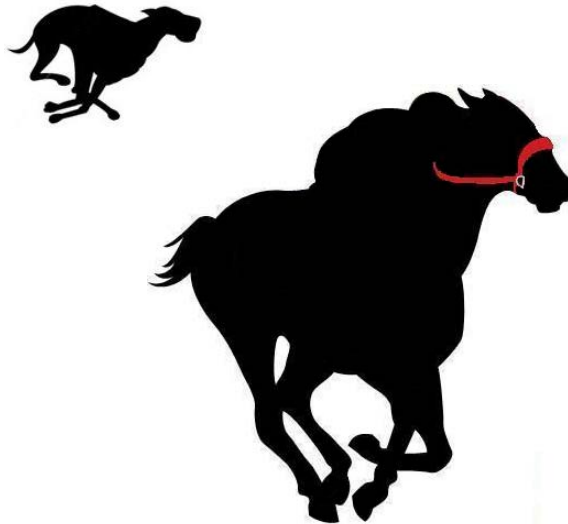


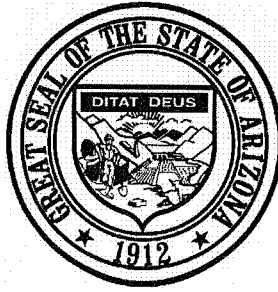
ARIZONA DEPARTMENT OF RACING



**ANNUAL REPORT
FY-2010**

ARIZONA DEPARTMENT OF RACING

JANICE K. BREWER
GOVERNOR



LONNY T. POWELL
DIRECTOR

September 30, 2010

The Honorable Janice K. Brewer
Governor of the State of Arizona
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Brewer:

It is my pleasure to submit the FY 2010 Department of Racing Annual Report. This report reflects statutory requirements as they relate to the Department's regulatory, fiscal, and administrative responsibilities.

Last year, the Department regulated and supervised live and simulcast horse and greyhound racing and pari-mutuel wagering at three commercial horse tracks, three greyhound tracks, 15 county fair racing meetings, and 64 teletrack locations throughout Arizona. The total pari-mutuel handle for all racing was \$181 million, a decrease of \$37.7 million or 14.52% from the prior year. The total pari-mutuel tax receipts amounted to \$314,021, a decrease of 3.85% from the prior year. A combined total of 257 boxing and mixed martial arts bouts or matches were also supervised and regulated during the year.

FY 2010 became a period of new leadership, vision and progress for the Department. The agency enthusiastically and swiftly undertook a number of new approaches to best utilize its expertise, strengths and resources to effectively and efficiently supervise an economically challenged industry while facing its own budgetary hurdles. We also heard very clearly and very much supported the creation of your COPE (Commission on Privatization & Efficiency) and took a lead in studying options which we could bring to fruition early in the upcoming fiscal year.

With the steadfast support and leadership of your administration, our objective is to continue building a more modernized, responsive, customer-friendly and effective operation in the future. We will continue to make every effort to regulate firmly and fairly while fostering productive, supportive and positive relationships throughout our government as well as our job- and agribusiness-intensive industry.

As part of the annual report, the Department is required by statute to submit recommendations for increasing state revenues from the regulation of the racing industry while maintaining the financial health of the industry and protecting the public interest. These are challenges that the Department and the industry must confront together.

The Honorable Janice K. Brewer

September 30, 2010

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During the past year, the Department has proposed to the industry stakeholders various legislative options for the generation of revenue from their own revenue streams in order to support the Department's statutory, administrative, and regulatory duties. The industry, though financially challenged themselves, understands and appreciates the need for the regulation of their sport and have responded in a constructive and cautiously supportive manner.

This year, the Department, with the strong support from a dedicated and realistic Racing Commission, will propose industry-supported legislation designed to fairly and reasonably fund a portion of the Department's operating costs related to racing regulation while reducing the Department's total dependence on shrinking General Fund monies.

The Racing Department is committed to performing all statutory and regulatory duties in a manner that brings respect to the agency and the industry. Your continued leadership and support is greatly appreciated.

Respectfully yours,

A handwritten signature in black ink, appearing to read "L. Powell", written in a cursive style.

Lonny T. Powell
Director

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MEET THE DIRECTOR: LONNY POWELL



Director Powell arrived via Lexington, Kentucky in order to begin his ADOR tenure January 2010 at the conclusion of a national search. Born in California and raised primarily in Idaho as part of a horse racing family, Powell began his racing career as an assistant starter, jockey valet and maintenance worker at Boise's Les Bois Park and Tucson's Rillito Downs. He attended and graduated from the University of Arizona's Race Track Industry Program within the Department of Animal Sciences and later would become the Coordinator and Director of the Program. Years later, he returned to Arizona once again in order to serve as president of the State's largest track, Turf Paradise in Phoenix where he presided over a number of record-breaking business years which saw the track become a national player on the simulcast front, greatly expand its in-state OTB system and elevate the quality and competitiveness of its live racing program.

In addition to his considerable background in Arizona racing, Powell has extensive knowledge and expertise in the National racing scene having served as president, CEO or COO at a number of acclaimed and successful race tracks including: Santa Anita, Longacres and Multnomah Greyhound Park. In addition, he was hired as the first Executive Vice President-Operations for the largest owner of race tracks at the time, Magna Entertainment Corp. He also was named president and CEO of Racing Commissioners International (RCI) as well as Senior VP-Public Affairs at Youbet.com. He also served as the principal and Chairman of his own management and consulting company, L. Powell Strategy & Solutions of Kentucky where he represented such entities as the NTRA, Racing Medication & Testing Consortium, Multi-Media Games, Inc., Advance Monitoring Systems and many others.

As an adjunct to his career dedicated to racing, Powell was recruited to serve on a number of Boards including: NTRA, AQHA Racing Council, TRA, Los Angeles Turf Club (Santa Anita), Pacific Racing Association (Golden Gate Fields), Emerald Racing Association, Gulfstream Park, Remington Park, Race Track Chaplaincy of America, Bluegrass Farms Chaplaincy, University of Arizona RTIP College of Ag Advisory Council, Lone Mountain Vista of Scottsdale Home Owners Association and the Arizona 4-H State Board of Trustees.

During his course of duty Powell has received of number of awards and industry recognitions including: RCI's May Award for Distinguished National Service, Arizona Racing Commission Recognition of Service, Race Track Industry Program Distinguished Service, University of Arizona Presidents Club, AQHA Winners Circle Award and the John K. Goodman University of Arizona RTIP Outstanding Alumni Award.

ARIZONA RACING COMMISSION

The Arizona Racing Commission was established in 1949 by the Arizona Legislature. The Racing Commission is responsible for issuing racing dates; preparing and adopting rules to govern racing meetings as may be required to protect and promote the safety and welfare of the animals participating in racing meetings; protecting and promoting public health, safety and the proper conduct of racing and pari-mutuel wagering; conducting hearings on applications for racing permits; reviewing applications for capital improvements at racetracks; and conducting hearings and other legal procedures on matters relating to racing licensees and the racing industry.

Arizona Revised Statutes § 5-102 authorizes a five-member Racing Commission, who shall be appointed by the Governor pursuant to A.R.S. § 38-211. Appointment is for a term of five years.

The following Commissioners were serving on the Racing Commission during FY 2010.

Paul Ulan Chair



Paul Ulan. Mr. Ulan, Chair, is the principal of Primary Consultants, L.L.C., a Phoenix-based market research consulting firm specializing in political campaign management, phone banks, public affairs and issue management. Mr. Ulan has specialized in bond and override elections for school districts and tax-related elections, performing a variety of services including polling, demographics and public relations.

Melvin McDonald, Jr. Vice-Chair



Melvin McDonald, Jr. Mr. McDonald, Vice-Chair, is a partner of the law firm of Jones, Skelton & Hochuli since 1985 and practices in the areas of criminal defense and major civil litigation. He is a former United States Attorney for the District of Arizona (1981-1985), a former Superior Court Judge for Maricopa County (1974-1981), and has taught Criminal Justice at Arizona State University. Mr. McDonald is admitted to practice in Arizona state and federal courts. He is a fellow with the American College of Trial Lawyers.

**E. Kelly, D.V.M.
Racing Commissioner**



Thomas E. Kelly, D.V.M. Mr. Kelly, Racing Commissioner, has worked as a veterinarian at Arizona's greyhound racing tracks since the mid 1960's through the present. He was raised and received his pre-professional education in Arizona, his Veterinary Medicine Degree from Washington State University in 1961, and a Masters Degree of Public Health in 1965 from the University of California, Los Angeles. He retired in 1989, from 27 years as a Public Health Veterinarian for Maricopa County.

**Burton S. Kruglick
former Racing Commission Chairman**



Burton S. Kruglick. Mr. Kruglick, former Racing Commission Chairman, has been active in Arizona government and politics for many years. He is a former Chairman of the Arizona Republican Party (1985-1991) and served as Co-Chair for Senator John McCain's presidential campaign. He has been appointed to several Commissions and Boards over the years and is an active participant in community and philanthropic organizations.

**Erin Owens
former Racing Commission Chair**



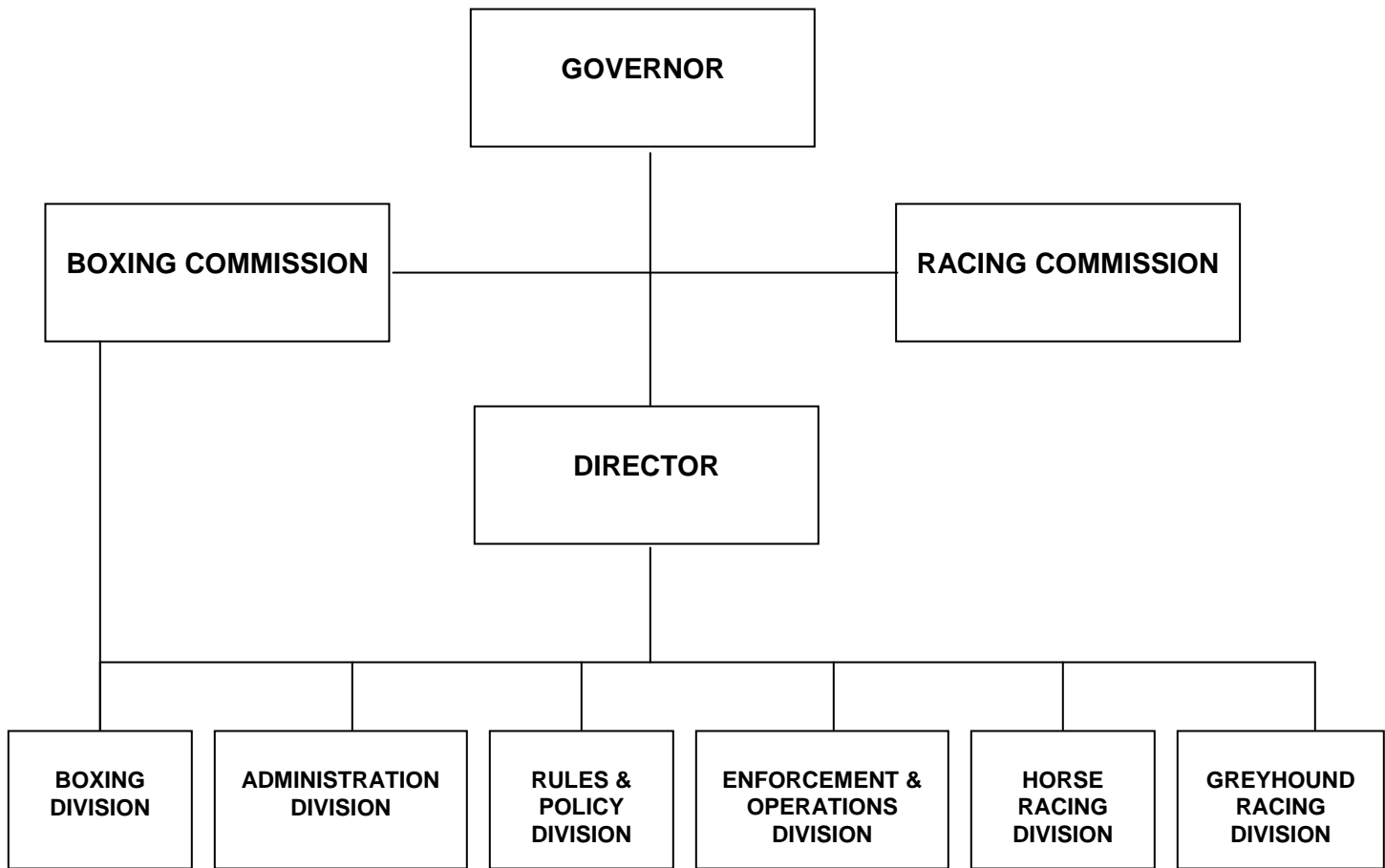
Erin Owens. Ms. Owens, former Racing Commission Chair, was raised in a Thoroughbred breeding and racing family in Arizona. She spent many years as an official at many racetracks. Some of her positions included Steward, Director of Racing and Racing Secretary, all of which has extended her knowledge of the horse racing industry. For 10 years, Ms. Owens was a Director at the University of Phoenix where she also completed her Master's degree. Ms. Owens is currently the Chair of the Association of Racing Commissioners International (RCI) and will conclude her term in April 2010.

The following are the terms of the current Commission members:

<u>Name</u>	<u>Member Designation</u>	<u>Expiration Date</u>
Erin Owens	Horse Racing Industry	1/18/2010(month to month)
Paul Ulan	Public	1/17/2011
Thomas E. Kelly, D.V.M.	Greyhound Racing Industry	1/16/2012
A. Melvin McDonald	Public	1/21/2013
Burton S. Kruglick	Public	1/20/2014

Department of Racing

The primary mission of the Department of Racing is to regulate and supervise pari-mutuel horse and greyhound racing and wagering conducted in Arizona in order to protect racing participants and the wagering public. In addition, the Department regulates and supervises boxing and mixed martial arts events conducted in Arizona to protect participants in these events.



Racing Regulation Summary

The Department of Racing's regulatory responsibilities ensure that all participants and permittees involved in commercial horse racing, greyhound racing, and county fair horse racing operate and perform in compliance with applicable Arizona statutes, rules and regulations. This is accomplished through the investigation and licensing activities of the Department.

Investigations

The Department investigates all possible violations of racing laws and rules. Investigation numbers listed below reflect the total number of investigations conducted for every incident, inspection, and background investigation, which includes processing of fingerprints and any resulting false applications. A background investigation is conducted for each license applicant who submits fingerprints as required by Department policy.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of incident investigations	414	209	120
Number of background investigations	3,425	1,608	1,104
Total number of investigations conducted	3,839	1,817	1,224

Types of Investigations

<u>Offenses</u>	<u>Total</u>	<u>Referred</u>	<u>No Violation</u>
False application	33	33	0
Disorderly conduct/assault	4	2	2
Human drug -testing	35	7	28
Animal drug testing	45	45	0
Kennel inspection	25	0	25
Whelping inspection	68	0	68
Vehicle inspection	25	0	25
License denial/ineligible	3	3	0
Information only	37	2	35
Total	275	92	183

Licensing

The Department processes and investigates all license applications in a timely manner while ensuring only those eligible receive licenses.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of licenses issued	5,848	2,292	2,971
Number of licenses denied	11	5	2
Number of licenses revoked	213	27	6

Racing Regulation

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. The Stewards may impose civil penalties up to \$1,000, license suspensions up to 60 days, and refer matters to the Director with recommendations of further action, including license revocation.

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Total rulings issued	521	562	463
Total Stewards Rulings Appealed	9	10	4
Percentage of Stewards' rulings upheld on appeal to the Director	77%	70%	72%

Director

The Director may conduct hearings of appeals or Stewards' referrals or may assign a case that has been appealed or referred to the Arizona Office of Administrative Hearings. The Administrative Law Judge provides the Director findings of fact, conclusions of law and a proposed order. The Director may accept or modify any decision proposed by the Judge. The table below summarizes hearings and cases by the Director, the Office of Administrative Hearings, and the Racing Commission.

<u>Summary of Hearings and Orders</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Director's hearings	431	5	61
Administrative Law Judge hearings	117	12	5
Racing Commission hearings	5	6	3
Total number of Director's orders*	419	118	47
Percentage of orders upheld on appeal to the Commission	75%	83%	100%

* Does not include orders for action taken such as stays, reinstatements, cases dismissed, etc.

Drug/Alcohol Testing

The Department of Racing is authorized to require persons licensed to submit to testing when there is reason to believe they may be under the influence of or unlawfully in possession of any prohibited substance regulated by Title 13, Chapter 34, or has consumed alcohol in violation of A.A.C. R19-2-112(8) or (10) or R19-2-311(9).

<u>Testing Summary</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Human Drug Tests	54	40	35
Positive Drug Tests	8	14	6
Licensee Refused to Test	5	1	2
Percent Positive	23%	35%	17%
Breath/Alcohol Tests	2	5	7
Positive Breath/Alcohol Tests	1	1	0
Percent Positive	50%	20%	0%

Racing Regulation

Horse & Dog Drug Testing

The Department contracts with independent laboratories for the analysis of horse urine and blood samples and dog urine samples. This analysis is required to enforce the rules of racing that prohibit animals from racing while under the influence of foreign substances.

<u>Testing Summary</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Horse Drug Testing			
Number positive equine drug tests	33	33	37
Percent positive equine drug tests	1.4%	1.93%	2.54%
Dog Drug Testing			
Number positive canine tests	5	4	1
Percent positive canine tests	.11%	.18%	0.06%
Totals			
Total Positive tests	38	37	38
Percent Total positive tests	0.5%	0.86%	1.2%

Teletracking

The Department of Racing has the authority to approve applications for teletracking (off-track betting) permits, license teletracking sites and their personnel, and monitor compliance for both operational and technical requirements. Turf Paradise, Yavapai County Fair Association (Yavapai Downs), Apache Greyhound Park, Phoenix Greyhound Park, and Tucson Greyhound Park each held teletracking permits approved by the Arizona Racing Commission to operate off-track wagering sites in FY 2010. A total of 67 off-track-betting sites were authorized to support both greyhound and horse racing in Arizona.

The total handle generated by commercial and county fair racing for teletracking was \$129.4 million. This included \$102.8 million for horse racing and \$26.6 million for greyhound racing. The State of Arizona received \$161,499 in revenue from the teletracking handle, all of which was generated from the Turf Paradise handle at off-track sites.

The handle at teletracking facilities declined 13.2% during FY 2010 when compared to the prior year.

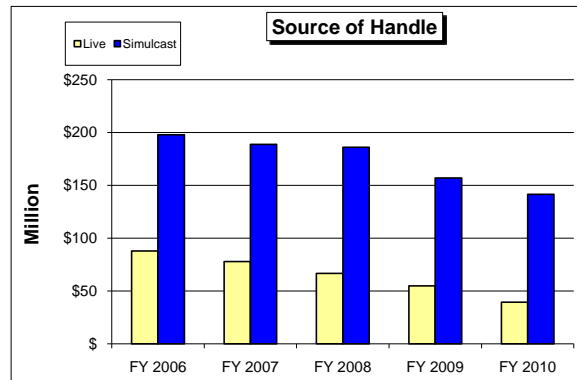
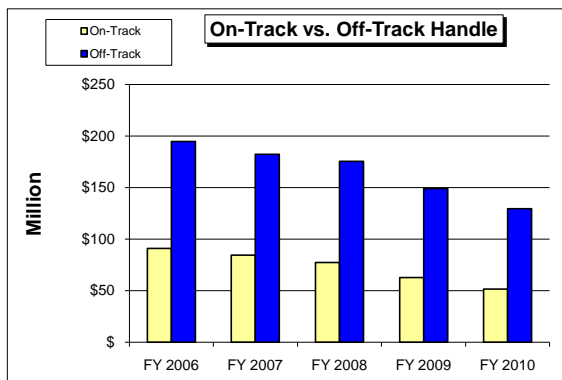
LICENSE BY CATEGORY

CATEGORY	HORSES				GREYHOUNDS				GRAND TOTAL
	TURF PARADISE	YAVAPAI DOWNS	COUNTY FAIR	TOTAL	PHOENIX	TUCSON	RBO	TOTAL	
1 YR CONCESSION			5	5				0	5
1 YR MUTUEL			5	5				0	5
1 YR PEACE OFFICER				0				0	0
3 YR COOLOUT				0	3	12		15	15
3 YR MUTUEL	100	41	22	163	7	25		32	195
3 YR PEACE OFFICER				0				0	0
APPRENTICE JOCKEY	4	1	2	7				0	7
ASSISTANT STARTER	5	7	2	14				0	14
ASSISTANT TRAINER	19	3		22		4		4	26
AUTH. AGENT-FULL	6	2		8				0	8
AUTH. AGENT-PARTIAL	84	12	6	102		3		3	105
BREED FARM/OTHER OP				0				0	0
COMBINATION OPER				0				0	0
DUPLICATE/NO FEE				0		2		2	2
EXERCISE RIDER	71	40	15	126				0	126
GROOM	201	39	59	299				0	299
INELIGIBLE	2			2				0	2
JOCKEY	22	16	1	39				0	39
JOCKEY AGENT	7			7				0	7
KENNEL-NEW				0				0	0
KENNEL-RENEWAL				0				0	0
OCCUPATIONAL	108	136	68	312	13	9		22	334
OFFICIAL	11	17	1	29	1	5		6	35
OTB	14	9		23	3	2		5	28
OUTRIDER	2	3		5				0	5
OWNER	602	275	98	975	6	10		16	991
OWNER-TRAINER	80	96	35	211				0	211
PADDOCK EMPLOYEE				0	5	40		45	45
PERMITTEE DIR/BD MBR	5	4		9				0	9
PLATER	16	5	1	22				0	22
PONY RIDER	34	38	20	92				0	92
RACING KENNEL				0			1	1	1
SECURITY	15	18	29	62	5	5		10	72
STABLE-NEW	60	2	3	65				0	65
STABLE-RENEWAL	11	18	1	30				0	30
TEMP. CLAIM	9			9				0	9
TEMP. OWNER	9			9				0	9
TEMP. STABLE	3			3				0	3
TRAINER	42	31	12	85		3		3	88
VENDOR-BUSINESS	1	4		5				0	5
VENDOR-EMPLOYEE	16	30	2	48		2		2	50
VETERINARIAN	6	3	3	12				0	12
VOIDS				0				0	0
LICENSES ISSUED	1,565	850	390	2,805	43	122	1	166	2,971
FINGERPRINTS TAKEN	1,161	600	299	2,060	32	75		107	2,167
LICENSING FEES	\$36,603	\$25,558	\$9,734	\$71,895	\$493	\$1,158	\$50	\$1,701	\$73,596
FINGERPRINT FEES	\$27,864	\$14,400	\$7,176	\$49,440	\$768	\$1,800		\$2,568	\$52,008
TOTAL FEES	\$64,467	\$39,958	\$16,910	\$121,335	\$1,261	\$2,958	\$50	\$4,269	\$125,604

COMMERCIAL AND COUNTY FAIR RACING
Commercial Horse, Greyhound and County Fair Racing

RACING STATISTICS	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<u>Race Days/Performances (including 4 Charity Days)</u>					
Live Race Days	933	909	852	840	685
Dark Day-Simulcast only	662	681	744	740	719
Total Race Days	1,595	1,590	1,596	1,580	1,404
Total Live Performances (Matinee & Evening)	933	909	852	840	685
<u>Number of Races</u>					
Live Races	12,513	11,791	10,205	10,793	8,353
Simulcast Races	262,275	284,597	287,415	269,318	234,679
Total Number of Races	274,788	296,388	297,620	280,111	243,032
<u>Attendance</u>					
On-Track	819,425	723,879	693,553	652,807	578,212
Off-Track	1,022,623	887,078	892,026	771,745	692,624
Total Attendance	1,842,048	1,610,957	1,585,579	1,424,552	1,270,836
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$178,946	\$167,667	\$158,359	\$133,970	\$128,880
Breakdown by location					
On-Track Handle	\$90,944,292	\$84,486,049	\$77,268,017	\$62,574,674	\$51,550,249
Off-Track Handle	\$194,474,484	\$182,104,065	\$175,472,915	\$149,097,386	\$129,397,125
Breakdown by source					
Live Races	\$87,686,434	\$77,780,820	\$66,643,403	\$54,856,192	\$39,392,293
Simulcast Races	197,732,342	188,809,295	186,097,529	156,815,868	141,555,081
Total Pari-Mutuel Handle	\$285,418,776	\$266,590,114	\$252,740,932	\$211,672,059	\$180,947,374
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$219,060,582	\$203,766,212	\$193,921,658	\$162,095,753	\$138,400,642
State Pari-Mutuel Revenues	\$527,860	\$431,437	\$429,592	\$326,590	\$314,021
<u>Track Mutuel Revenues</u>					
Track Commission	\$57,052,294	\$53,620,670	\$51,074,270	\$42,834,032	\$37,013,892
Capital Improvement Rebate	89,991	100,917	100,037	80,474	68,254
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	71,464	55,863	51,415	40,641	13,438
Hardship Tax Credit	2,653,989	2,353,026	1,768,623	1,497,803	835,919
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	1,221,958	1,085,469	1,026,555	857,514	746,129
Total Track Revenues	\$61,089,696	\$57,215,946	\$54,020,900	\$45,310,464	\$38,677,632
Purses	\$22,314,331	\$21,133,206	\$22,246,607	\$18,902,895	\$15,997,406

Racetrack Trends at a Glance



Commercial Racing

The Department of Racing regulates and supervises all commercial horse and greyhound racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona to enforce laws and regulations and to protect racing participants and the wagering public.

In FY 2010, the Arizona Racing Commission approved three-year commercial and teletracking permits for TP Racing, L.L.L.P., and a temporary permit to conduct teletracking at Apache Greyhound Park (American Greyhound Racing, Inc.). Yavapai County Fair Association filed a new application for commercial racing for fiscal years 2010, 2011 and 2012. By statute, Yavapai may continue to operate under their current permit until the Arizona Racing Commission, upon recommendation by the Department, has finally ruled on the application.

Commercial Racing Permittees, Tracks and Permit Terms

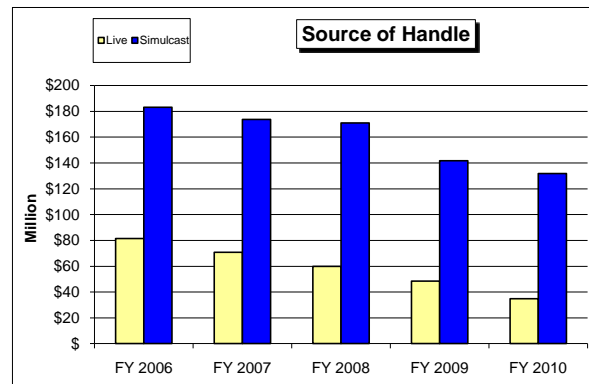
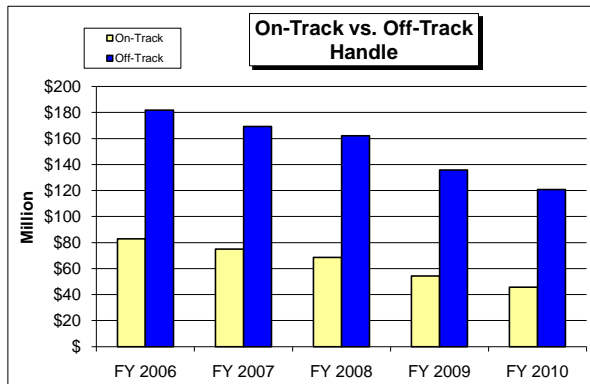
<u>Permittee</u>	<u>Track</u>	<u>Permit Term</u>
American Greyhound Racing, Inc.	Apache Greyhound Park	01/01/08 - 12/31/10
American Greyhound Racing, Inc.	Phoenix Greyhound Park	01/01/08 - 12/31/10
Pima County Horsemen's Association	Rillito Park	01/01/08 - 12/31/10
Tucson Greyhound Park, Inc.	Tucson Greyhound Park	01/01/08 - 12/31/10
TP Racing, L.L.L.P.	Turf Paradise Race Course	06/01/09 - 05/31/12
Yavapai County Fair Association	Yavapai Downs at Prescott Valley	*05/26/07 - 09/04/09

* application pending

COMMERCIAL TRACKS
Commercial Horse and Greyhound Racing

RACING STATISTICS	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Race Days/Performances (including 4 Charity Days)					
Live Race Days	874	845	788	775	631
Dark Day-Simulcast only	659	679	742	738	717
Total Race Days	1,533	1,524	1,530	1,513	1,348
Total Live Performances (Matinee & Evening)	874	845	788	775	631
Number of Races					
Live Races	11,994	11,219	9,637	10,229	7,885
Simulcast Races	259,747	281,048	283,889	265,027	230,939
Total Number of Races	271,741	292,267	293,526	275,256	238,824
Attendance					
On-Track	690,948	570,571	547,912	491,439	448,235
Off-Track	949,002	818,825	822,795	702,087	646,780
Total Attendance	1,639,950	1,389,396	1,370,707	1,193,526	1,095,015
Pari-Mutuel Handle					
Average Handle per Race Day	\$172,643	\$160,357	\$150,869	\$125,708	\$123,583
Breakdown by location					
On-Track Handle	\$82,814,154	\$75,031,996	\$68,590,356	\$54,334,827	\$45,779,534
Off-Track Handle	\$181,847,949	\$169,352,518	\$162,238,621	\$135,862,133	\$120,810,375
Breakdown by source					
Live Races	\$81,471,551	\$70,820,823	\$59,962,992	\$48,594,826	\$34,862,474
Simulcast Races	183,190,552	173,563,691	170,865,985	141,602,133	131,727,434
Total Pari-Mutuel Handle	\$264,662,103	\$244,384,514	\$230,828,978	\$190,196,960	\$166,589,908
DISTRIBUTION OF REVENUES					
Returned to Wagering Public	\$203,192,511	\$186,927,263	\$177,373,642	\$145,736,829	\$127,231,702
State Pari-Mutuel Revenues	\$527,860	\$431,437	\$429,592	\$326,590	\$314,021
Track Mutuel Revenues					
Track Commission	\$52,948,454	\$49,230,357	\$46,717,237	\$38,540,728	\$34,129,931
Capital Improvement Rebate	89,991	100,917	100,037	80,474	68,254
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	71,464	55,863	51,415	40,641	13,438
Hardship Tax Credit	2,653,989	2,353,026	1,768,623	1,497,803	835,919
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	1,110,798	968,928	917,242	752,862	677,382
Total Track Revenues	\$56,874,696	\$52,709,092	\$49,554,554	\$40,912,508	\$35,724,923
Purses	\$20,107,799	\$18,520,580	\$19,323,512	\$16,208,760	\$14,033,433

Racetrack Trends at a Glance



Commercial Horse Racing

The Department of Racing is responsible for regulating and supervising all commercial horse racing meetings, conducting investigations, issuing licenses, conducting equine and human drug testing, overseeing wagering, hearing appeals of decisions, conducting hearings on investigation referrals and race incidents, collecting revenues for the State, and distributing awards to program recipients.

Investigations

Investigation numbers listed below reflect the total number of investigations conducted for every incident and background investigation, which includes processing of fingerprints and any resulting false applications.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of incident investigations	146	21	90
Number of background investigations	1,876	1,154	914
Total number of investigations conducted	2,022	1,175	1,004

Licensing

The Department issues licenses to participate in racing to those who are qualified and eligible.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of licenses issued	3,692	1,530	2415
Number of licenses denied	7	4	2
Number of licenses revoked	99	14	4

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. All races are observed and supervised to ensure that all participants comply with the rules of racing.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of rulings issued	347	395	362
Total steward rulings appealed	6	9	2
Percentage of rulings upheld on appeal to the Director	66%	66%	72%
<u>Rulings by Track</u>			
Turf Paradise	222	268	263
Yavapai Downs	125	127	99

Commercial Horse Racing

Director

The Director of the Department is required by statute to review all rulings issued by the Stewards. Individual licensees may also appeal a Stewards' ruling to the Director, and if not satisfied with the Director's order, to the Racing Commission. The Office of Administrative Hearings also hears matters referred by the Director.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of Director's hearings	236	69	39
Number of Administrative Law Judge hearings	116	10	5
Number of Racing Commission hearings	4	5	3
Total number of Director's orders *	234	67	29
Percentage of orders upheld on appeal to the Commission	100%	80%	100%
<u>Orders by Track</u>			
Turf Paradise	160	44	21
Yavapai Downs	74	23	8

* Does not include orders for action such as stays, reinstatements, cases dismissed, etc.

