

COLORADO HORSEMEN'S LEGISLATIVE COALITION LEGISLATIVE AGENDA

The proposed revisions to the Colorado Racing Statute are an effort to improve the economic climate for Colorado horse racing and the overall Colorado horse industry. Changes to the racing statute include:

Revenue Opportunities

- Days available to simulcast should be increased to 360 Days a Year
- Internet Simulcasting or Advance Deposit Account Wagering
- "Instant Racing"
- Off Track Simulcast Facilities

Revenue Distribution

- Internet Wagering Source Market Fees
- Division of Net Revenue from Instant Racing

Racing Opportunities

- Number Of Racing Days
- Authority to Simulcast Prior to Racing for New Race Tracks.

Colorado Breeders Incentives

- Colorado Breeders Race Fund
- Colorado Horse Breeders Incentive Fund

**SUPPORT THE COLORADO HORSE INDUSTRY
JOIN THE HORSEMEN'S COALITION**

**BE A PART OF THE
COLORADO HORSE
INDUSTRY'S
FUTURE**

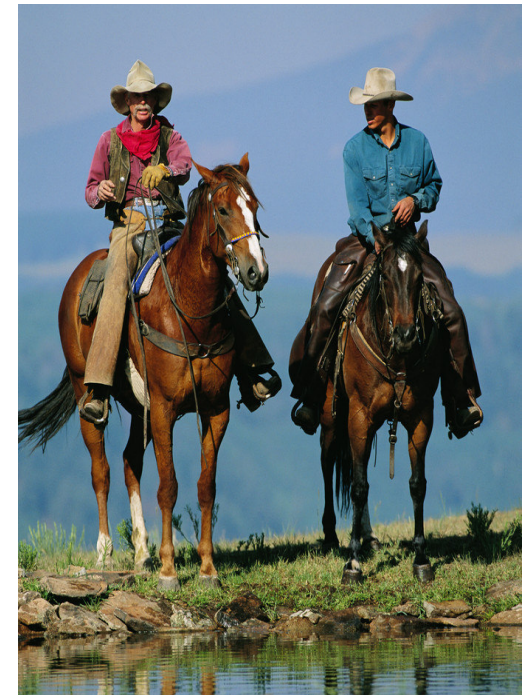
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**NO MEMBERSHIP FEES
Just A Commitment
To be Involved !**

The Colorado Horsemen's Coalition was formed to address the current problems the Colorado horse industry faces. The Colorado Horsemen's Legislative Coalition mission is to develop and lobby for legislation that will promote the growth and success of all parts of the Colorado horse industry - which includes owners, trainers, breeders and others that work within the industry. The Colorado Horsemen's Coalition does not represent any breed or subset of the industry, but is supportive of all parts of the industry.

The Colorado Horsemen's Coalition is a voluntary group that does not accept funding from any for-profit organizations or companies. The coalition is entirely self-funded by member's donation of time and expense contributions.

**THE COLORADO
HORSE INDUSTRY:
A PROPOSAL FOR
BUILDING AN
ECONOMIC
WINNER**



**AN ECONOMIC
GROWTH PLAN FOR
THE COLORADO HORSE
INDUSTRY**

CURRENT SITUATION

The horse industry in Colorado not only is an important part of Colorado's heritage and life style, but also is an important component of the state's economy. In 2005 the American Horse Council commissioned the accounting firm of Deloitte to conduct an economic impact of the United States horse industry. A separate report was prepared for the state of Colorado's horse industry that revealed the following for the horse industry in Colorado based on 2003 data:

Economic Impacts

Total economic impact valued at \$1.6 Billion

- \$94 million from Racing
- \$587 million from Showing
- \$607 million from Recreation
- \$276 million from Other Activities

Generates approximately \$21 million in annual taxes (of which \$11 million is paid to state government and \$2 million to local government)

Generates approximately 5,800 direct jobs and 21,300 total jobs:

- 600 direct & 1,500 total from Racing
- 3,000 direct & 8,700 total from Showing
- 1,300 direct and 7,800 total from Recreation
- 900 direct & 3,300 total from Other Activities

The Colorado horse racing industry is not only an important economic part of the total Colorado horse industry, but plays an important role in the development and growth of the total industry by supplying horses, breeding and opportunities to the other parts of the Colorado horse industry. Colorado bred racehorse help drive the industry. The following areas need to be addressed to improve the Colorado horse industry's economics

Revenue Opportunities

Although there are approximately 150 racetracks in America, most betting takes place off-site. Satellite broadcasting makes it possible to simultaneously broadcast races between racetracks or at off-track betting sites where there are no races. In addition, at-home pari-mutuel betting is now possible via the Internet, and several companies provide twenty-four-hour racing channels. There are also Internet simulcasts. Whereas in 1991 more than half of horse-racing wagers were made at the track, by 2003 just 15% of the \$15.1 billion in bets handled were placed live, and less than 20% of the one thousand wagering sites nationwide were racetracks themselves, according to the National Thoroughbred Racing Association (NTRA).

Revenue Distribution

Horsemen only receive a small portion of the handle, which has been decreasing as more and more handle is derived from simulcasting. As the pari-mutuel handle is declining, horsemen are taking a smaller

portion of a smaller pie. A dependable and fair distribution of the revenue must be developed to entice breeders and owners to raise and race Colorado bred racehorses.

Racing Opportunities

Currently there is one horse race track operating in Colorado. The Aurora track only races 36 days a year, over a 12-week period. This does not allow an adequate time for a fan base to develop nor give trainers and owners adequate time to develop a top of the line racing program for Colorado bred horses.

Additionally, states surrounding Colorado have increased their racing circuits with increased purses and additional race dates. Recently, New Mexico approved its sixth race track. This new race track will be 5 miles from Colorado in Raton New Mexico. As currently positioned, Colorado horse racing cannot compete with New Mexico, Oklahoma, and other states with alternative gaming activities at race tracks.

State Bred Program

The current Colorado state bred program has decreased as the handle has fallen. Additionally, the current program is underfunded as compared to surrounding states. The breeders and owners do not receive an adequate incentive to breed a Colorado bred as compared to other states. New Mexico's state bred race program has doubled the number of state bred race horses in the state. The increased breeding industry has contributed to New Mexico's race industry growing to over \$350 million in economic activity as compared to Colorado's approximately \$100 million.