



**ARIZONA  
DEPARTMENT OF RACING  
ANNUAL REPORT  
FY-2009**



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# ARIZONA DEPARTMENT OF RACING

JANICE K. BREWER  
GOVERNOR



LUIS A. MARQUEZ  
ACTING DIRECTOR

September 25, 2009

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

Dear Governor Brewer:

It is my pleasure to submit the FY 2009 Arizona Department of Racing Annual Report. This report reflects statutory requirements as they relate to the Department's regulatory, fiscal, and administrative mission.

Last year, the Department regulated and supervised horse and greyhound racing, including pari-mutuel wagering at three commercial horse racetracks, three greyhound racetracks, fifteen county fair racing meetings, and over 64 teletrack wagering facilities throughout the State. The total pari-mutuel handle for all racing was \$211.7 million, a decrease of \$41.1 million or 16.3% from FY 2008. The total pari-mutuel tax receipts amounted to \$326,590, a decrease of 24.0% from the prior year.

Although the State's fiscal situation required budget reductions and funds transfers during the year to balance the State's budget, the Department was able to introduce management and efficiency improvements that are consistent with resources available and regulatory trends in the industry. With the continued support of your administration, our objective is to continue building the integrity and reputation of the pari-mutuel racing industry in Arizona.

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 its participants and the public interest. These are challenges that require cooperation between the industry and the Department.

Several proposals have been pursued in the past to generate revenue from the industry to support statutory, administrative, and regulatory duties of the Department. The industry and the Legislature, however, have not supported these proposals. This coming year, the Department will again work with the industry and the Racing Commission to propose various mechanisms in which the racing industry provides additional funds to the State to support Department operating costs related to racing regulation. The Department will review its licensing fee schedule to modernize it, create efficiencies, and increase revenues comparable with other jurisdictions. Arizona's licensing fees are among the lowest in the nation.

The Department is committed to performing all statutory and regulatory duties in a manner that improves the reputation of the industry and respect for the agency. Your continued support is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Luis A. Marquez".

Luis A. Marquez  
Acting Director

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## **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.

**Erin Owens**, Racing Commission Chair, was appointed to the Racing Commission in 2005 to serve as the representative of the Horse Racing Industry. Ms. Owens was raised in the thoroughbred racing industry in Arizona and her family actively participates in the Arizona Racing and Breeding Program. She spent several years in official positions at Canterbury Downs, San Juan Downs, Columbus Racetrack, and Turf Paradise. She currently serves as Secretary/Treasurer of the Association of Racing Commissioners International (ARCI) and owns her own business. Commissioner Owens' term expires January 18, 2010.

**Leslie A. Wootten**, Racing Commission Vice-Chair, was appointed to the Racing Commission in 2007 to serve as the representative of the Greyhound Racing Industry. Ms. Wootten's family experience with greyhound racing dates back to the 1800s. Ms. Wootten is a historian of the sport and a regular contributor to the monthly magazine of the National Greyhound Association, as well as in *Arizona Player: Gaming and Entertainment Guide*. Ms. Wootten has taught creative writing at Central Arizona College and coordinated its Visiting Writers Series, a program supported by the Arizona Commission on the Arts. Commissioner Wootten's term expires January 16, 2012.

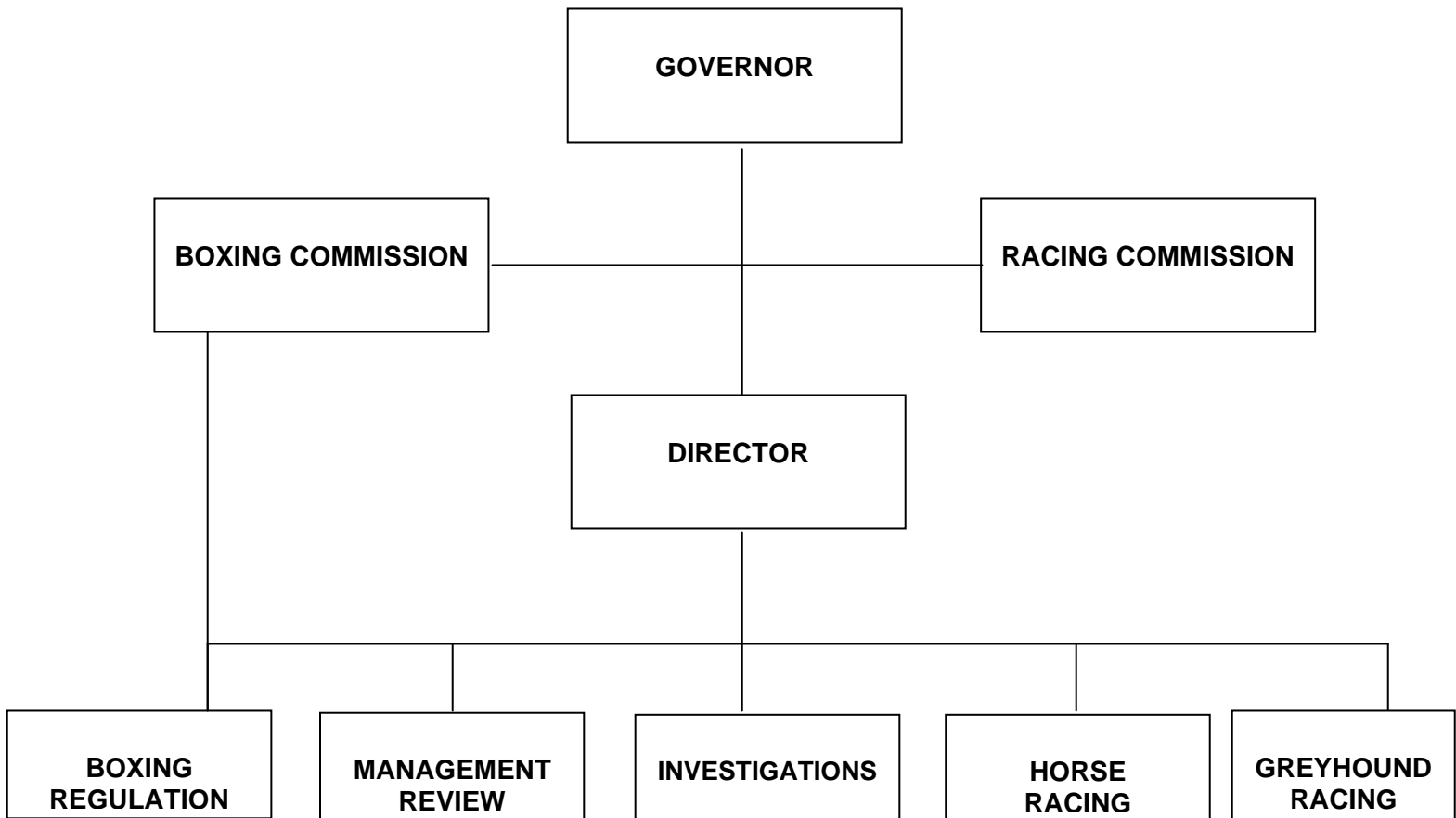
**Paul Ulan** was appointed to the Racing Commission in 2005 to serve as a public member. Mr. Ulan is the principal of Primary Consultants, L.L.C., a Phoenix-based market research consulting firm specializing in political campaign management, phone banks, public affairs and issue management. Mr. Ulan 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. Commissioner Ulan's term expires January 17, 2011.

**A. Melvin McDonald** was appointed to the Racing Commission in 2009 to serve as a public member to fill the seat vacated by Bob Ford. Mr. McDonald 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. Commissioner McDonald's term expires January 21, 2013.

**Burton S. Kruglick** was appointed to the Commission in 2009 to serve as a public member to fill the seat vacated by James Chilcoat, Sr. Mr. Kruglick 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. Commissioner Kruglick's term expires January 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 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of incident investigations	363	414	209
Number of background investigations	2,086	3,425	1,608
Total number of investigations conducted	2,449	3,839	1,817

### Types of Investigations

<u>Offenses</u>	<u>Total</u>	<u>Referred</u>	<u>No Violation</u>
False application	97	97	0
Disorderly conduct/assault	8	4	4
Human drug -testing	25	15	10
Animal drug testing	35	35	0
Kennel inspection	19	1	18
Whelping inspection	66	0	66
Vehicle inspection	31	1	30
License denial/ineligible	1	1	0
Information only	30	25	5
Total	312	178	134

### 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of licenses issued	3,999	5,848	2,292
Number of licenses denied	14	11	5
Number of licenses revoked	243	213	27

# 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Total rulings issued	644	521	562
Total Stewards Rulings Appealed	*	9	10
Percentage of Stewards' rulings upheld on appeal to the Director	*	77%	70%

\* Measure not tracked this fiscal year.

## 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Director's hearings	349	431	115
Administrative Law Judge hearings	19	117	12
Racing Commission hearings	12	5	6
Total number of Director's orders*	533	419	118
Percentage of orders upheld on appeal to the Commission	82%	75%	83%

\* 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Human Drug Tests	68	54	40
Positive Drug Tests	31	8	14
Licensee Refused to Test	2	5	1
Percent Positive	51%	23%	35%
Breath/Alcohol Tests	2	2	5
Positive Breath/Alcohol Tests	2	1	1
Percent Positive	100%	50%	20%

## 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Horse Drug Testing			
Number positive equine drug tests	33	33	33
Percent positive equine drug tests	1.3%	1.4%	1.93%
Dog Drug Testing			
Number positive canine tests	0	5	4
Percent positive canine tests	.00%	.11%	0.18%
Totals			
Total Positive tests	33	38	37
Percent Total positive tests	0.44%	0.5%	0.86%

### 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. Coconino County Racing (Fort Tuthill Downs), Turf Paradise, Yavapai County Fair Association (Yavapai Downs), 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 2009. A total of 64 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 \$149.1 million. This included \$112.8 million for horse racing and \$36.3 million for greyhound racing. The State of Arizona received \$216,692 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 15.1% during FY 2009 when compared to the prior year.

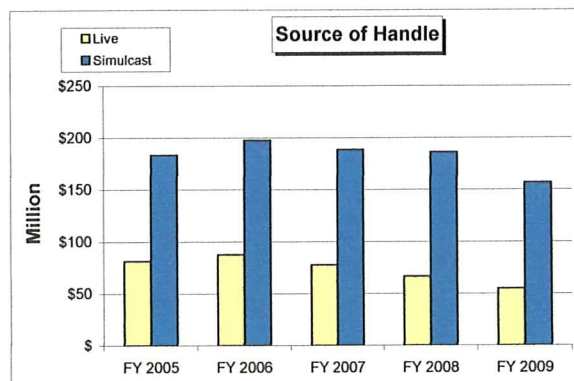
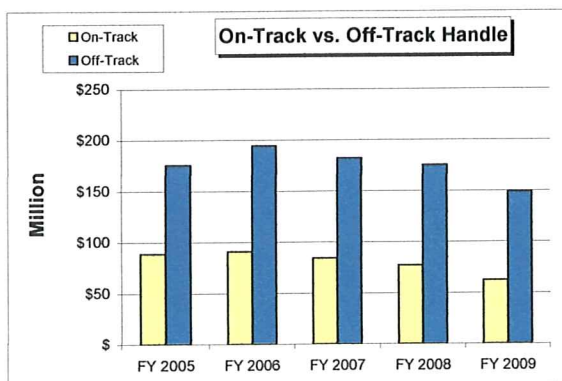
LICENSE BY CATEGORY

