

78 – BOARD OF HORSE RACING

Mission:

- To ensure the integrity of the state's horse racing industry, both live and simulcasting, through customer-oriented regulation and monitoring of the compliance with the Montana Board of Horse Racing laws and rules.



Montana's Horse Racing History

- Horse racing was a very popular form of entertainment at the turn of the 19th century.
- 1889 – “Spokane”, a Montana horse, wins the 15th running of the Kentucky Derby.
1889 - Montana becomes a state.
- Race tracks existed in Butte and Anaconda.
- Marcus Daly has over 200 broodmares on his ranch in the Bitterroot Valley.



Photo: Butte-Silver Bow Public Archives



Photo: Jolene Ewert-Hintz. Historic Montana Ghost Towns and History of Montana – Montana Historical Society





HISTORY OF THE BOARD

- Established in 1965, the board was originally made up of three members appointed by the Governor.
- In 1977, the board was expanded to 7 members. Five of them represent jurisdictions around the state while the other two represent the Montana racing and breeding industry.
- As popularity grew, so did the number of race tracks, owners, breeders and racing fans.
- In 1983, horse racing was offered in Baker, Billings, Dodson, Forsyth, Glasgow, Great Falls, Hamilton, Helena, Kalispell, Miles City, Missoula, and Shelby. Prior to that year, racing was also offered in Deer Lodge and Fort Benton.
- In the 1980's, Montana had 18 different racing associations offering racing at 12 race tracks
- During this time, in one year, Montana had 143 days of racing and \$11.8 million in wagering with an estimated economic impact of over \$70 million which including breeding, raising and training of horses.





HISTORY OF THE BOARD

- Changes in the gaming industry and tax laws creates problems for the horse racing industry.
- In the late 1980's, legislation sponsored by the board passes and allows for simulcasting horse racing year around. Funds are used to support the industry.
- In the early 2000's, Advance Deposit Wagering was introduced.
- Around 2007, the Montana Lottery and the board of horse racing formed an agreement to provide Fantasy Sports Wagering at the Montana Lottery terminals around the state.
- In 2011, legislation was passed to allow the board of horse racing to act as their own simulcasting network in an effort to maximize revenues and set aside more money for the horse racing industry.
- 2012 – the Montana Board of Horse Racing found themselves \$635,000 in debt and only Miles City willing to race without any state support.





HISTORY OF THE BOARD

- In 2013 legislation is passed to move the board from the Department of Livestock back to the Department of Commerce.
- Changes at the board level are made by the Governor.
- The Department of Commerce hires a new Executive Secretary for the board.
- Two goals set by board: (1) Meet the debt payment and (2) Keep horse racing in Montana.
- Board members take active role in cutting costs.
- Expenses cut at the live race meets.
- Both Miles City and Great Falls apply for race dates for 2013.





HISTORY OF THE BOARD

- From 2013 to 2019..
- Emphasis was put on paying down the debt owed to the Department of Administration as fast as possible.
- Worked closely with the Department of Commerce to evaluate all expenses and revenues.
- Assisted new simulcast network operator and stabilize those revenues – approximately \$145,000 per year to the board.
- Worked with Montana Lottery regarding the Fantasy Sports Games offered through their terminals.
- Raised standard ‘source market fee’ to advance deposit wagering.
- Signed up more advance deposit wagering companies.





HISTORY OF THE BOARD

- From 2013 to 2019..
- More revenues, less expenses = more money to the racing industry: race tracks, owners, breeders.
- On November 16, 2019 – last payment made to the Department of Administration - three years ahead of schedule!



78 – BOARD OF HORSE RACING

The Montana Board of Horse Racing is responsible for:

- Regulating the live and simulcast horse racing industry
- Ensuring compliance by approximately 1,000 licensees with state laws and board rules
- Licensing all racing personnel, establishing race dates for communities, and establishing veterinary practices and standards in connection with horse racing meets
- Auditing, supervising and conducting investigations related to the pari-mutuel racing system in Montana
- Contracting with the Montana Lottery to conduct fantasy sports pari-mutuel wagering and working with the Montana Lottery to increase revenues generated by fantasy sports pari-mutuel wagering.



BOARD REVENUES AND SPENDING

1. Board contracts management - Maintains 1.5 FTE for future budgets
2. Average yearly revenues (\$353,000) for the previous 7^(*) years:
 1. Live racing: \$36,000
 2. Simulcasting: \$146,000
 3. Fantasy Sports: \$50,000
 4. Advance Deposit Wagering: \$121,000
3. Average yearly spending (\$353,000) for the previous 7^(*) years (% of revenues):
 1. Board Meetings: \$2,600 (.7%)
 2. Board Operations & Management: \$34,100 (9.7%)
 3. Debt Service: \$81,000 (22.9%)
 4. Costs regulating summer race meets: \$37,000 (10.5%)
 5. Distributions to Tracks & Purses: \$131,550 (37.3%)
 6. Montana Breeder/Owner Bonuses: \$11,950 (3.4%)
 7. Reserves: \$54,800 (15.5%)

() 2013-2019. 2020 was not used due to Covid-19 and no horse racing in the state.*



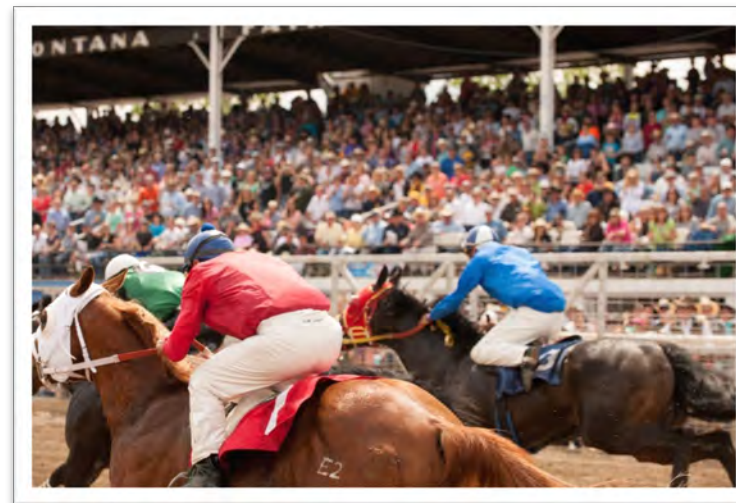
BOARD GOALS & OBJECTIVES

1. Up to 2020. Goal: Pay back debt to the Department of Administration and keep horse racing alive in Montana.
2. 2020 and forward. Goal: Revive the horse breeding industry.
 1. Objective: Secure racing at Great Falls & Miles City
 2. Objective: Additional funding to support more racing
 1. 2021 Legislation: LC0484 – Ken Bogner(R) – Historical Horse Racing
 2. 2021 Legislation: LC2291 – Mark Blasdel(R) – Revised Sports Wagering
 3. Objective: Double days of racing from 9 to 18 in 5 years
 4. Objective: Add 2 additional tracks to Montana in 5 years



BOARD SUCCESSES and FUTURE FOR RACING

- Retiring the debt of \$628,427 and maintaining a horse racing schedule.
- Bringing governments: local & state together with private enterprise.
- Showing accountability for all income and expenses.
- Future of horse racing more secure today.
- Passing of proposed 2021 legislation would provide more days and more racing opportunities.



FOR MORE INFORMATION

MONTANA BOARD OF HORSE RACING

Montana Department of Commerce

commerce.mt.gov/horseracing

406.961.5422