Breeders & Stallion Awards

The Department encourages and promotes horse breeding in Arizona through the administration of and distribution to recipients of funds available through Breeders and Stallion Awards Programs.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of active registered breeders	3,459	3,504	3,548
Percentage of registered breeders winning awards	2.5%	4%	4%
Number of registered horses	6,682	6,944	7,230
Percentage of registered horses winning awards	1.0%	1.2%	1.0%
Quarter Horse Breeders' Awards	\$99,928	\$84,267	\$53,585
Thoroughbred Breeders' Awards	\$749,500	\$649,903	\$221,970
Stallion Awards	\$96,369	\$59,417	\$39,162

Racehorse Adoption

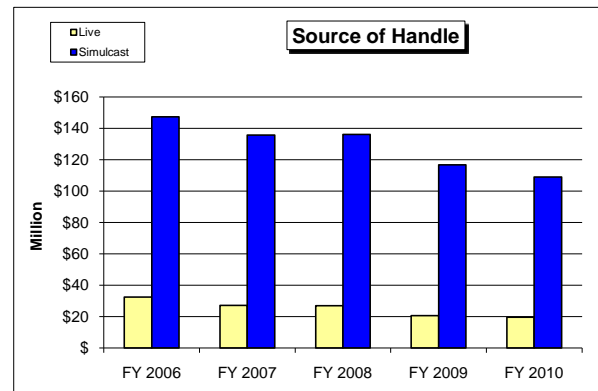
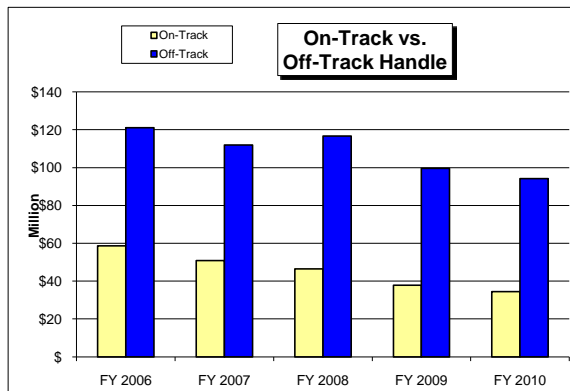
The Department provides grants to non-profit organizations to promote the adoption of retired racehorses in Arizona. The funds for this program are generated from a surcharge against all civil penalties assessed in connection with horseracing in Arizona. The program went into effect in 2005 and the first award was made in 2006.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of grants awarded	1	1	1
Amount of grants awarded	\$1,496	\$1,647	\$1,244

COMMERCIAL HORSE TRACKS
Rillito Park, Turf Paradise, Yavapai Downs

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Race Days/Performances (including 3 charity days)					
Live Race Days	207	185	188	181	181
Dark Day-Simulcast Only	239	252	252	251	261
Total Race Days	446	437	440	432	442
Total Live Performances	207	185	188	181	181
Number of Races					
Live Races	1,875	1,674	1,706	1,620	1,624
Simulcast Races	47,514	48,881	50,688	50,382	57,041
Total Number of Races	49,389	50,555	52,394	52,002	58,665
Attendance					
On-Track	432,654	328,492	324,079	289,381	290,388
Off-Track	683,821	592,070	614,599	523,798	496,143
Total Attendance	1,116,475	920,562	938,678	813,179	786,531
Pari-Mutuel Handle					
Average Handle per Race Day	\$402,987	\$372,843	\$370,672	\$318,135	\$290,986
Breakdown by location					
On-Track Handle	\$58,639,790	\$50,914,112	\$46,415,601	\$37,880,820	\$34,441,647
Off-Track Handle	\$121,092,552	\$112,018,399	\$116,680,191	\$99,553,421	\$94,173,951
Breakdown by source					
Live Races	\$32,503,981	\$27,254,506	\$27,094,443	\$20,777,540	\$19,594,567
Simulcast Races	147,228,362	135,678,005	136,001,349	116,656,700	109,021,031
Total Pari-Mutuel Handle	\$179,732,342	\$162,932,511	\$163,095,792	\$137,434,240	\$128,615,598
DISTRIBUTION OF REVENUES					
Returned to Wagering Public	\$138,105,510	\$124,571,918	\$125,299,914	\$105,457,399	\$98,157,491
State Pari-Mutuel Revenues	\$527,860	\$431,437	\$429,592	\$326,590	\$314,021
Track Mutuel Revenues					
Track Commission	\$36,050,363	\$32,688,941	\$32,744,518	\$27,789,057	\$26,094,321
Capital Improvement Rebate	89,991	100,917	100,037	80,474	68,254
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	15,413	12,743	12,268	8,494	9,623
Hardship Tax Credit	16,825	0	0	0	0
Breakage	889,107	768,659	759,954	629,086	586,731
Total Track Revenues	\$37,061,698	\$33,571,259	\$33,616,777	\$28,507,112	\$26,758,929
Purses	\$15,515,306	\$14,260,653	\$15,828,636	\$13,448,044	\$12,474,952

Racetrack Trends at a Glance



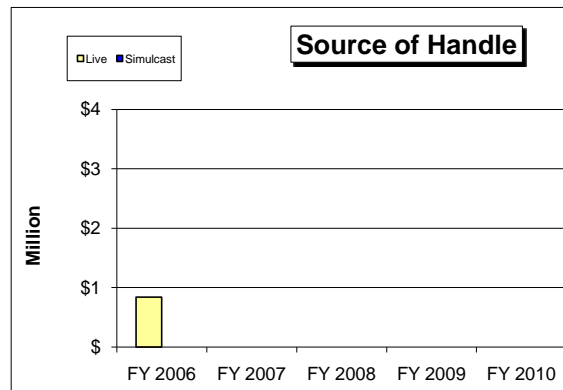
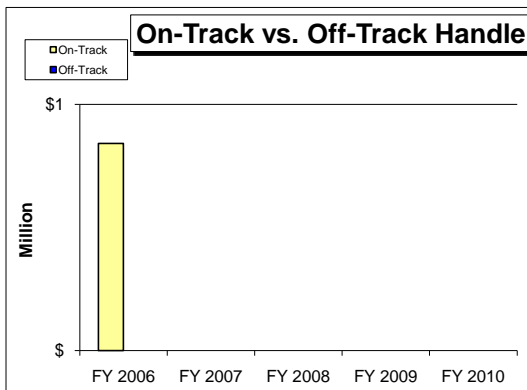
4502 North First Avenue
Tucson, Arizona 85728

RILLITO PARK
Pima County Fair Horse Racing Commission

FY 2010 Racing Dates:
None (see county fairs)

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances</u>					
Live Race Days	9	0	0	0	0
Dark Day-Simulcast Only	0	0	0	0	0
Total Race Days	9	0	0	0	0
Total Live Performances	9	0	0	0	0
<u>Number of Races</u>					
Live Races	83	0	0	0	0
Simulcast Races	0	0	0	0	0
Total Number of Races	83	0	0	0	0
<u>Attendance</u>					
On-Track	40,705	0	0	0	0
Off-Track	0	0	0	0	0
Total Attendance	40,705	0	0	0	0
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$93,470	\$0	\$0	\$0	\$0
Breakdown by location					
On-Track Handle	\$841,230	\$0	\$0	\$0	\$0
Off-Track Handle	\$0	\$0	\$0	\$0	\$0
Breakdown by source					
Live Races	\$841,230	\$0	\$0	\$0	\$0
Simulcast Races	0	0	0	0	0
Total Pari-Mutuel Handle	\$841,230	\$0	\$0	\$0	\$0
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$643,248	\$0	\$0	\$0	\$0
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$175,287	\$0	\$0	\$0	\$0
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	0	0	0	0	0
Hardship Tax Credit	16,825	0	0	0	0
Breakage	5,871	0	0	0	0
Total Track Revenues	\$197,982	\$0	\$0	\$0	\$0
Purses	\$189,054	\$0	\$0	\$0	\$0

Racetrack Trends at a Glance



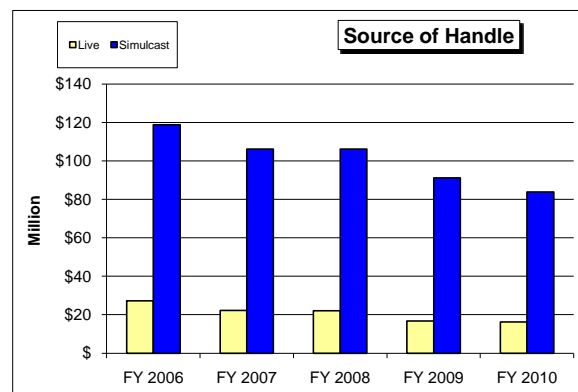
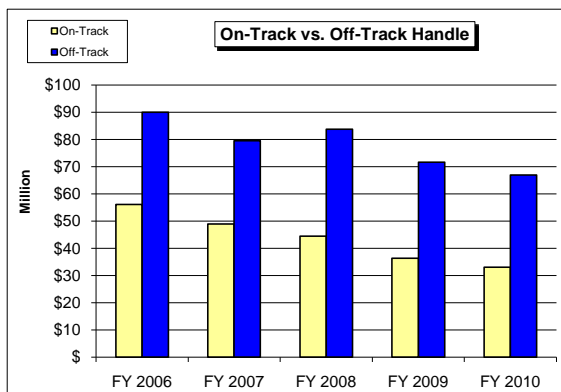
1501 West Bell Road
Phoenix, Arizona 85023

TURF PARADISE
TP Racing, L.L.L.P.

FY 2010 Racing Dates:
July 1, 2009 - June 30, 2010

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances</u> (including 3 charity days)					
Live Race Days	151	133	133	131	129
Dark Day-Simulcast Only	197	211	212	208	214
Total Race Days	348	344	345	339	343
Total Live Performances	151	133	133	131	129
<u>Number of Races</u>					
Live Races	1,375	1,205	1,211	1,175	1,164
Simulcast Races	43,371	44,605	46,485	46,112	50,334
Total Number of Races	44,746	45,810	47,696	47,287	51,498
<u>Attendance</u>					
On-Track	331,511	282,764	281,137	255,374	258,241
Off-Track	473,525	420,788	441,130	376,924	352,858
Total Attendance	805,036	703,552	722,267	632,298	611,099
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$419,562	\$373,056	\$371,605	\$318,577	\$291,383
Breakdown by location					
On-Track Handle	\$56,037,345	\$48,856,296	\$44,483,207	\$36,350,503	\$32,995,111
Off-Track Handle	\$89,970,068	\$79,475,014	\$83,720,553	\$71,646,948	\$66,949,360
Breakdown by source					
Live Races	\$27,163,223	\$22,208,647	\$22,092,609	\$16,753,833	\$16,181,894
Simulcast Races	118,844,190	106,122,663	106,111,151	91,243,618	83,762,576
Total Pari-Mutuel Handle	\$146,007,413	\$128,331,310	\$128,203,760	\$107,997,451	\$99,944,470
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$112,372,468	\$98,117,698	\$98,508,381	\$83,068,015	\$76,074,976
State Pari-Mutuel Revenues	\$527,860	\$431,437	\$429,592	\$326,590	\$314,021
<u>Track Mutuel Revenues</u>					
Track Commission	\$29,267,373	\$25,747,068	\$25,770,861	\$21,843,282	\$20,257,041
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	15,413	12,743	12,268	8,494	9,623
Hardship Tax Credit	0	0	0	0	0
Breakage	721,384	600,244	605,819	500,393	458,532
Total Track Revenues	\$30,004,169	\$26,360,055	\$26,388,947	\$22,352,169	\$20,725,197
Purses	\$12,841,141	\$11,532,280	\$13,008,498	\$11,053,240	\$9,941,897

Racetrack Trends at a Glance



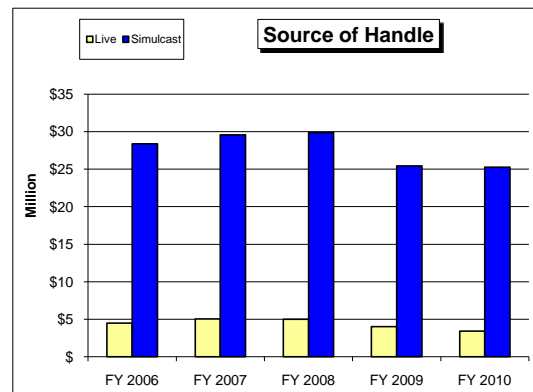
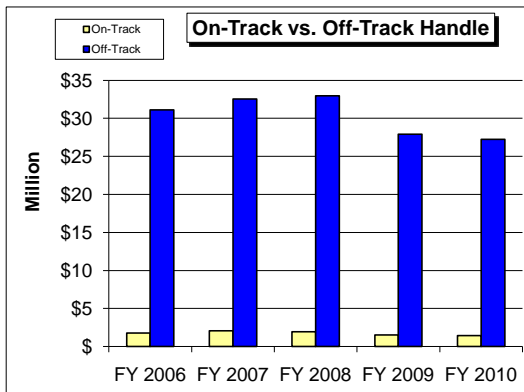
10501 Hwy. 89A
Prescott Valley, Arizona 86314

YAVAPAI DOWNS
Yavapai County Fair Association

FY 2010 Racing Dates:
July 1, 2009 - September 4, 2009
May 29, 2010 - June 30, 2010

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances</u>					
Live Race Days	47	52	55	50	52
Dark Day-Simulcast Only	42	41	40	43	47
Total Race Days	89	93	95	93	99
Total Live Performances	47	52	55	50	52
<u>Number of Races</u>					
Live Races	417	469	495	445	460
Simulcast Races	4,143	4,276	4,203	4,270	6,707
Total Number of Races	4,560	4,745	4,698	4,715	7,167
<u>Attendance</u>					
On-Track	60,438	45,728	42,942	34,007	32,147
Off-Track	210,296	171,282	173,469	146,874	143,285
Total Attendance	270,734	217,010	216,411	180,881	175,432
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$369,480	\$372,056	\$367,285	\$316,525	\$289,607
Breakdown by location					
On-Track Handle	\$1,761,215	\$2,057,817	\$1,932,394	\$1,530,316	\$1,446,536
Off-Track Handle	\$31,122,484	\$32,543,385	\$32,959,639	\$27,906,473	\$27,224,591
Breakdown by source					
Live Races	\$4,499,528	\$5,045,859	\$5,001,835	\$4,023,707	\$3,412,672
Simulcast Races	28,384,172	29,555,342	29,890,198	25,413,082	25,258,455
Total Pari-Mutuel Handle	\$32,883,699	\$34,601,201	\$34,892,032	\$29,436,790	\$28,671,127
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$25,089,795	\$26,454,220	\$26,791,533	\$22,389,384	\$22,082,514
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$6,607,704	\$6,941,873	\$6,973,658	\$5,945,775	\$5,837,279
Capital Improvement Rebate	89,991	100,917	100,037	80,474	68,254
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
Breakage	161,852	168,414	154,136	128,693	128,199
Total Track Revenues	\$6,859,546	\$7,211,204	\$7,227,830	\$6,154,943	\$6,033,732
Purses	\$2,485,110	\$2,728,373	\$2,820,139	\$2,394,804	\$2,533,056

Racetrack Trends at a Glance



* Prescott Downs through 2001

County Fair Racing

The Department of Racing is responsible for regulating and supervising all county fair horse racing meetings, providing staff to operate race meetings, conducting investigations, issuing licenses, conducting equine and human drug testing, overseeing wagering, conducting hearings on investigation referrals, and collecting revenues for the State. The Department of Racing recognizes that county fair racing is an important component of the Arizona racing industry.

County fair racing is supported by the following two fund sources, the County Fair Racing Fund and the County Fair Racing Betterment Fund. The County Fair Racing Fund is authorized for the administration of county fair racing; the County Fair Racing Betterment Fund provides purse subsidy and betterment grants to every eligible county fair association for conducting county fair racing meetings. In FY 2010, the Department spent \$340,200 from the County Fair Racing Fund for this program, and distributed \$519,400 in Betterment payments to counties.

Investigations

Investigation numbers listed below reflect the total number of investigations conducted for every incident and background investigation, which includes processing of fingerprints and any resulting false applications.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of incident investigations	21	49	12
Number of background investigations	586	141	75
Total number of investigations conducted	607	190	87

Licensing

The Department issues licenses to participate in racing to those who are qualified and eligible.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of licenses issued	892	409	390
Number of licenses denied	1	0	0
Number of licenses revoked	38	6	0

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. All races are observed and supervised to ensure that all participants comply with the rules of racing.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of Stewards' rulings issued	28	38	11
Total Stewards' rulings appealed	3	0	1
Percentage of Stewards' rulings upheld on appeal to the Director	100%	NA	0%

Rulings by Track

Apache County Fair, St. Johns	3	3	1
Cochise County Fair, Douglas	4	0	6
Coconino County Fair, Flagstaff	2	2	0
Gila County Fair, Globe	2	2	0
Graham County Fair, Safford	4	11	0
Greenlee County Fair, Duncan	1	4	1
Mohave County Fair, Kingman	4	1	0
Pima County Fair, Rillito Park in Tucson	5	12	2
Santa Cruz County Fair, Sonoita	3	3	1

County Fair Racing

Director

The Director of the Department is required by statute to review all rulings issued by the Stewards. Individual licensees may also appeal a Stewards' ruling to the Director, and if not satisfied with the Director's order, to the Racing Commission. The Office of Administrative Hearings also hears matters referred by the Director.

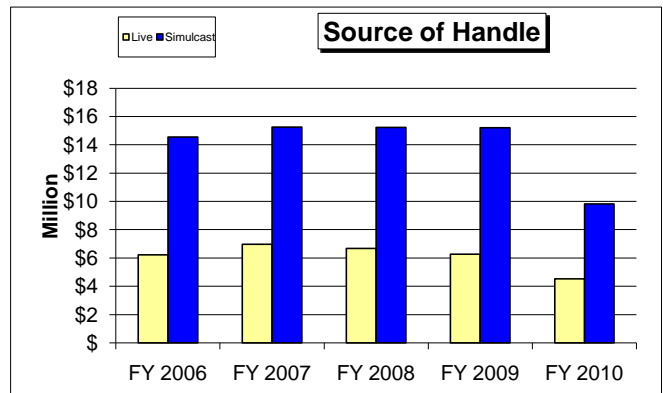
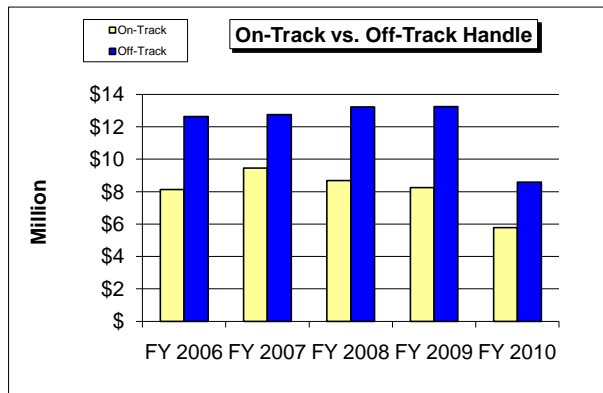
<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of Director's hearings	74	23	3
Number of Administrative Law Judge hearings	1	2	0
Number of Racing Commission hearings	0	0	0
Total number of Director's orders*	69	22	3
Percentage of orders upheld on appeal to the Commission	NA	NA	NA
<u>Orders by Track</u>			
Apache County Fair, St. Johns	6	1	0
Cochise County Fair, Douglas	8	2	0
Coconino County Fair, Flagstaff	18	2	1
Gila County Fair, Globe	3	2	0
Graham County Fair, Safford	2	1	1
Greenlee County Fair, Duncan	3	1	0
Mohave County Fair, Kingman	4	2	0
Pima County Fair, Rillito Park in Tucson	16	10	1
Santa Cruz County Fair, Sonoita	9	1	0

* Does not include orders for action such as stays, reinstatements, cases dismissed, etc.

COUNTY FAIR TRACKS
County Fair Racing at Fairs and Commercial Tracks

RACING STATISTICS	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Race Days/Performances					
Live Race Days	59	64	64	65	54
Dark Day-Simulcast Only	3	2	2	2	2
Total Race Days	62	66	66	67	56
Total Live Performances	59	64	64	65	54
Number of Races					
Live Races	519	572	568	564	468
Simulcast Races	2,528	3,549	3,526	4,291	3,740
Total Number of Races	3,047	4,121	4,094	4,855	4,208
Attendance					
On-Track	128,477	153,308	145,641	161,368	129,977
Off-Track	73,621	68,253	69,231	69,658	45,844
Total Attendance	202,098	221,561	214,872	231,026	175,821
Pari-Mutuel Handle					
Average Handle per Race Day	\$334,785	\$336,448	\$331,999	\$320,524	\$256,383
Breakdown by location					
On-Track Handle	\$8,130,138	\$9,454,053	\$8,677,661	\$8,239,847	\$5,770,715
Off-Track Handle	\$12,626,535	\$12,751,547	\$13,234,294	\$13,235,253	\$8,586,751
Breakdown by source					
Live Races	\$6,214,883	\$6,959,997	\$6,680,411	\$6,261,365	\$4,529,820
Simulcast Races	14,541,789	15,245,603	15,231,544	15,213,734	9,827,646
Total Pari-Mutuel Handle	\$20,756,673	\$22,205,600	\$21,911,955	\$21,475,100	\$14,357,466
DISTRIBUTION OF REVENUES					
Returned to Wagering Public	\$15,868,071	\$16,838,949	\$16,548,016	\$16,358,923	\$11,168,940
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
Track Mutuel Revenues					
Track Commission	\$4,103,839	\$4,390,313	\$4,357,033	\$4,293,304	\$2,883,962
Breakage	111,160	116,542	109,312	104,652	68,748
Total Track Revenues	\$4,214,999	\$4,506,854	\$4,466,346	\$4,397,956	\$2,952,709
Purses	\$2,206,532	\$2,612,626	\$2,923,095	\$2,694,134	\$1,963,973

Racetrack Trends at a Glance



County Fair Racing

Schedule and Statistics
FY 2010

	<u>Race Days</u>	<u>Live Races</u>	<u>Simulcast Races</u>	<u>Total Handle</u>	<u>Simulcast Handle</u>	<u>Attendance</u>	<u>Returned to Public</u>	<u>Track Commission</u>	<u>Breakage to Track</u>	<u>Purses</u>
Fairs at Non-Commercial Tracks										
Coconino County Fair at Flagstaff July 2, 3, 4, 5, 2009	4	33	-	252,432	-	9,750	195,656	49,466	2,261	78,532
Apache County Fair at St. Johns September 11, 12, 13, 2009	3	24	-	34,260	-	1,164	26,617	6,549	410	54,107
Gila County Fair at Globe September 26, 27, October 3, 4, 2009	4	32	-	56,313	-	1,760	43,693	10,951	542	69,563
Pima County Fair at Tucson January 16, 17, 23, 24, 30, 31, February 6, 13, 14, 20, 21, 2010	11	83	-	795,853	-	47,616	609,094	165,232	5,610	256,500
Greenlee County Fair at Duncan March 6, 7, 13, 14, 2010	4	28	-	79,931	-	1,918	62,181	15,485	666	71,146
Graham County Fair at Safford March 20, 21, 2010	2	20	-	63,698	-	4,550	49,504	12,360	560	33,184
Cochise County Fair at Douglas April 10, 11, 2010	2	20	-	64,638	-	3,600	50,266	12,538	541	29,082
Santa Cruz County Fair at Sonoita April 24, 25, May 1, 2, 2010	4	29	-	142,695	-	8,500	111,145	27,402	1,287	106,450
Subtotal - Fairs at Non-Commercial Tracks	34	269	0	\$1,489,820	\$0	78,858	\$1,148,155	\$299,984	\$11,878	\$698,562
Fairs at Commercial Tracks										
Yavapai County Fair at Prescott Valley (Yavapai Downs) September 5, 6, 7, 8, 2009	4	37	218	1,383,060	1,120,517	9,493	1,085,007	279,693	6,385	134,838
Maricopa County Fair at Phoenix (Turf Paradise) January 2, 3, 30, 31, 2010	4	36	617	2,346,848	1,752,939	17,305	1,837,050	470,014	10,332	250,540
La Paz County Fair at Phoenix (Turf Paradise) January 16, 17, 23, 24, 2010	4	27	697	1,987,570	1,633,968	15,823	1,568,692	397,987	9,872	178,978
Pinal County Fair at Phoenix (Turf Paradise) February 6, 7, 13, 14, 2010	4	27	570	2,339,637	1,741,361	18,729	1,768,940	473,112	9,683	227,015
Navajo County Fair at Phoenix (Turf Paradise) March 6, 7, 13, 14, 2010	4	36	802	2,828,180	2,123,589	19,441	2,235,758	566,585	11,360	264,121
Yuma County Fair at Phoenix (Turf Paradise) April 23, 24, 25, 26, 2010	4	36	836	1,982,350	1,455,272	16,172	1,525,338	396,585	9,239	209,920
Subtotal - Fairs at Commercial Tracks	24	199	3,740	\$12,867,646	\$9,827,646	96,963	\$10,020,785	\$2,583,977	\$56,870	\$1,265,411
Total - All County Fair Racing	58	468	3,740	\$14,357,466	\$9,827,646	175,821	\$11,168,940	\$2,883,962	\$68,748	\$1,963,973

Commercial Greyhound Racing

The Department of Racing is responsible for regulating and supervising all commercial greyhound racing meetings, conducting investigations, issuing licenses, conducting greyhound drug testing, overseeing wagering, hearing appeals of decisions, conducting hearings on investigation referrals and race incidents, collecting revenues for the State, and distributing awards to program recipients.

Investigations

Investigation numbers listed below reflect the total number of investigations conducted for every incident, inspection, and background investigation, which includes processing of fingerprints and any resulting false applications.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of incident investigations	247	139	18
Number of background investigations	963	259	115
Total number of investigations conducted	1,210	398	133

Licensing

The Department issues licenses to participate in racing to those who are qualified and eligible.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of licenses issued	1,264	353	166
Number of licenses denied	3	1	0
Number of licenses revoked	66	7	2

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. All races are observed and supervised to ensure that all participants comply with the rules of racing.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of Stewards' rulings issued	146	141	90
Total Stewards' rulings appealed	0	1	1
Percentage of Stewards' rulings upheld on appeal to the Director	NA	100%	100%
<u>Rulings by Track</u>			
Phoenix Greyhound Park	36	60	*18
Tucson Greyhound Park	110	81	71

* PGP last day of live racing was December 19, 2009

Commercial Greyhound Racing

Director

The Director of the Department is required by statute to review all rulings issued by the Stewards. Individual licensees may also appeal a Stewards' ruling to the Director, and if not satisfied with the Director's ruling, to the Racing Commission. The Office of Administrative Hearings also hears matters referred by the Director.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of Director's hearings	121	23	19
Number of Administrative Law Judge hearings	0	0	0
Number of Racing Commission hearings	1	1	0
Total number of Director's orders *	116	29	15
Percentage of orders upheld on appeal to the Commission	100%	100%	N/A
<u>Orders by Track</u>			
Phoenix Greyhound Park	60	13	6
Tucson Greyhound Park	56	16	9

* Does not include orders for action such as stays, reinstatements, cases dismissed, etc.

Inspections

The Department inspects greyhound farms, kennels, vehicles that haul greyhounds and other operations after the facilities have satisfied requirements.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of facility licenses issued	58	6	6
Number of inspections conducted at facilities	35	20	25
Percentage of inspections resulting in violations and disciplinary action	1%	5%	0%
Number of whelping inspections	81	66	68
Number of vehicle inspections	36	31	25

Breeders' Awards

The Department encourages and promotes greyhound breeding in Arizona through the administration of and distribution to recipients of funds available through the Breeders' Awards Programs.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Amount of awards	\$311,191	\$223,112	\$77,227
Percentage of breeders winning awards	93%	6%	21%
Number of greyhounds earning awards	604	612	1,027
Number of registered greyhounds	10,313	10,664	10,959

Greyhound Adoption

The Department provides grants to non-profit organizations to promote the adoption of retired racing greyhounds as domestic pets. This fund receives 100% of all fees collected from licensing greyhound racing kennels, breeding farms and other operations where greyhounds are raised for racing purposes. In FY 2009, the fund received \$0.

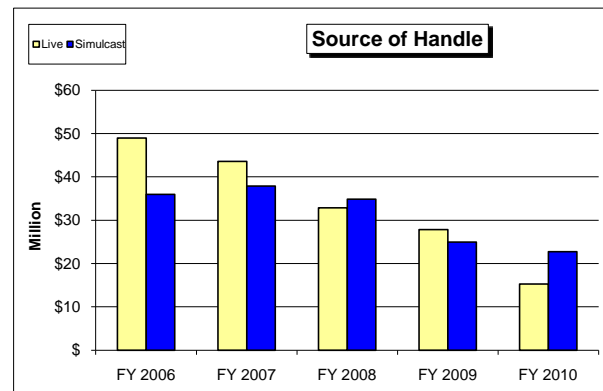
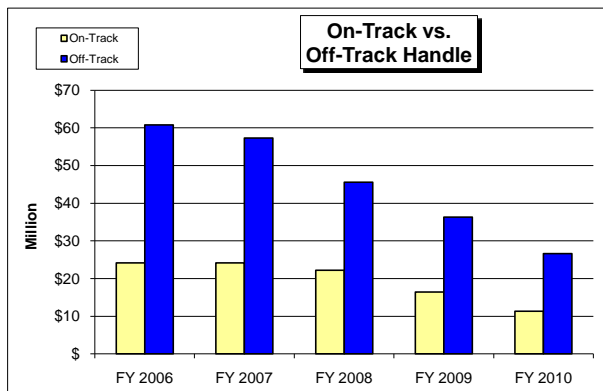
<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of grants awarded	1	0	3
Amount of grants awarded	\$1,250	\$0	\$375

COMMERCIAL GREYHOUND TRACKS

Apache Greyhound, Phoenix Greyhound,
Tucson Greyhound

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances</u> (including 1 charity days)					
Live Race Days	667	660	600	594	450
Dark Day-Simulcast only	420	427	490	487	456
Total Race Days	1,087	1,087	1,090	1,081	906
Total Live Performances (Matinee & Evening)	667	660	600	594	450
<u>Number of Races</u>					
Live Races	10,119	9,545	7,931	8,609	6,261
Simulcast Races	212,233	232,167	233,201	214,645	173,898
Total Number of Races	222,352	241,712	241,132	223,254	180,159
<u>Attendance</u>					
On-Track	258,294	242,079	223,833	202,058	157,847
Off-Track	265,181	226,755	208,196	178,289	150,637
Total Attendance	523,475	468,834	432,029	380,347	308,484
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$78,132	\$74,933	\$62,141	\$48,809	\$41,914
Breakdown by location					
On-Track Handle	\$24,174,364	\$24,117,884	\$22,174,756	\$16,454,007	\$11,337,887
Off-Track Handle	\$60,755,397	\$57,334,119	\$45,558,430	\$36,308,712	\$26,636,424
Breakdown by source					
Live Races	\$48,967,570	\$43,566,317	\$32,868,549	\$27,817,286	\$15,267,907
Simulcast Races	35,962,191	37,885,687	34,864,637	24,945,433	22,706,403
Total Pari-Mutuel Handle	\$84,929,761	\$81,452,003	\$67,733,186	\$52,762,719	\$37,974,311
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$65,087,000	\$62,355,345	\$52,073,727	\$40,279,431	\$29,074,212
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$16,898,092	\$16,541,416	\$13,972,719	\$10,751,671	\$8,035,610
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	56,052	43,121	39,147	32,148	3,815
Hardship Tax Credit	2,637,164	2,353,026	1,768,623	1,497,803	835,919
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	221,691	200,269	157,288	123,775	90,650
Total Track Revenues	\$19,812,998	\$19,137,832	\$15,937,777	\$12,405,397	\$8,965,995
Purses	\$4,592,493	\$4,259,927	\$3,494,876	\$2,760,716	\$1,558,481

Racetrack Trends at a Glance



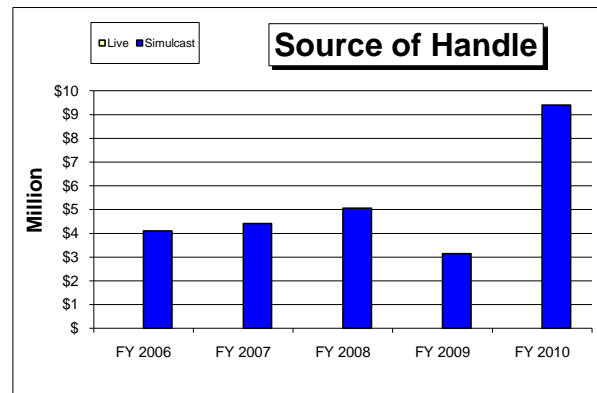
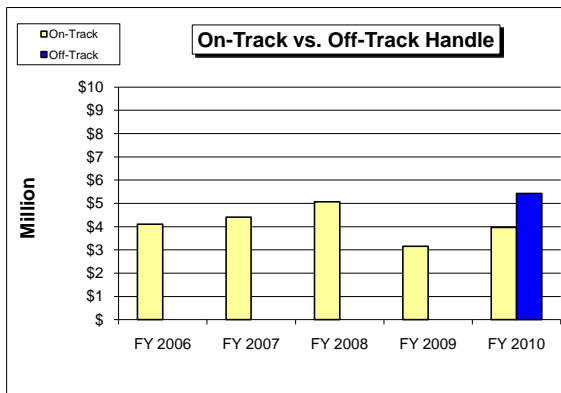
APACHE GREYHOUND PARK
American Greyhound Racing, Inc.