CATEGORY	HORSES						GREYHOUNDS						GRAND TOTAL	
	TURF PARADISE	YAVAPAI DOWNS	COUNTY FAIR	RILLITO PARK	TOTAL	PHOENIX	TUCSON	RBO	TOTAL	PHOENIX	TUCSON	RBO		TOTAL
1 YR CONCESSION														0
1 YR MUTUEL														14
1 YR PEACE OFFICER										10	4			14
3 YR COOLOUT										11	35			46
3 YR MUTUEL	17	11	37	10	75									2
3 YR PEACE OFFICER														8
APPRENTICE JOCKEY	6	1	1	1	2									21
ASSISTANT STARTER	9	2	1	1	11					7	3			6
ASSISTANT TRAINER	1		1	1	3					3	3			106
AUTH. AGENT-FULL	84	8	7	6	105					1	1			1
AUTH. AGENT-PARTIAL														
BREED FARM/OTHER OP														
COMBINATION OPER														
COMBINATION OPER														
DUPLICATE/NO FEE	48	10	2	5	65									65
EXERCISE RIDER														
FACILITY MGR/AGENT	181	23	19	24	247									247
GROOM	3	1			4									5
INELIGIBLE	31	9	4	3	47									47
JOCKEY	6	1			7									7
JOCKEY AGENT														
KENNEL-NEW														
KENNEL-RENEWAL	81	28	50	44	203					48	18			269
OCCUPATIONAL	8	5		2	15					6	11			32
OCCUPATIONAL-BRDR	27	2			29					17	9			55
OFFICIAL	525	107	48	52	732					27	22			781
OTB	59	7	7	5	78					28	44			78
OWNER														2
OWNER-TRAINER														
PADDOCK EMPLOYEE														
PERMITTEE DIR/BD MBR														
PLATER	8	4	1	1	2									4
PONY RIDER	32	16	8	5	61									13
RACING KENNEL														
SECURITY	3	12	39	9	63					10	9			5
STABLE-NEW	49	7	1	1	58									19
STABLE-RENEWAL	15				15									58
TEMP. CLAIM	6				7									7
TEMP. OWNER	11				11									11
TEMP. STABLE	1				1									1
TRAINER	47	2	5	5	59					7	7			76
VENDOR-BUSINESS	1	3	1		4					1	1			5
VENDOR-EMPLOYEE	4	8	1		13					6	6			19
VETERINARIAN		2	1		3						1			4
VOIDS														
LICENSES ISSUED	1,265	269	234	175	1,943					178	170			354
FINGERPRINTS TAKEN	794	180	159	131	1,264					118	118			236
LICENSING FEES	\$24,750	\$5,401	\$3,496	\$2,938	\$36,585					\$2,799	\$3,019			\$6,243
FINGERPRINT FEES	\$22,973	\$5,220	\$4,640	\$3,799	\$36,632					\$3,422	\$3,422			\$6,844
TOTAL FEES	\$47,723	\$10,621	\$8,136	\$6,737	\$73,217					\$6,221	\$6,441			\$13,087

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

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances (including 12 Charity Days)</u></b>					
Live Race Days	897	933	909	852	840
Dark Day-Simulcast only	697	662	681	744	740
<b>Total Race Days</b>	<b>1,594</b>	<b>1,595</b>	<b>1,590</b>	<b>1,596</b>	<b>1,580</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>897</b>	<b>933</b>	<b>909</b>	<b>852</b>	<b>840</b>
<b><u>Number of Races</u></b>					
Live Races	11,778	12,513	11,791	10,205	10,793
Simulcast Races	263,586	262,275	284,597	287,415	269,318
<b>Total Number of Races</b>	<b>275,364</b>	<b>274,788</b>	<b>296,388</b>	<b>297,620</b>	<b>280,111</b>
<b><u>Attendance</u></b>					
On-Track	768,582	819,425	723,879	693,553	652,807
Off-Track	905,002	1,022,623	887,078	892,026	771,745
<b>Total Attendance</b>	<b>1,673,584</b>	<b>1,842,048</b>	<b>1,610,957</b>	<b>1,585,579</b>	<b>1,424,552</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$165,974	\$178,946	\$167,667	\$158,359	\$133,970
Breakdown by location					
On-Track Handle	\$88,766,221	\$90,944,292	\$84,486,049	\$77,268,017	\$62,574,674
Off-Track Handle	\$175,795,847	\$194,474,484	\$182,104,065	\$175,472,915	\$149,097,386
Breakdown by source					
Live Races	\$81,251,006	\$87,686,434	\$77,780,820	\$66,643,403	\$54,856,192
Simulcast Races	\$183,311,061	\$197,732,342	\$188,809,295	\$186,097,529	\$156,815,868
<b>Total Pari-Mutuel Handle</b>	<b>\$264,562,067</b>	<b>\$285,418,776</b>	<b>\$266,590,114</b>	<b>\$252,740,932</b>	<b>\$211,672,059</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b><u>Returned to Wagering Public</u></b>	<b>\$204,344,382</b>	<b>\$219,060,582</b>	<b>\$203,766,212</b>	<b>\$193,921,658</b>	<b>\$162,095,753</b>
<b><u>State Pari-Mutuel Revenues</u></b>	<b>\$483,901</b>	<b>\$527,860</b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$53,130,250	\$57,052,294	\$53,620,670	\$51,074,270	\$42,834,032
Capital Improvement Rebate	88,296	89,991	100,917	100,037	80,474
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	87,259	71,464	55,863	51,415	40,641
Hardship Tax Credit	2,418,044	2,653,989	2,353,026	1,768,623	1,497,803
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	1,139,347	1,221,958	1,085,469	1,026,555	857,514
<b>Total Track Revenues</b>	<b>\$56,863,196</b>	<b>\$61,089,696</b>	<b>\$57,215,946</b>	<b>\$54,020,900</b>	<b>\$45,310,464</b>
<b><u>Purses</u></b>	<b>\$20,708,997</b>	<b>\$22,314,331</b>	<b>\$21,133,206</b>	<b>\$22,246,607</b>	<b>\$18,902,895</b>

**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 2009, the Arizona Racing Commission approved three-year commercial racing permits for Tucson Greyhound Park, Inc. and Pima County Horsemen's Association. TP Racing, L.L.P. filed a new application for commercial racing for fiscal years 2010, 2011 and 2012. By statute, Turf Paradise 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

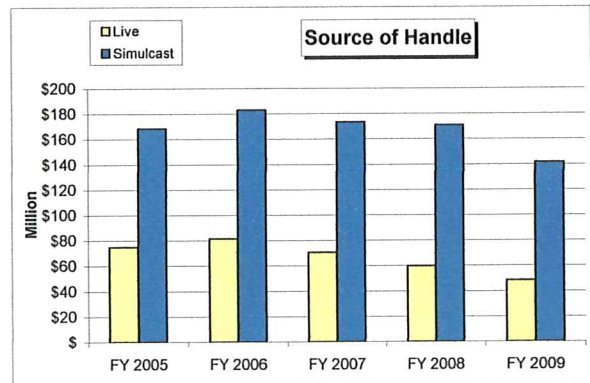
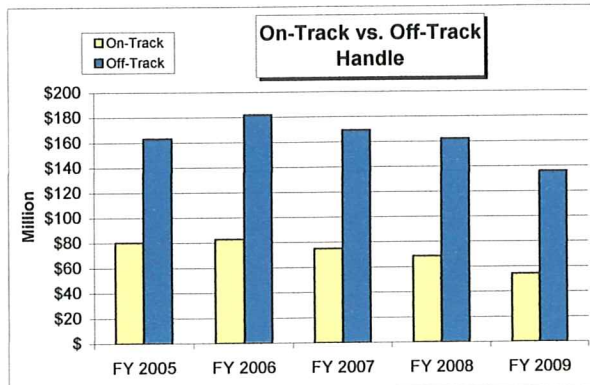
<u>Permittee</u>	<u>Track</u>	<u>Permit Term</u>
American Greyhound Racing, Inc.	Apache Greyhound Park	01/01/08 - 12/31/10
American Greyhound Racing, Inc.	Phoenix Greyhound Park	01/01/08 - 12/31/10
Pima County Horsemen's Association	Rillito Park	01/01/08 - 12/31/10
Tucson Greyhound Park, Inc.	Tucson 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

<b>RACING STATISTICS</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Race Days/Performances (including 12 Charity Days)</b>					
Live Race Days	835	874	845	788	775
Dark Day-Simulcast only	695	659	679	742	738
<b>Total Race Days</b>	<b>1,530</b>	<b>1,533</b>	<b>1,524</b>	<b>1,530</b>	<b>1,513</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>835</b>	<b>874</b>	<b>845</b>	<b>788</b>	<b>775</b>
<b>Number of Races</b>					
Live Races	11,244	11,994	11,219	9,637	10,229
Simulcast Races	260,574	259,747	281,048	283,889	265,027
<b>Total Number of Races</b>	<b>271,818</b>	<b>271,741</b>	<b>292,267</b>	<b>293,526</b>	<b>275,256</b>
<b>Attendance</b>					
On-Track	640,640	690,948	570,571	547,912	491,439
Off-Track	834,294	949,002	818,825	822,795	702,087
<b>Total Attendance</b>	<b>1,474,934</b>	<b>1,639,950</b>	<b>1,389,396</b>	<b>1,370,707</b>	<b>1,193,526</b>
<b>Pari-Mutuel Handle</b>					
Average Handle per Race Day	\$159,162	\$172,643	\$160,357	\$150,869	\$125,708
Breakdown by location					
On-Track Handle	\$80,337,461	\$82,814,154	\$75,031,996	\$68,590,356	\$54,334,827
Off-Track Handle	\$163,180,209	\$181,847,949	\$169,352,518	\$162,238,621	\$135,862,133
Breakdown by source					
Live Races	\$74,986,000	\$81,471,551	\$70,820,823	\$59,962,992	\$48,594,826
Simulcast Races	\$168,531,669	\$183,190,552	\$173,563,691	\$170,865,985	\$141,602,133
<b>Total Pari-Mutuel Handle</b>	<b>\$243,517,669</b>	<b>\$264,662,103</b>	<b>\$244,384,514</b>	<b>\$230,828,978</b>	<b>\$190,196,960</b>
<b>DISTRIBUTION OF REVENUES</b>					
<b>Returned to Wagering Public</b>	<b>\$187,771,621</b>	<b>\$203,192,511</b>	<b>\$186,927,263</b>	<b>\$177,373,642</b>	<b>\$145,736,829</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$483,901</b>	<b>\$527,860</b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>
<b>Track Mutuel Revenues</b>					
Track Commission	\$48,956,413	\$52,948,454	\$49,230,357	\$46,717,237	\$38,540,728
Capital Improvement Rebate	88,296	89,991	100,917	100,037	80,474
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	87,259	71,464	55,863	51,415	40,641
Hardship Tax Credit	2,418,044	2,653,989	2,353,026	1,768,623	1,497,803
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	1,026,349	1,110,798	968,928	917,242	752,862
<b>Total Track Revenues</b>	<b>\$52,576,361</b>	<b>\$56,874,696</b>	<b>\$52,709,092</b>	<b>\$49,554,554</b>	<b>\$40,912,508</b>
<b>Purses</b>	<b>\$18,523,133</b>	<b>\$20,107,799</b>	<b>\$18,520,580</b>	<b>\$19,323,512</b>	<b>\$16,208,760</b>

**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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of incident investigations	140	146	21
Number of background investigations	1,379	1,876	1,154
Total number of investigations conducted	1,519	2,022	1,175

### Licensing

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

<u>Performance Measures</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of licenses issued	2,817	3,692	1,530
Number of licenses denied	11	7	4
Number of licenses revoked	207	99	14

### 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of rulings issued	458	347	395
Total steward rulings appealed	*	6	9
Percentage of rulings upheld on appeal to the Director	*	66%	66%
<u>Rulings by Track</u>			
Turf Paradise	324	222	268
Yavapai Downs	134	125	127
Rillito Park (no commercial racing in FY 2007, FY 2008 and FY 2009)	0	0	0

\* Measure not tracked for this fiscal year.

## 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.

<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of Director's hearings	277	236	69
Number of Administrative Law Judge hearings	19	116	10
Number of Racing Commission hearings	11	4	5
Total number of Director's orders *	458	234	67
Percentage of orders upheld on appeal to the Commission	96%	100%	80%
<b><u>Orders by Track</u></b>			
Turf Paradise	324	160	44
Yavapai Downs	134	74	23
Rillito Park (no commercial racing in FY 2007, FY 2008 and FY 2009)	0	0	0

\* 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.

