

VIRGINIA RACING COMMISSION 2019 ANNUAL REPORT



Steeplechase horses competing at Great Meadow Race Course in The Plains, VA.

Virginia Racing Commission

2019

COMMISSIONERS

D.G. Van Clief, Jr.
Chairman
Charlottesville

Stephanie Nixon
Ashland

I. Clinton Miller
Woodstock

Stuart Siegel
Vice Chairman
Richmond

J. Sargeant Reynolds, Jr.
Richmond

STAFF

David S. Lermond, Jr. - Executive Secretary

Kimberly C. Mackey - Business Manager

Ada Caruthers, DVM - Equine Medical Director

Rhonda F. Davis – Director of Pari-Mutuels and Licensing

Joseph M. