attended the agricultural fair, including separate estimates of paid attendance, free-pass attendance, vendor attendance and attendance under a local campground pass; [2011, c. 358, §6 (NEW).]

B. The total amount wagered on harness races at the agricultural fair; [2011, c. 358, §6 (NEW).]

C. The number of harness races originated at the agricultural fair and made available for simulcast outside of the State; [2011, c. 358, §6 (NEW).]

D. The amount of the harness racing handle received by the agricultural fair under section 286; [2011, c. 358, §6 (NEW).]

E. The amounts, reported separately, of revenue received in accordance with section 1036, subsection 2, paragraphs B and D, the Stipend Fund under Title 7, section 86 and from any other source in accordance with rules adopted under section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the Commissioner of Agriculture, Food and Rural Resources or the State Harness Racing Commission; and [2011, c. 358, §6 (NEW).]

F. The amount of revenue received to supplement harness racing purses, pay fair premiums, make capital improvements to fairground facilities, racing venues or grandstand operations and labor costs and operating expenses. [2011, c. 358, §6 (NEW).]
[2011, c. 358, §6 (NEW) .]

3. Agricultural fair that does not conduct harness racing. The report required by this section must include the following with regard to an agricultural fair:

A. The amount spent to pay fair premiums make capital improvements to fairground facilities and labor costs and operating expenses; [2011, c. 358, §6 (NEW).]

B. The amounts, reported separately, received from slot machine revenue in accordance with section 1036, subsection 2, paragraph D, the Stipend Fund under Title 7, section 86 and from any other source in accordance with rules adopted under section 263-A, subsection 1, paragraph C and Title 7, section 82, subsection 5 by the Commissioner of Agriculture, Food and Rural Resources or the State Harness Racing Commission; and [2011, c. 358, §6 (NEW).]

C. An estimate of the number of people that attended the agricultural fair, including separate estimates of paid attendance, free-pass attendance, vendor attendance and attendance under a local campground pass. [2011, c. 358, §6 (NEW).]
[2011, c. 358, §6 (NEW) .]

4. Breeders and owners within the Maine Standardbred program. A report required by this section must include the following information from horse breeders and owners within the Maine Standardbred program established pursuant to section 281 who receive a distribution under section 1036, subsection 2, paragraph C:

A. The number of mares bred by each Maine Standardbred stallion as reported to the State Harness Racing Commission; [2011, c. 358, §6 (NEW).]

B. An assessment of whether the number of Maine Standardbred horses in the State is sufficient to grow and sustain harness racing in the State; [2011, c. 358, §6 (NEW).]

C. The number of yearling horses eligible and nominated to participate in sire stakes racing; [2011, c. 358, §6 (NEW).]

D. The amount received from slot machine revenue in accordance with section 1036, subsection 2, paragraph C; [2011, c. 358, §6 (NEW).]

E. The total number of qualifying dashes for sire stakes races and the average purse for each dash sorted by the age of the horse and the average purse for each sire stakes final dash sorted by the age of the horse; and [2011, c. 358, §6 (NEW).]

F. An accounting of the Sire Stakes Fund, including the total amount of the fund at the beginning and end of the racing season and, reported separately, expenditures used to supplement purses, pay breeder promotional contracts, pay advertising costs, make payments to a statewide horsemen association, pay administrative costs and make contributions to the operating account described in section 267-A. [2011, c. 358, §6 (NEW).]
[2011, c. 358, §6 (NEW) .]

5. Off-track betting facility. The report required by this section must include, with regard to a facility licensed to conduct off-track betting on harness racing:

A. The number of individual wagers placed on intrastate and interstate simulcast races and the total amount for each; [2011, c. 358, §6 (NEW).]

B. The number of full-time and part-time employees of the off-track betting facility; [2011, c. 358, §6 (NEW).]

C. The operating costs for the off-track betting facility; [2011, c. 358, §6 (NEW).]

D. The name and primary location of the company licensed to operate the off-track betting facility; [2011, c. 358, §6 (NEW).]

E. The total number of races originating in the State received for simulcast as reported by the off-track betting facility; [2011, c. 358, §6 (NEW).]

F. The amount, if any, spent on capital improvements to the off-track betting facility and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year; [2011, c. 358, §6 (NEW).]

G. The amount of the harness racing handle kept by the off-track betting facility and the distribution of the handle to the State and industry recipients under section 286; [2011, c. 358, §6 (NEW).]

H. The amount received from the handle distribution from wagers at tracks and other off-track betting facilities under section 286; and [2011, c. 358, §6 (NEW).]

I. The amount of revenue received in accordance with section 1036, subsection 2, paragraph I. [2011, c. 358, §6 (NEW).]
[2011, c. 358, §6 (NEW) .]

6. Other recipients. The Fund for a Healthy Maine's program providing prescription drugs for adults who are elderly or disabled, the University of Maine System and the Maine Community College System shall submit reports that include the amount of slot machine revenue received under section 1036, subsection 2 and how that revenue was used to meet the statutory requirements cited in section 1036, subsection 2, paragraphs E, F and G, respectively.

[2011, c. 358, §6 (NEW) .]

SECTION HISTORY

2011, c. 358, §6 (NEW).