<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of active registered breeders	3,380	3,459	3,504
Percentage of registered breeders winning awards	3.5%	2.5%	4%
Number of registered horses	6,347	6,682	6,944
Percentage of registered horses winning awards	3.9%	1.0%	1.2%
Quarter Horse Breeders' Awards	\$82,260	\$99,928	\$84,267
Thoroughbred Breeders' Awards	\$683,863	\$749,500	\$649,903
Stallion Awards	\$35,388	\$96,369	\$59,417

### **Racehorse Adoption**

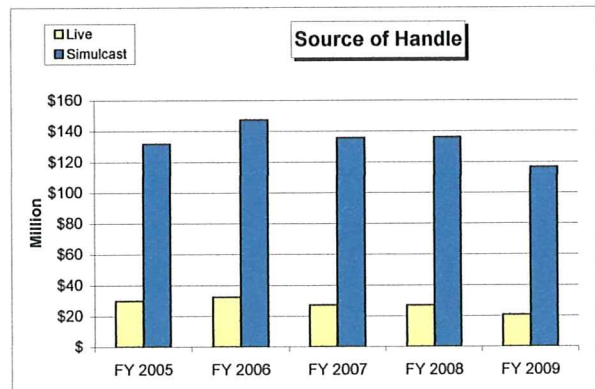
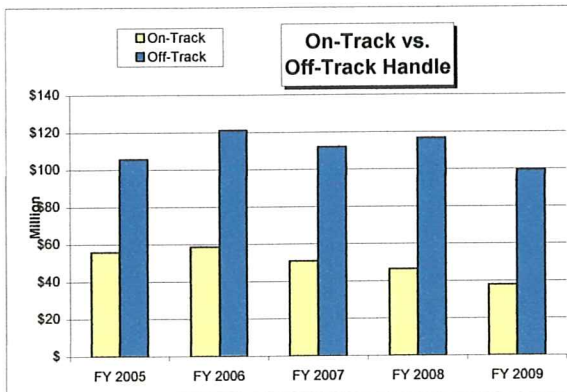
The Department provides grants to non-profit organizations to promote the adoption of retired racehorses in Arizona. The funds for this program are generated from a surcharge against all civil penalties assessed in connection with horseracing in Arizona. The program went into effect in 2005 and the first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

<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of grants awarded	1	1	1
Amount of grants awarded	\$1,890	\$1,496	\$1,647

**COMMERCIAL HORSE TRACKS**  
Rillito Park, Turf Paradise, Yavapai Downs

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b>Race Days/Performances (including 3 charity days)</b>					
Live Race Days	201	207	185	188	181
Dark Day-Simulcast Only	242	239	252	252	251
<b>Total Race Days</b>	<b>443</b>	<b>446</b>	<b>437</b>	<b>440</b>	<b>432</b>
<b>Total Live Performances</b>	<b>201</b>	<b>207</b>	<b>185</b>	<b>188</b>	<b>181</b>
<b>Number of Races</b>					
Live Races	1,872	1,875	1,674	1,706	1,620
Simulcast Races	46,735	47,514	48,881	50,688	50,382
<b>Total Number of Races</b>	<b>48,607</b>	<b>49,389</b>	<b>50,555</b>	<b>52,394</b>	<b>52,002</b>
<b>Attendance</b>					
On-Track	380,465	432,654	328,492	324,079	289,381
Off-Track	581,299	683,821	592,070	614,599	523,798
<b>Total Attendance</b>	<b>961,764</b>	<b>1,116,475</b>	<b>920,562</b>	<b>938,678</b>	<b>813,179</b>
<b>Pari-Mutuel Handle</b>					
Average Handle per Race Day	\$364,857	\$402,987	\$372,843	\$370,672	\$318,135
Breakdown by location					
On-Track Handle	\$55,917,152	\$58,639,790	\$50,914,112	\$46,415,601	\$37,880,820
Off-Track Handle	\$105,714,653	\$121,092,552	\$112,018,399	\$116,680,191	\$99,553,421
Breakdown by source					
Live Races	\$29,905,601	\$32,503,981	\$27,254,506	\$27,094,443	\$20,777,540
Simulcast Races	\$131,726,204	\$147,228,362	\$135,678,005	\$136,001,349	\$116,656,700
<b>Total Pari-Mutuel Handle</b>	<b>\$161,631,805</b>	<b>\$179,732,342</b>	<b>\$162,932,511</b>	<b>\$163,095,792</b>	<b>\$137,434,240</b>
<b>DISTRIBUTION OF REVENUES</b>					
Returned to Wagering Public	\$125,373,998	\$138,105,510	\$124,571,918	\$125,299,914	\$105,457,399
State Pari-Mutuel Revenues	\$483,901	\$527,860	\$431,437	\$429,592	\$326,590
<b>Track Mutuel Revenues</b>					
Track Commission	\$32,537,928	\$36,050,363	\$32,688,941	\$32,744,518	\$27,789,057
Capital Improvement Rebate	88,296	89,991	100,917	100,037	80,474
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	10,949	15,413	12,743	12,268	8,494
Hardship Tax Credit	14,932	16,825	0	0	0
Breakage	796,754	889,107	768,659	759,954	629,086
<b>Total Track Revenues</b>	<b>\$33,448,859</b>	<b>\$37,061,698</b>	<b>\$33,571,259</b>	<b>\$33,616,777</b>	<b>\$28,507,112</b>
<b>Purses</b>	<b>\$14,130,954</b>	<b>\$15,515,306</b>	<b>\$14,260,653</b>	<b>\$15,828,636</b>	<b>\$13,448,044</b>

**Racetrack Trends at a Glance**



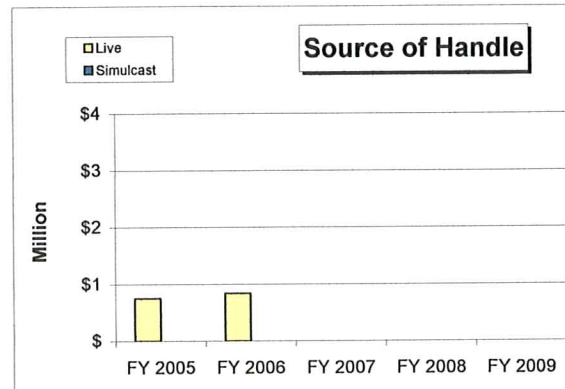
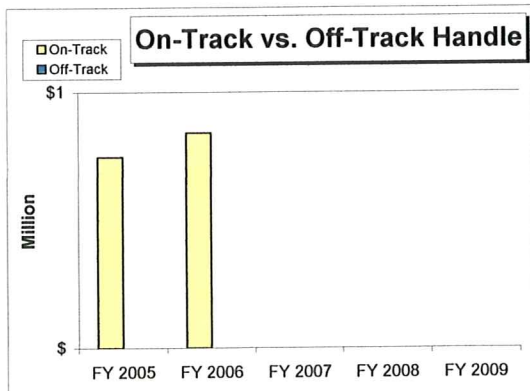
4502 North First Avenue  
Tucson, Arizona 85728

**RILLITO PARK**  
Pima County Fair Horse Racing Commission

FY 2009 Racing Dates:  
None (see county fairs)

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances</u></b>					
Live Race Days	9	9	0	0	0
Dark Day-Simulcast Only	0	0	0	0	0
<b>Total Race Days</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Live Performances</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Number of Races</u></b>					
Live Races	86	83	0	0	0
Simulcast Races	0	0	0	0	0
<b>Total Number of Races</b>	<b>86</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Attendance</u></b>					
On-Track	36,238	40,705	0	0	0
Off-Track	0	0	0	0	0
<b>Total Attendance</b>	<b>36,238</b>	<b>40,705</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$82,955	\$93,470	\$0	\$0	\$0
Breakdown by location					
On-Track Handle	\$746,592	\$841,230	\$0	\$0	\$0
Off-Track Handle	\$0	\$0	\$0	\$0	\$0
Breakdown by source					
Live Races	\$746,592	\$841,230	\$0	\$0	\$0
Simulcast Races	0	0	0	0	0
<b>Total Pari-Mutuel Handle</b>	<b>\$746,592</b>	<b>\$841,230</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$575,682</b>	<b>\$643,248</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$150,150	\$175,287	\$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	14,932	16,825	0	0	0
Breakage	5,828	5,871	0	0	0
<b>Total Track Revenues</b>	<b>\$170,910</b>	<b>\$197,982</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Purses</b>	<b>\$205,624</b>	<b>\$189,054</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Racetrack Trends at a Glance



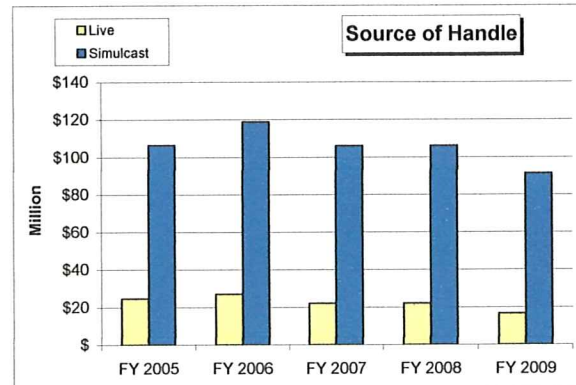
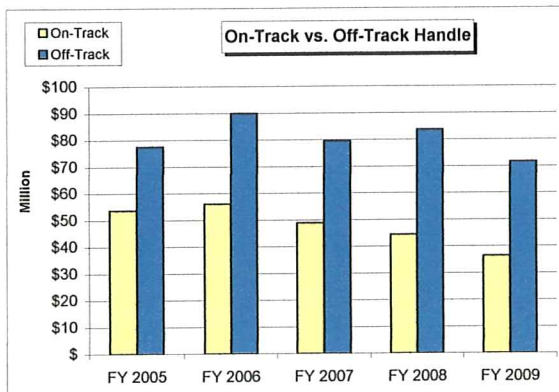
1501 West Bell Road  
Phoenix, Arizona 85023

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

FY 2009 Racing Dates:  
July 1, 2008 - June 30, 2009

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances (including 3 charity days)</u></b>					
Live Race Days	144	151	133	133	131
Dark Day-Simulcast Only	202	197	211	212	208
<b>Total Race Days</b>	<b>346</b>	<b>348</b>	<b>344</b>	<b>345</b>	<b>339</b>
<b>Total Live Performances</b>	<b>144</b>	<b>151</b>	<b>133</b>	<b>133</b>	<b>131</b>
<b><u>Number of Races</u></b>					
Live Races	1,356	1,375	1,205	1,211	1,175
Simulcast Races	42,852	43,371	44,605	46,485	46,112
<b>Total Number of Races</b>	<b>44,208</b>	<b>44,746</b>	<b>45,810</b>	<b>47,696</b>	<b>47,287</b>
<b><u>Attendance</u></b>					
On-Track	301,100	331,511	282,764	281,137	255,374
Off-Track	407,370	473,525	420,788	441,130	376,924
<b>Total Attendance</b>	<b>708,470</b>	<b>805,036</b>	<b>703,552</b>	<b>722,267</b>	<b>632,298</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$378,807	\$419,562	\$373,056	\$371,605	\$318,577
Breakdown by location					
On-Track Handle	\$53,625,809	\$56,037,345	\$48,856,296	\$44,483,207	\$36,350,503
Off-Track Handle	\$77,441,273	\$89,970,068	\$79,475,014	\$83,720,553	\$71,646,948
Breakdown by source					
Live Races	\$24,744,198	\$27,163,223	\$22,208,647	\$22,092,609	\$16,753,833
Simulcast Races	106,322,884	118,844,190	106,122,663	106,111,151	91,243,618
<b>Total Pari-Mutuel Handle</b>	<b>\$131,067,082</b>	<b>\$146,007,413</b>	<b>\$128,331,310</b>	<b>\$128,203,760</b>	<b>\$107,997,451</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$101,896,223</b>	<b>\$112,372,468</b>	<b>\$98,117,698</b>	<b>\$98,508,381</b>	<b>\$83,068,015</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$483,901</b>	<b>\$527,860</b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$26,370,398	\$29,267,373	\$25,747,068	\$25,770,861	\$21,843,282
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	10,949	15,413	12,743	12,268	8,494
Hardship Tax Credit	0	0	0	0	0
Breakage	645,789	721,384	600,244	605,819	500,393
<b>Total Track Revenues</b>	<b>\$27,027,136</b>	<b>\$30,004,169</b>	<b>\$26,360,055</b>	<b>\$26,388,947</b>	<b>\$22,352,169</b>
<b>Purses</b>	<b>\$11,690,443</b>	<b>\$12,841,141</b>	<b>\$11,532,280</b>	<b>\$13,008,498</b>	<b>\$11,053,240</b>

**Racetrack Trends at a Glance**



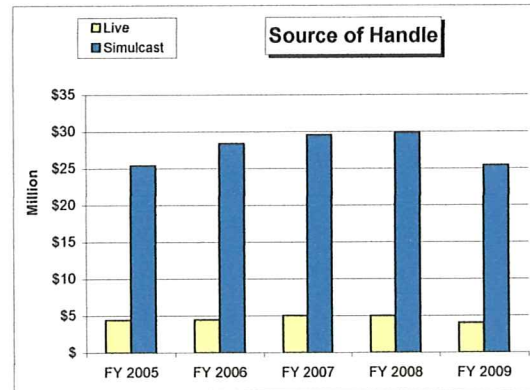
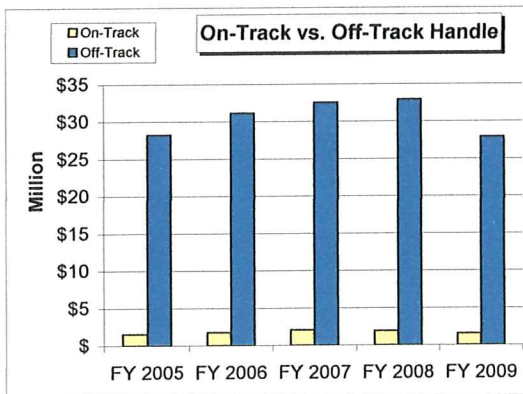
10501 Hwy. 89A  
Prescott Valley, Arizona 86314