2551 West Apache Trail
 Apache Junction, Arizona 85220

FY 2010 Racing Dates:
 July 1, 2009 - June 30, 2010

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances</u>					
Live Race Days	0	0	0	0	0
Dark Day-Simulcast only	362	362	363	362	362
Total Race Days	362	362	363	362	362
Total Live Performances (Matinee & Evening)	0	0	0	0	0
<u>Number of Races</u>					
Live Races	0	0	0	0	0
Simulcast Races	64,529	72,968	73,490	71,625	72,965
Total Number of Races	64,529	72,968	73,490	71,625	72,965
<u>Attendance</u>					
On-Track	82,160	79,200	79,013	78,565	78,698
Off-Track	0	0	0	0	41,406
Total Attendance	82,160	79,200	79,013	78,565	120,104
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$11,329	\$12,191	\$13,957	\$8,702	\$25,949
Breakdown by location					
On-Track Handle	\$4,101,136	\$4,413,071	\$5,066,332	\$3,150,048	\$3,963,410
Off-Track Handle	\$0	\$0	\$0	\$0	\$5,430,189
Breakdown by source					
Live Races	\$0	\$0	\$0	\$0	\$0
Simulcast Races	4,101,136	4,413,071	5,066,332	3,150,048	9,393,598
Total Pari-Mutuel Handle	\$4,101,136	\$4,413,071	\$5,066,332	\$3,150,048	\$9,393,598
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Wagering Public</u>	\$3,223,463	\$3,441,643	\$3,886,753	\$2,402,290	\$7,002,240
<u>State Pari-Mutuel Revenues</u>	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$942,979	\$1,032,928	\$1,192,917	\$732,497	\$2,216,286
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	8,810	9,110	8,235	6,572	21,773
Total Track Revenues	\$951,789	\$1,042,037	\$1,201,152	\$739,069	\$2,238,059
Purses	\$187,587	\$201,092	\$228,396	\$147,643	\$78,122

Racetrack Trends at a Glance



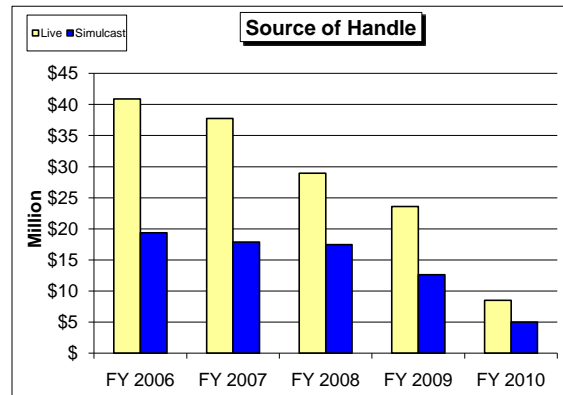
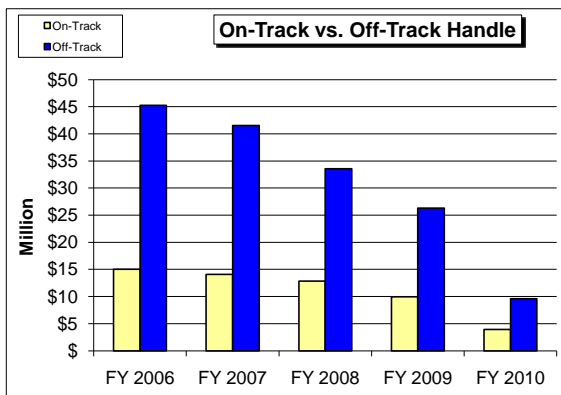
3801 East Washington Street
Phoenix, Arizona 85036

PHOENIX GREYHOUND PARK
American Greyhound Racing, Inc.

FY 2010 Racing Dates:
July 1, 2009 - December 31, 2009

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances (including 3 charity day)</u>					
Live Race Days	362	362	348	338	168
Dark Day-Simulcast only	0	0	15	20	13
Total Race Days	362	362	363	358	181
Total Live Performances (Matinee & Evening)	362	362	348	338	168
<u>Number of Races</u>					
Live Races	5,770	5,733	5,019	5,422	2,399
Simulcast Races	63,841	70,123	70,116	64,302	31,413
Total Number of Races	69,611	75,856	75,135	69,724	33,812
<u>Attendance</u>					
On-Track	123,617	122,821	106,100	93,234	43,059
Off-Track	171,657	150,734	127,862	103,594	43,962
Total Attendance	295,274	273,555	233,962	196,828	87,021
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$166,511	\$153,588	\$127,816	\$101,228	\$74,824
Breakdown by location					
On-Track Handle	\$15,043,286	\$14,071,955	\$12,822,684	\$9,945,695	\$3,935,117
Off-Track Handle	\$45,233,757	\$41,526,811	\$33,574,550	\$26,294,053	\$9,608,030
Breakdown by source					
Live Races	\$40,908,294	\$37,733,613	\$28,922,407	\$23,585,459	\$8,507,773
Simulcast Races	19,368,749	17,865,152	17,474,827	12,654,289	5,035,374
Total Pari-Mutuel Handle	\$60,277,043	\$55,598,765	\$46,397,234	\$36,239,748	\$13,543,147
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$45,922,489	\$42,367,781	\$35,372,281	\$27,301,010	\$10,241,002
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$11,577,368	\$10,757,869	\$9,151,719	\$7,113,441	\$2,663,706
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	56,052	43,121	39,147	32,148	3,815
Hardship Tax Credit	2,193,905	2,032,228	1,551,585	1,265,053	464,112
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	163,624	143,872	115,733	89,620	36,144
Total Track Revenues	\$13,990,948	\$12,977,090	\$10,858,184	\$8,500,261	\$3,167,778
Purses	\$3,352,976	\$3,095,274	\$2,545,527	\$1,997,810	\$744,968

Racetrack Trends at a Glance



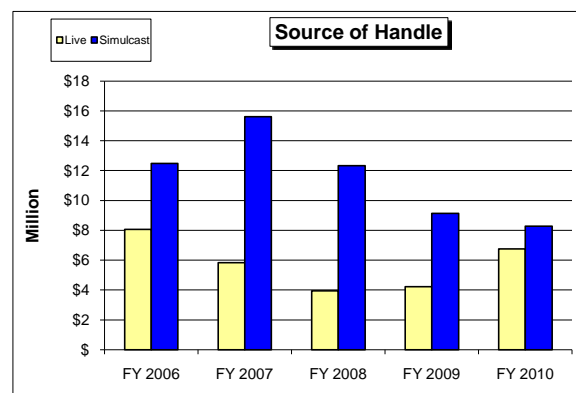
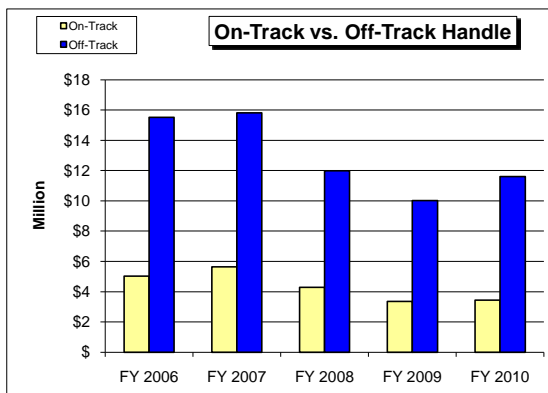
2601 South Third Avenue
Tucson, Arizona 85713

TUCSON GREYHOUND PARK
Tucson Greyhound Park, Inc.

FY 2010 Racing Dates:
July 1, 2009 - June 30, 2010

<u>RACING STATISTICS</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Race Days/Performances</u>					
Live Race Days	305	298	252	256	282
Dark Day-Simulcast only	58	65	112	105	81
Total Race Days	363	363	364	361	363
Total Live Performances (Matinee & Evening)	305	298	252	256	282
<u>Number of Races</u>					
Live Races	4,349	3,812	2,912	3,187	3,862
Simulcast Races	83,863	89,076	89,595	78,718	69,520
Total Number of Races	88,212	92,888	92,507	81,905	73,382
<u>Attendance</u>					
On-Track	52,517	40,058	38,720	30,259	36,090
Off-Track	93,524	76,021	80,334	74,695	65,269
Total Attendance	146,041	116,079	119,054	104,954	101,359
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$56,616	\$59,064	\$44,697	\$37,044	\$41,426
Breakdown by location					
On-Track Handle	\$5,029,942	\$5,632,858	\$4,285,739	\$3,358,264	\$3,439,361
Off-Track Handle	\$15,521,640	\$15,807,308	\$11,983,880	\$10,014,659	\$11,598,205
Breakdown by source					
Live Races	\$8,059,276	\$5,832,704	\$3,946,142	\$4,231,828	\$6,760,135
Simulcast Races	12,492,307	15,607,463	12,323,477	9,141,096	8,277,431
Total Pari-Mutuel Handle	\$20,551,582	\$21,440,167	\$16,269,619	\$13,372,923	\$15,037,565
Returned to Wagering Public	\$15,941,049	\$16,545,921	\$12,814,693	\$10,576,130	\$11,830,969
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$4,377,744	\$4,750,619	\$3,628,084	\$2,905,733	\$3,155,618
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	443,259	320,798	217,037	232,750	371,807
Breakage	49,257	47,288	33,320	27,583	32,734
Total Track Revenues	\$4,870,261	\$5,118,705	\$3,878,441	\$3,166,066	\$3,560,158
Purses	\$1,051,930	\$963,561	\$720,953	\$615,264	\$735,391

Racetrack Trends at a Glance



Arizona State Boxing Commission Commissioners

Michael Preston Green – Arizona State Boxing Commission Chair. Mr. Green was appointed to the Boxing Commission on June 16, 2009. His Boxing Commission term expires on January 16, 2012.