**YAVAPAI DOWNS**  
Yavapai County Fair Association

FY 2009 Racing Dates:  
July 1, 2008 - August 29, 2008  
May 23, 2009 - June 30, 2009

<b>RACING STATISTICS</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b><u>Race Days/Performances</u></b>					
Live Race Days	48	47	52	55	50
Dark Day-Simulcast Only	40	42	41	40	43
<b>Total Race Days</b>	<b>88</b>	<b>89</b>	<b>93</b>	<b>95</b>	<b>93</b>
<b>Total Live Performances</b>	<b>48</b>	<b>47</b>	<b>52</b>	<b>55</b>	<b>50</b>
<b><u>Number of Races</u></b>					
Live Races	430	417	469	495	445
Simulcast Races	3,883	4,143	4,276	4,203	4,270
<b>Total Number of Races</b>	<b>4,313</b>	<b>4,560</b>	<b>4,745</b>	<b>4,698</b>	<b>4,715</b>
<b><u>Attendance</u></b>					
On-Track	43,127	60,438	45,728	42,942	34,007
Off-Track	173,929	210,296	171,282	173,469	146,874
<b>Total Attendance</b>	<b>217,056</b>	<b>270,734</b>	<b>217,010</b>	<b>216,411</b>	<b>180,881</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$338,842	\$369,480	\$372,056	\$367,285	\$316,525
Breakdown by location					
On-Track Handle	1,544,751	1,761,215	2,057,817	1,932,394	1,530,316
Off-Track Handle	28,273,380	31,122,484	32,543,385	32,959,639	27,906,473
Breakdown by source					
Live Races	4,414,811	4,499,528	5,045,859	5,001,835	4,023,707
Simulcast Races	25,403,320	28,384,172	29,555,342	29,890,198	25,413,082
<b>Total Pari-Mutuel Handle</b>	<b>\$29,818,131</b>	<b>\$32,883,699</b>	<b>\$34,601,201</b>	<b>\$34,892,032</b>	<b>\$29,436,790</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$22,902,092</b>	<b>\$25,089,795</b>	<b>\$26,454,220</b>	<b>\$26,791,533</b>	<b>\$22,389,384</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$6,017,380	\$6,607,704	\$6,941,873	\$6,973,658	\$5,945,775
Capital Improvement Rebate	88,296	89,991	100,917	100,037	80,474
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	145,136	161,852	168,414	154,136	128,693
<b>Total Track Revenues</b>	<b>\$6,250,812</b>	<b>\$6,859,546</b>	<b>\$7,211,204</b>	<b>\$7,227,830</b>	<b>\$6,154,943</b>
<b>Purses</b>	<b>\$2,234,887</b>	<b>\$2,485,110</b>	<b>\$2,728,373</b>	<b>\$2,820,139</b>	<b>\$2,394,804</b>

**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.

In FY 2009, a total of \$1.27 million was available for county fair racing activities. County fair racing is supported by the following two fund sources:

County Fair Racing. This appropriated fund, authorized for the administration of county fair racing, is generated by 9% of all pari-mutuel receipts, license fees, and State unclaimed property up to \$450,000 annually. In FY 2009, this fund received \$450,000, but, after budgetary adjustments legislated to balance the State's budget, \$446,800 was appropriated for operating and regulatory expenses. In FY 2009, the Department spent \$434,900 for this program.

County Fair Racing Betterment. This non-appropriated fund provides purse subsidy and betterment grants to every eligible county fair association for conducting county fair racing meetings. The fund receives 22% of all pari-mutuel receipts, license fees, and State unclaimed property up to \$1.2 million annually. Due to transfers needed to balance the State's budget in FY 2009, this fund received \$1.2 million in revenues, but \$800,000 was available for distribution.

Six counties conducting a meet in FY 2009 received \$55,000 each to subsidize purses, three counties received \$40,000 for this purpose. Five counties conducted their meets at commercial tracks and did not receive funding for this purpose, while one county decided not to conduct a meet in FY 2009.

### Betterment Payments to Counties

<b>County</b>	<b>Purses</b>	<b>Betterment</b>	<b>Total</b>
Apache County	\$55,000	\$47,500	\$102,500
Cochise County	0	0	0
Coconino County	40,000	29,200	69,200
Gila County	55,000	47,500	102,500
Graham County	55,000	47,500	102,500
Greenlee County	55,000	47,500	102,500
La Paz County	0	0	0
Maricopa County	0	0	0
Mohave County	40,000	30,000	70,000
Navajo County	0	0	0
Pima County	55,000	35,400	90,400
Pinal County	0	0	0
Santa Cruz County	40,000	30,000	70,000
Yavapai County	55,000	35,400	90,400
Yuma County	0	0	0
	\$450,000	\$350,000	\$800,000

## County Fair Racing

### 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of incident investigations	22	21	49
Number of background investigations	333	586	141
Total number of investigations conducted	355	607	190

### Licensing

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

<u>Performance Measures</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of licenses issued	660	892	409
Number of licenses denied	2	1	0
Number of licenses revoked	*	38	6

\* Measure not tracked for this fiscal year.

### 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of Stewards' rulings issued	33	28	38
Total Stewards' rulings appealed	*	3	0
Percentage of Stewards' rulings upheld on appeal to the Director	*	100%	NA

#### Rulings by Track

Apache County Fair, St. Johns	4	3	3
Cochise County Fair, Douglas	3	4	0
Coconino County Fair, Flagstaff	2	2	2
Gila County Fair, Globe	4	2	2
Graham County Fair, Safford	2	4	11
Greenlee County Fair, Duncan	0	1	4
Mohave County Fair, Kingman	0	4	1
Pima County Fair, Rillito Park in Tucson	16	5	12
Santa Cruz County Fair, Sonoita	2	3	3

\* Measure not tracked for this fiscal year.

## 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.

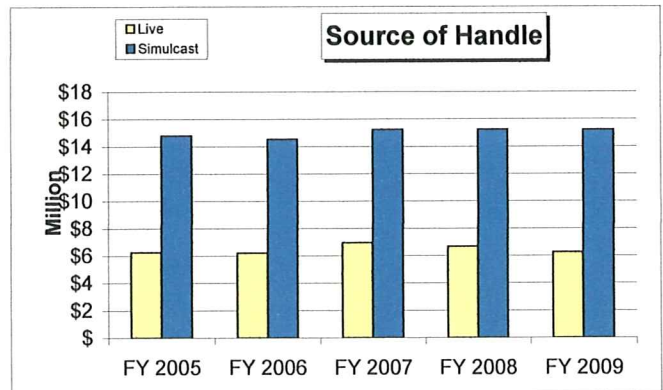
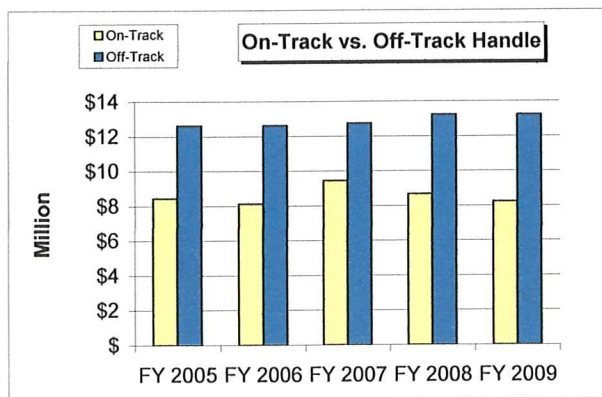
<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of Director's hearings	38	74	23
Number of Administrative Law Judge hearings	0	1	2
Number of Racing Commission hearings	1	0	0
Total number of Director's orders*	38	69	22
Percentage of orders upheld on appeal to the Commission	100%	NA	NA
<b><u>Orders by Track</u></b>			
Apache County Fair, St. Johns	0	6	1
Cochise County Fair, Douglas	0	8	2
Coconino County Fair, Flagstaff	17	18	2
Gila County Fair, Globe	2	3	2
Graham County Fair, Safford	3	2	1
Greenlee County Fair, Duncan	2	3	1
Mohave County Fair, Kingman	6	4	2
Pima County Fair, Rillito Park in Tucson	0	16	10
Santa Cruz County Fair, Sonoita	8	9	1

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

**COUNTY FAIR TRACKS**  
County Fair Racing at Fairs and Commercial Tracks

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances</u></b>					
Live Race Days	62	59	64	64	65
Dark Day-Simulcast Only	2	3	2	2	2
<b>Total Race Days</b>	<b>64</b>	<b>62</b>	<b>66</b>	<b>66</b>	<b>67</b>
<b>Total Live Performances</b>	<b>62</b>	<b>59</b>	<b>64</b>	<b>64</b>	<b>65</b>
<b><u>Number of Races</u></b>					
Live Races	534	519	572	568	564
Simulcast Races	3,012	2,528	3,549	3,526	4,291
<b>Total Number of Races</b>	<b>3,546</b>	<b>3,047</b>	<b>4,121</b>	<b>4,094</b>	<b>4,855</b>
<b><u>Attendance</u></b>					
On-Track	127,942	128,477	153,308	145,641	161,368
Off-Track	70,708	73,621	68,253	69,231	69,658
<b>Total Attendance</b>	<b>198,650</b>	<b>202,098</b>	<b>221,561</b>	<b>214,872</b>	<b>231,026</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$328,819	\$334,785	\$336,448	\$331,999	\$320,524
<b>Breakdown by location</b>					
On-Track Handle	\$8,428,760	\$8,130,138	\$9,454,053	\$8,677,661	\$8,239,847
Off-Track Handle	\$12,615,638	\$12,626,535	\$12,751,547	\$13,234,294	\$13,235,253
<b>Breakdown by source</b>					
Live Races	\$6,265,006	\$6,214,883	\$6,959,997	\$6,680,411	\$6,261,365
Simulcast Races	14,779,392	14,541,789	15,245,603	15,231,544	15,213,734
<b>Total Pari-Mutuel Handle</b>	<b>\$21,044,398</b>	<b>\$20,756,673</b>	<b>\$22,205,600</b>	<b>\$21,911,955</b>	<b>\$21,475,100</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b><u>Returned to Wagering Public</u></b>	<b>\$16,572,761</b>	<b>\$15,868,071</b>	<b>\$16,838,949</b>	<b>\$16,548,016</b>	<b>\$16,358,923</b>
<b><u>State Pari-Mutuel Revenues</u></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$4,173,837	\$4,103,839	\$4,390,313	\$4,357,033	\$4,293,304
Breakage	112,998	111,160	116,542	109,312	104,652
<b>Total Track Revenues</b>	<b>\$4,286,835</b>	<b>\$4,214,999</b>	<b>\$4,506,854</b>	<b>\$4,466,346</b>	<b>\$4,397,956</b>
<b><u>Purses</u></b>	<b>\$2,185,863</b>	<b>\$2,206,532</b>	<b>\$2,612,626</b>	<b>\$2,923,095</b>	<b>\$2,694,134</b>

**Racetrack Trends at a Glance**



**County Fair Racing**  
Schedule and Statistics  
FY 2009

	<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>
<b>Fairs at Non-Commercial Tracks</b>										
Coconino County Fair at Flagstaff July 3, 4, 5, 6, 7, 8, 2008	6	36	268	536,176	1,770,413	18,328	1,672,000	455,526	11,433	172,832
Apache County Fair at St. Johns September 13, 14, 20, 21, 2008	4	30	-	43,640	-	1,396	33,923	8,370	474	64,749
Gila County Fair at Globe September 27, 28, October 4, 5, 2008	4	32	-	66,109	-	680	51,306	12,982	499	73,331
Pima County Fair at Tucson January 17, 18, 24, 25, 31, February 7, 8, 14, 15, 21, 22, 2009	11	96	-	999,851	-	68,327	765,151	207,850	6,854	295,913
Greenlee County Fair at Duncan March 21, 22, 28, 29, 2009	4	32	-	100,911	-	2,116	78,425	19,656	811	90,789
Graham County Fair at Safford April 4, 5, 18, 19, 2009	4	36	-	100,975	-	5,500	78,519	19,621	816	65,106
Santa Cruz County Fair at Sonoita April 25, 26, May 2, 3, 2009	4	30	-	160,511	-	9,050	124,953	30,909	1,439	117,752
Mohave County Fair at Kingman May 9, 10, 2009	2	18	-	76,304	-	1,950	59,478	14,615	685	55,150
<b>Subtotal - Fairs at Non-Commercial Tracks</b>	<b>39</b>	<b>310</b>	<b>268</b>	<b>\$2,084,477</b>	<b>\$1,770,413</b>	<b>107,347</b>	<b>\$2,863,754</b>	<b>\$769,529</b>	<b>\$23,010</b>	<b>\$935,622</b>
<b>Fairs at Commercial Tracks</b>										
Yavapai County Fair at Prescott Valley (Yavapai Downs) August 30, 31, September 1, 2, 2008	4	38	156	384,364	1,120,491	10,368	1,107,166	301,392	5,910	126,460
Maricopa County Fair at Phoenix (Turf Paradise) January 3, 4, 10, 11, 2009	4	36	531	483,997	1,743,280	15,382	1,786,037	448,644	8,971	232,237
La Paz County Fair at Phoenix (Turf Paradise) January 17, 18, 24, 25, 2009	4	36	562	664,173	1,942,022	20,985	2,014,944	518,707	12,707	259,024
Pinal County Fair at Phoenix (Turf Paradise) February 21, 22, 28, March 1, 2009	4	36	630	664,445	2,166,819	19,857	2,151,657	565,889	14,887	288,558
Navajo County Fair at Phoenix (Turf Paradise) March 7, 8, 14, 15, 2009	4	36	720	677,062	2,190,004	19,195	2,168,618	573,417	12,563	288,111
Cochise County Fair at Phoenix (Turf Paradise) March 21, 22, April 18, 19, 2009	4	36	750	632,695	1,985,176	17,864	2,026,679	524,262	12,083	269,969
Yuma County Fair at Phoenix (Turf Paradise) March 28, 29, April 4, 5, 2009	4	36	674	670,152	2,295,530	20,028	2,240,067	591,463	14,522	295,155
<b>Subtotal - Fairs at Commercial Tracks</b>	<b>28</b>	<b>254</b>	<b>4,023</b>	<b>\$4,176,888</b>	<b>\$13,443,322</b>	<b>123,679</b>	<b>\$13,495,169</b>	<b>\$3,523,774</b>	<b>\$81,642</b>	<b>\$1,758,513</b>
<b>Total - All County Fair Racing</b>	<b>67</b>	<b>564</b>	<b>4,291</b>	<b>\$6,261,365</b>	<b>\$15,213,734</b>	<b>231,026</b>	<b>\$16,358,923</b>	<b>\$4,293,304</b>	<b>\$104,652</b>	<b>\$2,694,134</b>

## 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of incident investigations	201	247	139
Number of background investigations	374	963	259
Total number of investigations conducted	575	1,210	398

### Licensing

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

<u>Performance Measures</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of licenses issued	522	1,264	353
Number of licenses denied	1	3	1
Number of licenses revoked	36	66	7

### 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of Stewards' rulings issued	153	146	141
Total Stewards' rulings appealed	*	0	1
Percentage of Stewards' rulings upheld on appeal to the Director	*	NA	100%
<b><u>Rulings by Track</u></b>			
Phoenix Greyhound Park	91	36	60
Tucson Greyhound Park	62	110	81

\* Measure not tracked for this fiscal year.

## 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.

<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of Director's hearings	34	121	23
Number of Administrative Law Judge hearings	0	0	0
Number of Racing Commission hearings	0	1	1
Total number of Director's orders *	37	116	29
Percentage of orders upheld on appeal to the Commission	n/a	100%	100%
<b><u>Orders by Track</u></b>			
Phoenix Greyhound Park	17	60	13
Tucson Greyhound Park	20	56	16

\* 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.

<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of facility licenses issued	8	58	6
Number of inspections conducted at facilities	87	35	20
Percentage of inspections resulting in violations and disciplinary action	1.2%	1%	5%
Number of whelping inspections	104	81	66
Number of vehicle inspections	45	36	31

### 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.

<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Amount of awards	\$455,259	\$311,191	\$223,112
Percentage of breeders winning awards	49%	93%	6%
Number of greyhounds earning awards	639	604	612
Number of registered greyhounds	9,909	10,313	10,664

### 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.

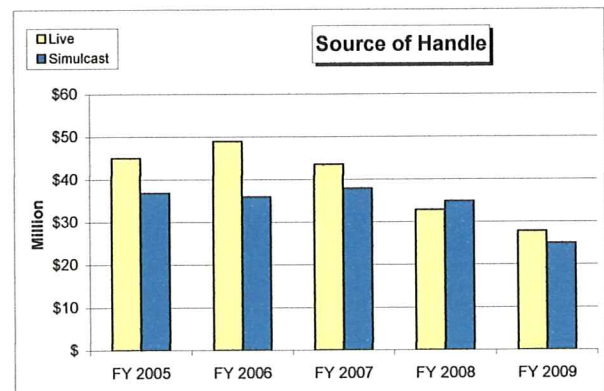
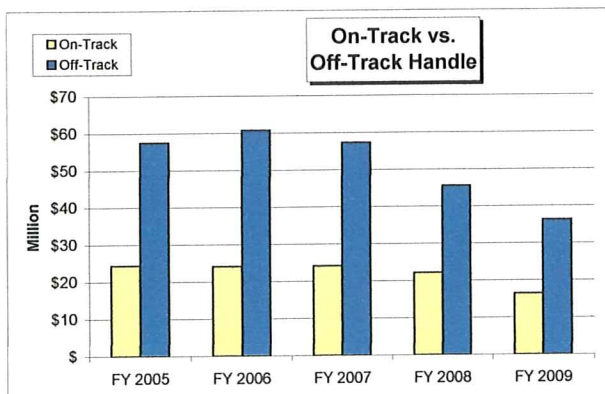
<b><u>Performance Measures</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
Number of grants awarded	0	1	0
Amount of grants awarded	\$0	\$1,250	\$0

## COMMERCIAL GREYHOUND TRACKS

Apache Greyhound, Phoenix Greyhound,  
Tucson Greyhound

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances</u> (including 9 charity days)</b>					
Live Race Days	634	667	660	600	594
Dark Day-Simulcast only	453	420	427	490	487
<b>Total Race Days</b>	<b>1,087</b>	<b>1,087</b>	<b>1,087</b>	<b>1,090</b>	<b>1,081</b>
<b>Total Live Performances</b> (Matinee & Evening)	<b>634</b>	<b>667</b>	<b>660</b>	<b>600</b>	<b>594</b>
<b><u>Number of Races</u></b>					
Live Races	9,372	10,119	9,545	7,931	8,609
Simulcast Races	213,839	212,233	232,167	233,201	214,645
<b>Total Number of Races</b>	<b>223,211</b>	<b>222,352</b>	<b>241,712</b>	<b>241,132</b>	<b>223,254</b>
<b><u>Attendance</u></b>					
On-Track	260,175	258,294	242,079	223,833	202,058
Off-Track	252,995	265,181	226,755	208,196	178,289
<b>Total Attendance</b>	<b>513,170</b>	<b>523,475</b>	<b>468,834</b>	<b>432,029</b>	<b>380,347</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$75,332	\$78,132	\$74,933	\$62,141	\$48,809
Breakdown by location					
On-Track Handle	\$24,420,309	\$24,174,364	\$24,117,884	\$22,174,756	\$16,454,007
Off-Track Handle	\$57,465,556	\$60,755,397	\$57,334,119	\$45,558,430	\$36,308,712
Breakdown by source					
Live Races	\$45,080,399	\$48,967,570	\$43,566,317	\$32,868,549	\$27,817,286
Simulcast Races	\$36,805,465	\$35,962,191	\$37,885,687	\$34,864,637	\$24,945,433
<b>Total Pari-Mutuel Handle</b>	<b>\$81,885,864</b>	<b>\$84,929,761</b>	<b>\$81,452,003</b>	<b>\$67,733,186</b>	<b>\$52,762,719</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$62,397,624</b>	<b>\$65,087,000</b>	<b>\$62,355,345</b>	<b>\$52,073,727</b>	<b>\$40,279,431</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$16,418,485	\$16,898,092	\$16,541,416	\$13,972,719	\$10,751,671
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	76,310	56,052	43,121	39,147	32,148
Hardship Tax Credit	2,403,112	2,637,164	2,353,026	1,768,623	1,497,803
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	229,595	221,691	200,269	157,288	123,775
<b>Total Track Revenues</b>	<b>\$19,127,502</b>	<b>\$19,812,998</b>	<b>\$19,137,832</b>	<b>\$15,937,777</b>	<b>\$12,405,397</b>
<b>Purses</b>	<b>\$4,392,179</b>	<b>\$4,592,493</b>	<b>\$4,259,927</b>	<b>\$3,494,876</b>	<b>\$2,760,716</b>

### Racetrack Trends at a Glance



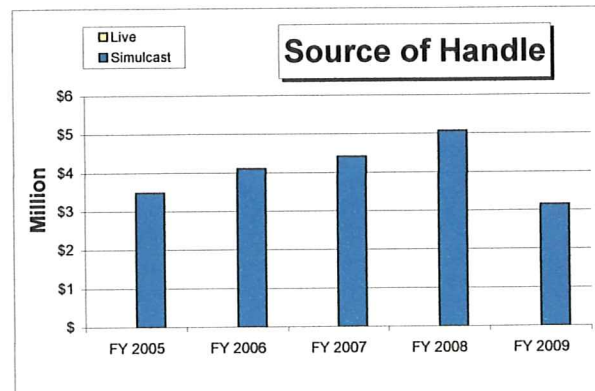
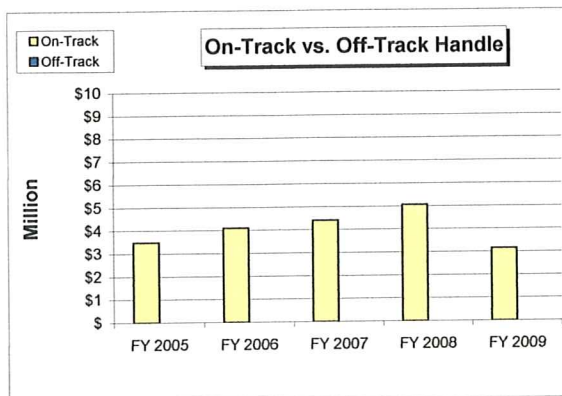
2551 West Apache Trail  
 Apache Junction, Arizona 85220

**APACHE GREYHOUND PARK**  
**American Greyhound Racing, Inc.**

FY 2009 Racing Dates:  
 July 1, 2008 - June 30, 2009

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances</u></b>					
Live Race Days	0	0	0	0	0
Dark Day-Simulcast only	362	362	362	363	362
<b>Total Race Days</b>	<b>362</b>	<b>362</b>	<b>362</b>	<b>363</b>	<b>362</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Number of Races</u></b>					
Live Races	0	0	0	0	0
Simulcast Races	60,270	64,529	72,968	73,490	71,625
<b>Total Number of Races</b>	<b>60,270</b>	<b>64,529</b>	<b>72,968</b>	<b>73,490</b>	<b>71,625</b>
<b><u>Attendance</u></b>					
On-Track	81,353	82,160	79,200	79,013	78,565
Off-Track	0	0	0	0	0
<b>Total Attendance</b>	<b>81,353</b>	<b>82,160</b>	<b>79,200</b>	<b>79,013</b>	<b>78,565</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$9,629	\$11,329	\$12,191	\$13,957	\$8,702
Breakdown by location					
On-Track Handle	\$3,485,747	\$4,101,136	\$4,413,071	\$5,066,332	\$3,150,048
Off-Track Handle	\$0	\$0	\$0	\$0	\$0
Breakdown by source					
Live Races	\$0	\$0	\$0	\$0	\$0
Simulcast Races	\$3,485,747	\$4,101,136	\$4,413,071	\$5,066,332	\$3,150,048
<b>Total Pari-Mutuel Handle</b>	<b>\$3,485,747</b>	<b>\$4,101,136</b>	<b>\$4,413,071</b>	<b>\$5,066,332</b>	<b>\$3,150,048</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$2,670,590</b>	<b>\$3,223,463</b>	<b>\$3,441,643</b>	<b>\$3,886,753</b>	<b>\$2,402,290</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$813,942	\$942,979	\$1,032,928	\$1,192,917	\$732,497
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	8,938	8,810	9,110	8,235	6,572
<b>Total Track Revenues</b>	<b>\$822,880</b>	<b>\$951,789</b>	<b>\$1,042,037</b>	<b>\$1,201,152</b>	<b>\$739,069</b>
<b>Purses</b>	<b>\$160,366</b>	<b>\$187,587</b>	<b>\$201,092</b>	<b>\$228,396</b>	<b>\$147,643</b>

**Racetrack Trends at a Glance**



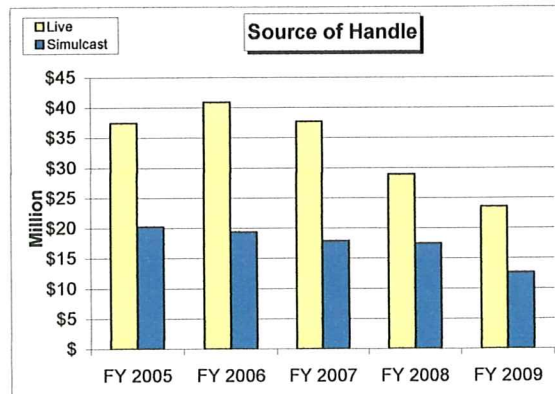
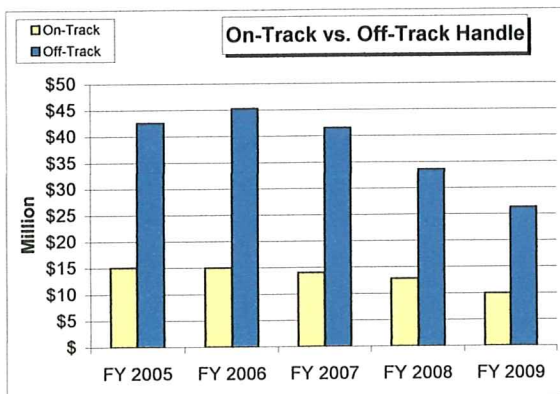
3801 East Washington Street  
Phoenix, Arizona 85036

**PHOENIX GREYHOUND PARK**  
American Greyhound Racing, Inc.

FY 2009 Racing Dates:  
July 1, 2008 - June 30, 2009

<b>RACING STATISTICS</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Race Days/Performances (including 9 charity day)</b>					
Live Race Days	352	362	362	348	338
Dark Day-Simulcast only	10	0	0	15	20
<b>Total Race Days</b>	<b>362</b>	<b>362</b>	<b>362</b>	<b>363</b>	<b>358</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>352</b>	<b>362</b>	<b>362</b>	<b>348</b>	<b>338</b>
<b>Number of Races</b>					
Live Races	5,387	5,770	5,733	5,019	5,422
Simulcast Races	67,266	63,841	70,123	70,116	64,302
<b>Total Number of Races</b>	<b>72,653</b>	<b>69,611</b>	<b>75,856</b>	<b>75,135</b>	<b>69,724</b>
<b>Attendance</b>					
On-Track	127,079	123,617	122,821	106,100	93,234
Off-Track	165,341	171,657	150,734	127,862	103,594
<b>Total Attendance</b>	<b>292,420</b>	<b>295,274</b>	<b>273,555</b>	<b>233,962</b>	<b>196,828</b>
<b>Pari-Mutuel Handle</b>					
Average Handle per Race Day	\$159,323	\$166,511	\$153,588	\$127,816	\$101,228
Breakdown by location					
On-Track Handle	\$15,080,705	\$15,043,286	\$14,071,955	\$12,822,684	\$9,945,695
Off-Track Handle	\$42,594,136	\$45,233,757	\$41,526,811	\$33,574,550	\$26,294,053
Breakdown by source					
Live Races	\$37,464,322	\$40,908,294	\$37,733,613	\$28,922,407	\$23,585,459
Simulcast Races	20,210,518	19,368,749	17,865,152	17,474,827	12,654,289
<b>Total Pari-Mutuel Handle</b>	<b>\$57,674,840</b>	<b>\$60,277,043</b>	<b>\$55,598,765</b>	<b>\$46,397,234</b>	<b>\$36,239,748</b>
<b>DISTRIBUTION OF REVENUES</b>					
<b>Returned to Wagering Public</b>	<b>\$43,953,881</b>	<b>\$45,922,489</b>	<b>\$42,367,781</b>	<b>\$35,372,281</b>	<b>\$27,301,010</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Track Mutuel Revenues</b>					
Track Commission	\$11,130,623	\$11,577,368	\$10,757,869	\$9,151,719	\$7,113,441
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	76,310	56,052	43,121	39,147	32,148
Hardship Tax Credit	1,984,228	2,193,905	2,032,228	1,551,585	1,265,053
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	170,544	163,624	143,872	115,733	89,620
<b>Total Track Revenues</b>	<b>\$13,361,706</b>	<b>\$13,990,948</b>	<b>\$12,977,090</b>	<b>\$10,858,184</b>	<b>\$8,500,261</b>
<b>Purses</b>	<b>\$3,189,057</b>	<b>\$3,352,976</b>	<b>\$3,095,274</b>	<b>\$2,545,527</b>	<b>\$1,997,810</b>

**Racetrack Trends at a Glance**



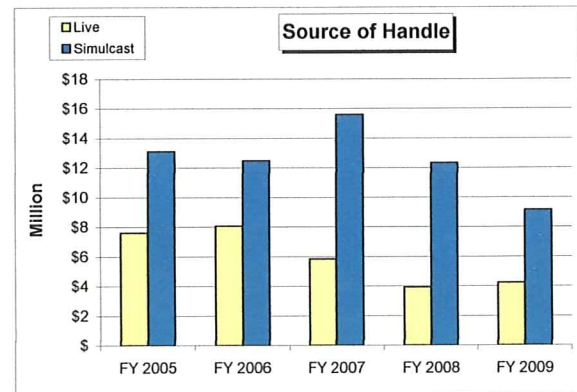
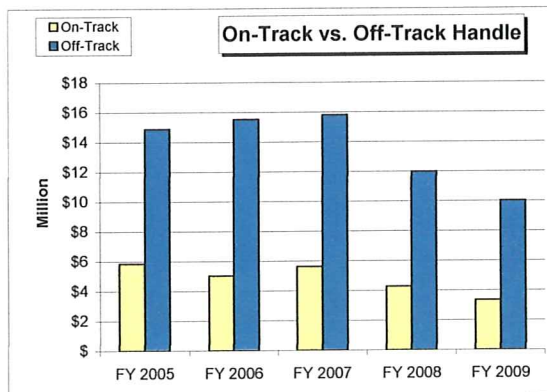
2601 South Third Avenue  
Tucson, Arizona 85713

**TUCSON GREYHOUND PARK**  
Tucson Greyhound Park, Inc.

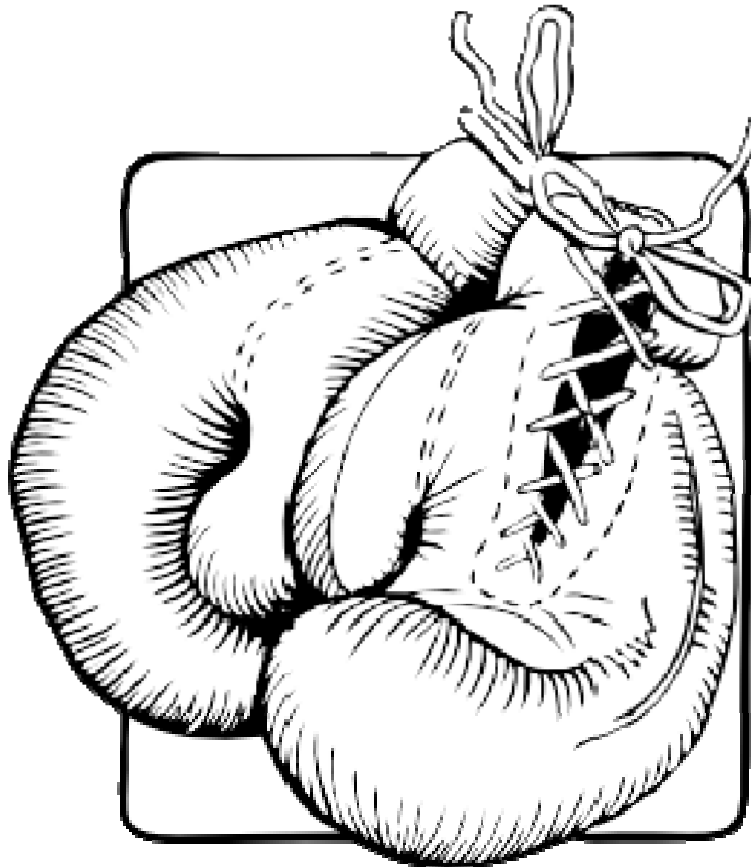
FY 2009 Racing Dates:  
July 1, 2008 - June 30, 2009

<u>RACING STATISTICS</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<b><u>Race Days/Performances</u></b>					
Live Race Days	282	305	298	252	256
Dark Day-Simulcast only	81	58	65	112	105
<b>Total Race Days</b>	<b>363</b>	<b>363</b>	<b>363</b>	<b>364</b>	<b>361</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>282</b>	<b>305</b>	<b>298</b>	<b>252</b>	<b>256</b>
<b><u>Number of Races</u></b>					
Live Races	3,985	4,349	3,812	2,912	3,187
Simulcast Races	86,303	83,863	89,076	89,595	78,718
<b>Total Number of Races</b>	<b>90,288</b>	<b>88,212</b>	<b>92,888</b>	<b>92,507</b>	<b>81,905</b>
<b><u>Attendance</u></b>					
On-Track	51,743	52,517	40,058	38,720	30,259
Off-Track	87,654	93,524	76,021	80,334	74,695
<b>Total Attendance</b>	<b>139,397</b>	<b>146,041</b>	<b>116,079</b>	<b>119,054</b>	<b>104,954</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$57,094	\$56,616	\$59,064	\$44,697	\$37,044
Breakdown by location					
On-Track Handle	\$5,853,857	\$5,029,942	\$5,632,858	\$4,285,739	\$3,358,264
Off-Track Handle	\$14,871,420	\$15,521,640	\$15,807,308	\$11,983,880	\$10,014,659
Breakdown by source					
Live Races	\$7,616,077	\$8,059,276	\$5,832,704	\$3,946,142	\$4,231,828
Simulcast Races	13,109,200	12,492,307	15,607,463	12,323,477	9,141,096
<b>Total Pari-Mutuel Handle</b>	<b>\$20,725,277</b>	<b>\$20,551,582</b>	<b>\$21,440,167</b>	<b>\$16,269,619</b>	<b>\$13,372,923</b>
<b>Returned to Wagering Public</b>	<b>\$15,773,153</b>	<b>\$15,941,049</b>	<b>\$16,545,921</b>	<b>\$12,814,693</b>	<b>\$10,576,130</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$4,473,920	\$4,377,744	\$4,750,619	\$3,628,084	\$2,905,733
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	418,883	443,259	320,798	217,037	232,750
Breakage	50,114	49,257	47,288	33,320	27,583
<b>Total Track Revenues</b>	<b>\$4,942,917</b>	<b>\$4,870,261</b>	<b>\$5,118,705</b>	<b>\$3,878,441</b>	<b>\$3,166,066</b>
<b>Purses</b>	<b>\$1,042,756</b>	<b>\$1,051,930</b>	<b>\$963,561</b>	<b>\$720,953</b>	<b>\$615,264</b>

**Racetrack Trends at a Glance**



# Arizona



# Boxing Commission

## 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.

**Richard P. Saunders** – Arizona State Boxing Commissioner. Mr. Saunders was reappointed to the Boxing Commission on January 15, 2007 serving his second term. His Boxing Commission term expires on January 18, 2010.

**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.

## Boxing Regulation

The Boxing Commission regulates and supervises all boxing events conducted in Arizona to protect the participants in these events and to ensure compliance with the Boxing laws and regulations. The events include traditional boxing, kickboxing, tough man contests, and mixed martial arts.

In 1992, the Arizona Department of Racing assumed responsibility for the financial administration of the Arizona State Boxing Commission. In this capacity, the Department collects and deposits State receipts associated with boxing. The Department collects a fee of four percent of the gross receipts after deduction of any federal, state, and local taxes generated from boxing matches.

Additionally, the State Boxing Commission entered into intergovernmental agreements with three Tribal organizations to supervise Boxing events conducted on Tribal land. The Arizona State Boxing Commission receives an average of \$3,000 per event subject to these agreements. During FY 2009, the Boxing Commission regulated 9 of these events and collected \$27,000 for their regulation. All Boxing Commission revenues are deposited into the General Fund.

### Sanctioned Events

The Boxing 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. The Commission was authorized to approve up to 30 events in FY 2007.