Lionel D. Ruiz – Arizona State Boxing Commissioner. Mr. Ruiz was reappointed to the Boxing Commission on May 28, 2008 serving his second term. Mr. Ruiz is a County Supervisor for Pinal County. His Boxing Commission term expires on January 17, 2011.

Joe Pennington – Arizona State Boxing Commissioner. Mr. Pennington was appointed to the Boxing Commission on January 18, 2010. His Boxing Commission term expires on January 21, 2013.

Boxing and Mixed Martial Arts Regulation

The Boxing and MMA Commission regulates and supervises Boxing and Mixed Martial Arts Events conducted in Arizona to protect the participants in these events and to ensure compliance with the applicable laws and regulations.

In 1992, the Arizona Department of Racing assumed responsibility for the financial administration of the Arizona State Boxing Commission. (Note: In July 2010 the name was changed to the Arizona State Boxing and Mixed Martial Arts Commission). In this capacity, the Department collects and deposits State receipts associated with the sports. The Department collects a fee of four percent of the gross receipts after deduction of any federal, state, and local taxes generated from Boxing and MMA matches.

Additionally, the Boxing and MMA Commission has entered into intergovernmental agreements with certain Tribal organizations to supervise Boxing events conducted on Tribal land. The Arizona State Boxing and MMA Commission receives an average of \$3,000 per event subject to these agreements. During FY 2010, the Boxing Commission regulated 9 of these events and collected \$27,000 for their regulation. The revenues collected for taxes and Tribal fees were deposited into the General Fund.

Sanctioned Events

The Boxing and MMA Commission ensures that all events under Commission jurisdiction held in the State are sanctioned by the Arizona State Boxing Commission and that all participants are duly licensed.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Percent of bouts without serious injury to contestants	100%	100%	100%
Number of events sanctioned	25	29	26
Number of bouts	200	232	257

Licensing

The Boxing and MMA Commission issues licenses to participate in Boxing to those who are qualified and eligible. Licenses are denied for those who are undesirable or statutorily prohibited from participating.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of licenses issued	458	664	560
Percent of licenses issued for all applications	99%	99.5%	99%
<u>Revenue Summary</u>			
Taxes	\$10,750	\$13,048	\$10,700
License Fees	8,255	10,620	\$7,655
Fines	400	400	0
Unarmed Combat Fees	N/A	18,000	\$20,000
Other (Tribal Agreements)	45,000	27,000	\$27,000
Total Revenue Collected	\$64,405	\$69,068	\$65,355

Investigations

The Boxing Commission investigates all allegations of statutory and rule violations that may harm the athlete or the public.

<u>Performance Measures</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Number of investigations conducted	1	0	1
Percent of investigations resulting in disciplinary action	100%	N/A	100%

Department of Racing Budget

As with most agencies, the budget for the Department of Racing has been greatly reduced. The total Department of Racing budget for FY 2010 was \$5,676,000. Included in this amount are appropriation reductions amounting to \$462,100, a 7.5% reduction. Also included in the Department's budget is \$1,779,500, which is deposited to the County Fairs Livestock and Agricultural Promotion Fund, a fund administered by the Governor's Office to promote the livestock and agricultural resources of the State and for conducting an annual Arizona livestock fair by the Arizona Exposition and State Fair Board to further livestock resources.

The Department no longer receives fees generated by its industry to offset much of the cost of regulation; 100% of the Department's FY 2010 budget was appropriated from the State General Fund. The Department's FY 2011 appropriation has been reduced even further. Additional funds are necessary to enable the Department to provide the services required to regulate and support the racing industry in Arizona. The Department will be seeking additional funding for FY 2012 through the Legislative process.

The Department of Racing's expenditures for the last three fiscal years and the appropriated funds for FY 2011, including a summary of full-time and part-time positions, are included below.

OPERATING BUDGET

	<u>Actual Exp FY 2008</u>	<u>Actual Exp FY 2009</u>	<u>Actual Exp FY 2010</u>	<u>Appropriation FY 2011</u>
Full Time Equivalent Positions (FTE)	46.5	46.5	42.5	40.5
Full Time	33.0	33.0	29.0	
Part Time	13.5	13.5	13.5	
Personal Services	\$ 1,838,000	\$ 1,567,700	\$ 1,153,500	\$ 1,312,300
Employee Related Expenses (ERE)	583,300	535,200	476,500	466,100
Professional & Outside Services	207,200	144,500	103,400	21,000
Travel - In State	161,000	123,000	77,900	78,600
Travel - Out of State	3,200	3,200	1,600	1,000
Other Operating	319,800	339,200	220,500	198,500
Equipment	52,000	52,700	1,500	-
SUBTOTAL	\$ 3,164,500	\$ 2,765,500	\$ 2,034,900	\$ 2,077,500

SPECIAL LINE ITEMS:

Breeder's Award	N/A	N/A	246,700	-
County Fair Racing	N/A	N/A	340,200	400,000
County Fairs Livestock & Agricultural Promotic	N/A	N/A	1,779,500	1,779,500
County Fair Betterment	N/A	N/A	519,400	-
Racing Administration	N/A	N/A	42,800	67,000
Stallion Award	N/A	N/A	-	-
5th Special Session Reduction	N/A	N/A	-	(460,400)
Line Items Subtotal	N/A	N/A	2,928,600	1,786,100

AGENCY TOTAL

\$ 3,164,500	\$ 2,765,500	\$ 4,963,500	\$ 3,863,600
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FUND SOURCES

General Fund	\$ 2,661,600	\$ 2,278,900	\$ 4,963,500	\$ 3,863,600
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Other Appropriated Funds

County Fair Racing Fund	\$ 440,200	\$ 427,700	-	-
Administration of Betterment & Breeders' Awards Fund	62,700	58,900	-	-
Arizona Breeders Awards	-	-	-	-
Arizona Stallion Awards	-	-	-	-
County Fair Betterment	-	-	-	-
Livestock Promotion	-	-	-	-
SUBTOTAL	\$ 502,900	\$ 486,600	\$ -	\$ -

AGENCY TOTAL

\$ 3,164,500	\$ 2,765,500	\$ 4,963,500	\$ 3,863,600
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Hardship Tax Credit

The Department of Racing determines the amount, if any, of a Hardship Tax Credit available to the commercial horse and greyhound permittees.

Determination of the FY 2011 Hardship Tax Credit

Based on the FY 2010 Dollars Wagered

TRACK	BASE YEAR	BASE YEAR AMOUNT	FY 2010 AMOUNT WAGERED	FY 2010 % DECREASE	FY 2010 PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	FY 2011 HARDSHIP TAX CREDIT	CARRYOVER	
								FROM FY 2010 HARDSHIP TAX CREDIT	FY 2011 TAX CREDIT WITH FY 2010 CARRYOVER
HORSE TRACKS:									
Fort Tuthill Downs	FY 1994	\$798,671	\$0	-100.00%	\$0	\$0	\$0	\$7,320	\$7,320
Rillito Park	FY 1990	\$3,887,981	\$0	-100.00%	\$0	\$0	\$0	\$219,826	\$219,826
Turf Paradise	FY 1994	\$101,467,993	\$99,944,470	-1.50%	\$323,638	\$4,855	\$14,564	\$0	\$14,564
Yavapai Downs	FY 1994	\$17,490,826	\$28,671,127	63.92%	\$68,253	\$0	\$0	\$0	\$0
GREYHOUND TRACKS:									
Apache Greyhound Park	FY 1990	\$12,262,396	\$9,393,598	-23.40%	\$0	\$0	\$0	\$360,850	\$360,850
Phoenix Greyhound Park	FY 1990	\$49,391,582	\$13,543,147	-85.85%	\$467,928	\$401,716	\$1,205,147	\$6,507,229	\$7,712,376
	FY 1994	\$46,293,967							
Tucson Greyhound Park	FY 1990	\$38,110,346	\$15,037,565	-60.54%	\$371,807	\$225,092	\$675,277	\$2,501,607	\$3,176,884

Department of Racing Pari-Mutuel Tax Revenue - FY 2010

TRACK	ALLOWABLE HARDSHIP CREDITS IN FY 2010	FY 2010 HANDLE	FY 2010 PARI-MUTUEL TAX DUE	FY 2010 CAPITAL IMPROVEMENT WITHHOLDINGS	FY 2010 HARDSHIP TAX CREDIT	FY2010 COUNTY FAIR CREDITS	FY 2010 CHARITY DAYS	FY 2010 PARI-MUTUEL TAX REVENUE
HORSE TRACKS:								
Rillito Park	\$219,826	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turf Paradise	0	99,944,470	323,638	0	0	0	9,623	314,021
Yavapai Downs	0	28,671,127	68,253	68,254	0	0	0	0
Subtotal Horse Tracks	\$219,826	\$128,615,597	\$391,891	\$68,254	\$0	\$0	\$9,623	\$314,021
GREYHOUND TRACKS:								
Apache Greyhound Park	\$360,850	\$9,393,598	\$0	\$0	\$0	\$0	\$0	\$0
Phoenix Greyhound Park	6,971,341	13,543,147	467,928	0	464,112	0	3,815	0
Tucson Greyhound Park	2,873,414	15,037,565	371,807	0	371,807	0	0	0
Subtotal Greyhound Tracks	\$10,205,605	\$37,974,310	\$839,735	\$0	\$835,919	\$0	\$3,815	\$0
GRAND TOTAL	\$10,425,431	\$166,589,907	\$1,231,626	\$68,254	\$835,919	\$0	\$13,438	\$314,021

Track Capital Improvements

The Department was authorized by statute to encourage the improvement of racing facilities by reducing the pari-mutuel tax due the State. The percentages paid the State by the permittee were reduced by 1% of the total amount wagered in counties with a population over 500,000 and 2% in all other counties.

Prior approval of the Racing Commission for the capital improvement proposed was required to qualify for the reduction. This provision expired on June 30, 1992 for counties with populations of 500,000 or more and on June 30, 1999 for counties with populations of less than 500,000 according to the previous United States decennial census. The capital improvement dollars for projects approved before the expiration date may continue to be deducted from the pari-mutuel tax due until exhausted. The following table shows dollars deducted by all racetracks during FY 2009. The only racetrack which has not exhausted the dollars approved is Yavapai Downs.

Permittee	Project Description	Improvement Dollars Approved	Dollars Deducted FY 2010	Cumulative Dollars Deducted	Remaining Dollars Approved
Prescott Downs (Yavapai Downs)	Grandstand & Clubhouse Structure, etc.	\$52,196,636	\$68,254	\$834,001	\$51,362,635
Other Permittees		\$0	\$0	\$0	\$0