<u>Performance Measures</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Percent of bouts without serious injury to contestants	100%	100%	100%
Number of events sanctioned	30	25	29
Number of bouts	240	200	232

### Licensing

The Boxing 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of licenses issued	791	458	664
Percent of licenses issued for all applications	99%	99%	99.5%
<b><u>Revenue Summary</u></b>			
Taxes	\$24,731	\$10,750	\$13,048
License Fees	11,595	8,255	10,620
Fines	1,200	400	400
Unarmed Combat Fees	N/A	N/A	18,000
Other (Tribal Agreements)	33,000	45,000	27,000
Total Revenue Collected	\$67,526	\$64,405	\$69,068

### 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 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Number of investigations conducted	8	1	0
Percent of investigations resulting in disciplinary action	99%	100%	N/A

# **Financial Issues**

## Department Of Racing Budget

Additional funds are necessary to enable the Department to provide the services required to regulate and support the racing industry in Arizona. The Department of Racing's expenditures for the last three fiscal years and the appropriated funds for FY 2010, including a summary of full-time and seasonal positions, are included below.

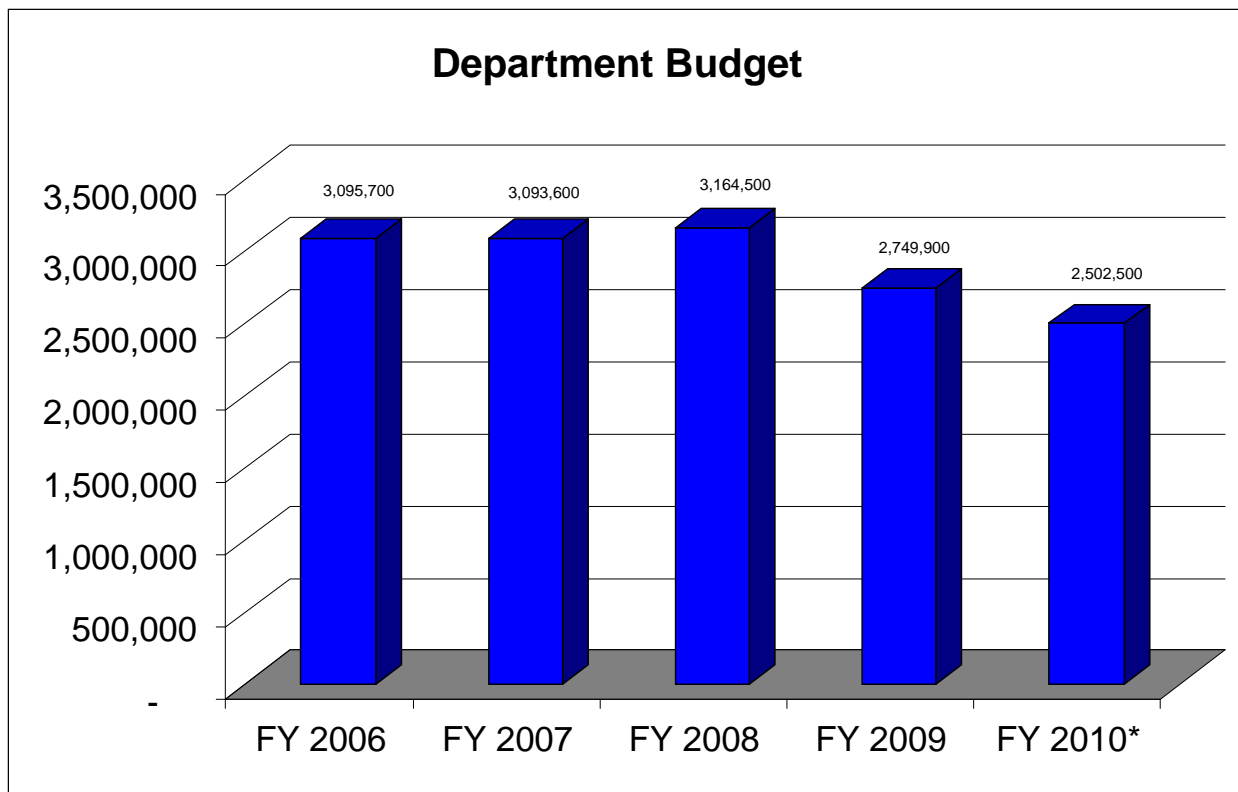
The total Department of Racing budget for FY 2009 was \$3,175,200. Included in this amount is \$356,400 transferred to the General Fund due to Legislative mandate, this caused a decrease of 12% to the Department's operating budget. Nearly 82.6% of the Department's FY 2009 budget was appropriated from the State General Fund.

### OPERATING BUDGET

	Actual Exp FY 2007	Actual Exp FY 2008	Actual Exp FY 2009	Appropriation FY2010
Full Time Equivalent Positions (FTE)	46.5	46.5	46.5	42.5
Full Time	33.0	33.0	33.0	33.0
Seasonal	13.5	13.5	13.5	9.5
Personal Services	\$1,829,900	\$1,838,000	\$1,507,700	\$1,689,700
Employee Related Expenses (ERE)	580,700	583,300	535,200	557,000
Professional & Outside Services	231,200	207,200	144,500	24,800
Travel - In State	185,400	161,000	123,000	92,800
Travel - Out of State	8,300	3,200	3,200	1,000
Other Operating	297,300	319,800	298,200	234,300
Equipment	9,400	52,000	38,100	0
<i>SUBTOTAL</i>	<b>\$3,093,600</b>	<b>\$3,164,500</b>	<b>\$2,749,900</b>	<b>\$2,502,500</b>
Racing Programs	N/A	N/A	N/A	1,800,000
Other Programs	N/A	N/A	N/A	1,779,500
<b>AGENCY TOTAL</b>	<b>\$3,093,600</b>	<b>\$3,164,500</b>	<b>\$2,749,900</b>	<b>\$6,082,000</b>

### FUND SOURCES

General Fund	\$2,749,100	\$2,661,600	\$2,269,200	\$2,035,500
<b>Other Appropriated Funds</b>				
County Fair Racing Fund	299,700	440,200	434,900	400,000
Administration of Betterment & Breeders' Awards Fund	44,800	62,700	45,800	67,000
Arizona Breeders Awards	0	0	0	800,000
Arizona Stallion Awards	0	0	0	100,000
County Fair Betterment	0	0	0	900,000
Livestock Promotion	0	0	0	1,779,500
<i>SUBTOTAL</i>	344,500	502,900	480,700	4,046,500
<b>AGENCY TOTAL</b>	<b>\$3,093,600</b>	<b>\$3,164,500</b>	<b>\$2,749,900</b>	<b>\$6,082,000</b>



\* Note: FY 2010 includes monies appropriated for operating expenses only.

### Department Of Racing Revenues

The Department of Racing collects pari-mutuel taxes, license fees and fines that are deposited into eight separate funds, the State General Fund and the Greyhound and Retired Race Horse Adoption Fund. Fines are deposited into the State General Fund, license fees collected from dog breeders and racing kennels are deposited into the Greyhound Adoption Fund and revenues collected from the 5% Retired Race Horse surcharge added to each horse racing-related fine are deposited into the Retired Race Horse Adoption Fund. See tables and charts on page 32.

Revenues from pari-mutuel taxes decreased in FY 2009. They decreased 37% or \$159,271 when compared to FY 2008. Several tax breaks have been provided to the racing industry since 1995. The tax breaks listed below contribute, in part, to the current reduction in pari-mutuel tax revenues received from the racing industry when compared to revenues received a few years ago.

- Tax reductions for greyhound tracks.
- Exemption from State tax on dollars wagered on simulcast.
- Hardship tax credit for tracks, which have suffered a decline in business.
- Capital improvement program tax reduction.

Additional funds are derived from the Arizona Department of Revenue transfer of unclaimed property funds to the Department of Racing. During FY 2009, the transfer was for \$10.3 million. These dollars are distributed among the eight separate funds and enables the Department of Racing to reach the statutorily authorized levels for each fund. The dollars remaining are deposited into the General Fund, which received \$5.5 million in FY 2009, from the Department of Racing's portion of unclaimed property dollars.

As the pari-mutuel tax revenues decline, the contributions from the unclaimed property fund to each of the eight funds increase. This in turn, reduces the funds available for the State's General Fund. Therefore, the unclaimed property funds become increasingly more important to the continuation of the programs supported by these eight funds and the State's General Fund. See tables and charts on page 33.

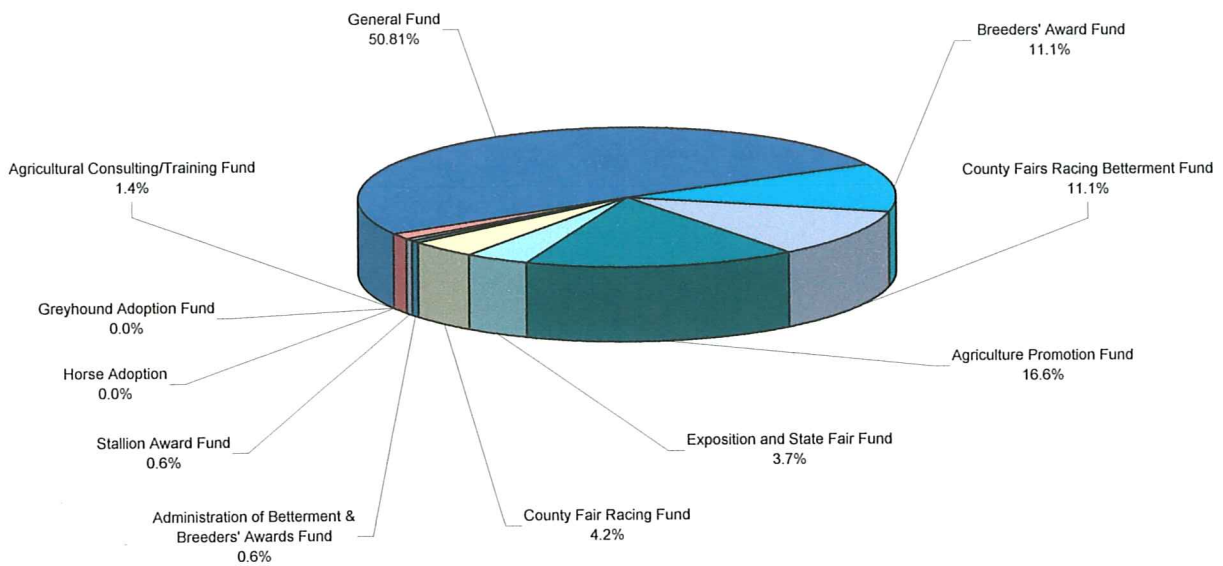
The seven funds summarized on page 34 are the funds administered by the Department of Racing for various programs. The funds listed below are administered by other State programs, as described below.

- County Fairs Livestock & Agriculture Promotion Fund .....Governor's Office
- Exposition and State Fair Fund .....Arizona Exposition and State Fair
- Agricultural Consulting and Training Fund .....Arizona Department of Agriculture

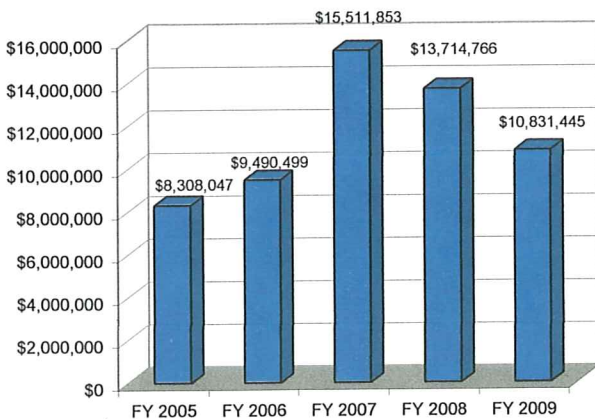
## Distribution of Department of Racing Revenues

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
General Fund	\$4,640,891	\$5,807,008	\$11,823,953	\$8,380,332	\$5,498,526
Breeders' Award	800,000	800,000	800,000	1,200,000	1,200,000
County Fairs Racing Betterment	800,000	800,000	800,000	1,200,000	1,200,000
Agriculture Promotion	1,200,000	1,200,000	1,200,000	1,800,000	1,800,000
Exposition and State Fair	400,000	400,000	400,000	400,000	400,000
County Fair Racing	300,000	300,000	300,000	450,000	450,000
Administration of Betterment and Breeders' Award	45,000	45,000	45,000	67,000	67,000
Stallion Award	40,000	40,000	40,000	60,000	60,000
Agricultural Consulting/Training	82,006	94,480	100,800	154,034	154,034
Horse Adoption	N/A	1,186	1,800	3,200	1,660
Greyhound Adoption	150	2,825	300	200	225
<b>Total Distribution</b>	<b>\$8,308,047</b>	<b>\$9,490,499</b>	<b>\$15,511,853</b>	<b>\$13,714,766</b>	<b>\$10,831,445</b>

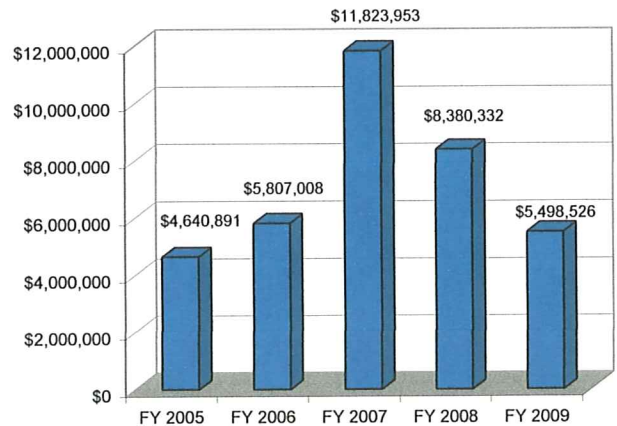
### Distribution of Department of Racing Revenues FY 2009



#### Total Department Revenues by Fiscal Year



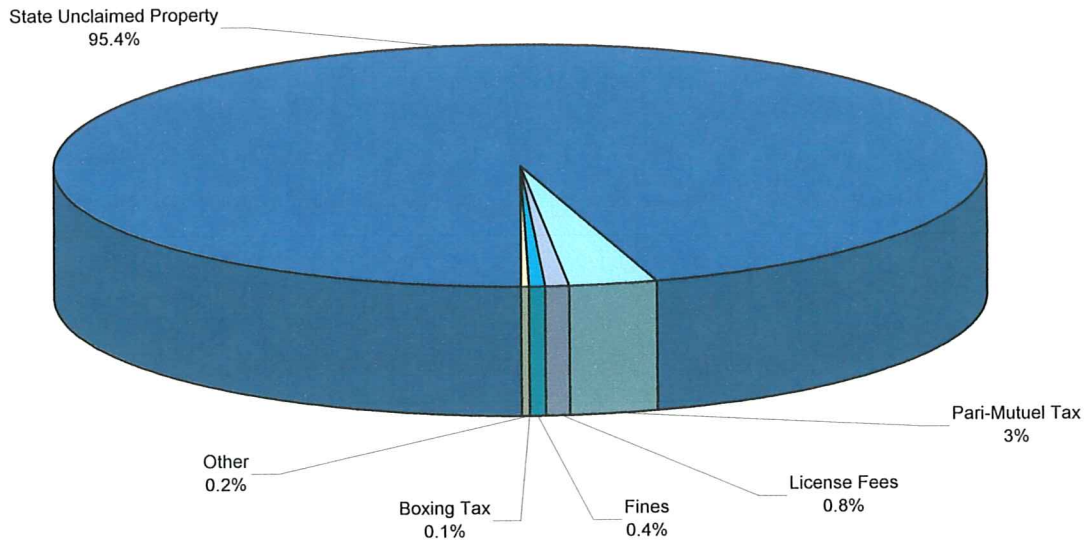
#### General Fund Revenues by Fiscal Year



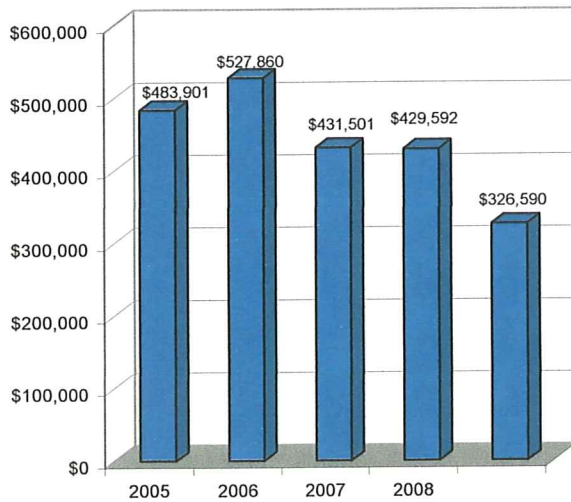
## Department of Racing Revenues by Category

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
State Unclaimed Property	\$8,706,424	\$9,453,500	\$14,899,237	\$13,082,514	\$10,334,630
Pari-Mutuel Tax	483,901	527,860	431,501	429,592	326,590
License Fees	193,974	74,500	82,856	176,844	90,976
Fines	58,073	49,000	45,870	42,086	41,501
Boxing Tax	29,116	39,900	24,730	10,750	13,048
Other	19,011	28,500	27,659	(27,020)	24,700
<b>Total</b>	<b>\$9,490,499</b>	<b>\$10,173,260</b>	<b>\$15,511,853</b>	<b>\$13,714,766</b>	<b>\$10,831,445</b>

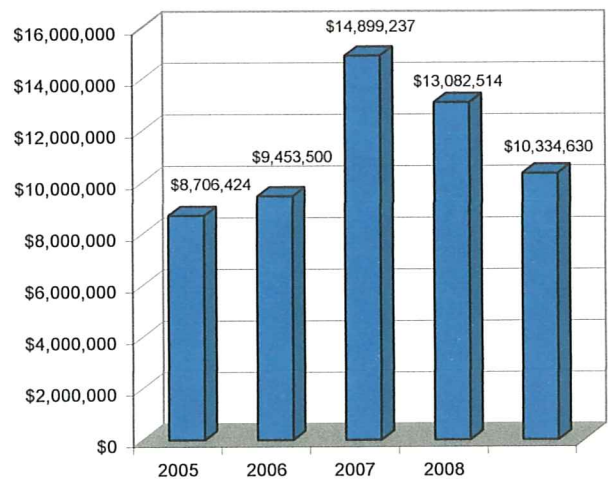
### Department of Racing Revenues by Category FY 2009



**Pari-Mutuel Tax Revenue  
by Fiscal Year**



**State Unclaimed Property  
Transfers by Fiscal Year**



**FY 2009 Appropriated and Non-Appropriated Funds**

<b><u>DESCRIPTION OF FUNDS</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>
<b>County Fair Racing (RCA2170 / A.R.S. 5-113) APPROPRIATED</b>		
<i>Source of Revenue:</i> Receives 9% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (maximum of \$450,000).		
<i>Purpose of Fund:</i> For the administration of county fair racing.		
<b>FUNDS SPENT</b>	<b>\$440,200</b>	<b>\$434,900</b>
<b>Administration of County Fair Racing &amp; Breeders Awards Fund (RCA2018 / A.R.S. 5-113) APPROPRIATED</b>		
<i>Source of Revenue:</i> Receives 1% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (maximum of \$67,000).		
<i>Purpose of Fund:</i> To administer the Arizona County Fairs Racing Betterment program, the Arizona Breeders' Award program, the Arizona Stallion Awards program, and the Retired Greyhound and Racehorse Adoption program.		
<b>FUNDS SPENT</b>	<b>\$62,700</b>	<b>\$45,800</b>
<b>Arizona Breeders Awards (RCA2206 / A.R.S. 5-113) NON-APPROPRIATED</b>		
<i>Source of Revenue:</i> Receives 22% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (maximum of \$1.2 million).		
<i>Purpose of Fund:</i> To encourage the breeding industry in Arizona by awarding breeders of winning racehorses and greyhounds in this state.		
<b>FUNDS SPENT</b>	<b>\$1,070,619</b>	<b>\$753,800</b>
<b>County Fair Racing Betterment (RCA2207 / A.R.S. 5-113) NON-APPROPRIATED</b>		
<i>Source of Revenue:</i> Receives 22% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (maximum of \$1.2 million).		
<i>Purpose of Fund:</i> To promote county fair racing by providing a grant to each eligible county fair association that conducts a racing meeting.		
<b>FUNDS SPENT</b>	<b>\$1,119,200</b>	<b>\$1,095,400</b>
<b>Greyhound Adoption (RCA2015 / A.R.S. 5-113) NON-APPROPRIATED</b>		
<i>Source of Revenue:</i> License fees collected from dog breeders, racing kennels, and other operations where greyhounds are raised for dog racing.		
<i>Purpose of Fund:</i> To provide grants to non-profit organizations to promote the adoption of retired racing greyhounds as domestic pets.		
<b>FUNDS SPENT</b>	<b>\$1,250</b>	<b>\$0</b>
<b>Retired Racehorse Adoption (RCA2015 / A.R.S. 5-113) NON-APPROPRIATED</b>		
<i>Source of Revenue:</i> A 5% Retired Race Horse Surcharge is levied against each horse racing-related fine		
<i>Purpose of Fund:</i> To provide grants to non-profit organizations to promote the adoption of retired racehorses.		
<b>FUNDS SPENT</b>	<b>\$1,496</b>	<b>\$1,647</b>
<b>Stallion Awards (RCA2315 / A.R.S. 5-113) NON-APPROPRIATED</b>		
<i>Source of Revenue:</i> Receives 1% of revenue derived from pari-mutuel receipts, license fees, and unclaimed property (maximum of \$60,000).		
<i>Purpose of Fund:</i> To encourage the breeding industry in Arizona by awarding owners or lessees of stallion horses in this state.		
<b>FUNDS SPENT</b>	<b>\$96,369</b>	<b>\$59,418</b>

**ARIZONA DEPARTMENT OF RACING  
FY 2009 ANNUAL REPORT**

## 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 2010 Hardship Tax Credit

#### Based on the FY 2009 Dollars Wagered

TRACK	BASE YEAR	BASE YEAR AMOUNT	FY 2009	FY 2009	FY 2009	TAX DUE	FY 2010	CARRYOVER FROM FY 2009 HARDSHIP TAX CREDIT	FY 2010 TAX CREDIT WITH FY 2009 CARRYOVER
			AMOUNT WAGERED	% DECREASE	PARI-MUTUEL TAX DUE	BASED ON % DECREASE	HARDSHIP TAX CREDIT		
<b>HORSE TRACKS:</b>									
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	165,088	165,088
Turf Paradise	FY 1994	101,467,993	107,997,451	6.43%	335,084	0	0	0	0
Yavapai Downs	FY 1994	17,490,826	29,436,790	68.30%	80,474	0	0	0	0
<b>GREYHOUND TRACKS:</b>									
Apache Greyhound Park	FY 1990	\$12,262,396	\$3,150,048	-74.31%	\$0	\$0	\$0	\$360,850	\$360,850
Phoenix Greyhound Park	FY 1990	49,391,582	36,239,748	-62.13%	1,297,201	805,902	2,417,705	4,571,563	6,989,268
	FY 1994	46,293,967							
Tucson Greyhound Park	FY 1990	38,110,346	13,372,923	-64.91%	232,750	151,078	453,234	2,420,180	2,873,414

### Department of Racing Pari-Mutuel Tax Revenue - FY 2009

TRACK	ALLOWABLE HARDSHIP CREDITS IN FY 2009	FY 2009 HANDLE	FY 2009 PARI-MUTUEL TAX DUE	FY 2009 CAPITAL IMPROVEMENT WITHHOLDINGS	FY 2009 HARDSHIP TAX CREDIT	FY2009 COUNTY FAIR CREDITS	FY 2009 CHARITY DAYS	FY 2009 PARI-MUTUEL TAX REVENUE
<b>HORSE TRACKS:</b>								
Rillito Park	\$165,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turf Paradise	0	107,997,451	335,084	0	0	0	8,494	326,590
Yavapai Downs	0	29,436,790	80,474	80,474	0	0	0	0
Subtotal Horse Tracks	\$165,088	\$137,434,241	\$415,558	\$80,474	\$0	\$0	\$8,494	\$326,590
<b>GREYHOUND TRACKS:</b>								
Apache Greyhound Park	\$360,850	\$3,150,048	\$0	\$0	\$0	\$0	\$0	\$0
Phoenix Greyhound Park	4,423,417	36,239,748	1,297,201	0	1,265,053	0	32,148	0
Tucson Greyhound Park	2,432,446	13,372,923	232,750	0	232,750	0	0	0
Subtotal Greyhound Tracks	\$7,216,713	\$57,762,719	\$1,529,951	\$0	\$1,497,803	\$0	\$32,148	\$0
<b>GRAND TOTAL</b>	<b>\$7,381,801</b>	<b>\$190,196,960</b>	<b>\$1,945,509</b>	<b>\$80,474</b>	<b>\$1,497,803</b>	<b>\$0</b>	<b>\$40,642</b>	<b>\$326,590</b>

## 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 was reduced by 1% of the total amount wagered in counties with a population over 500,000 and 27% 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 show 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 2009	Cumulative Dollars Deducted	Remaining Dollars Approved
<b>Prescott Downs</b> (Yavapai Downs)	Grandstand & Clubhouse Structure, etc.	\$51,520,282	\$80,474	\$756,828	\$50,763,454
<b>Other Permittees</b>		\$0	\$0	\$0	\$0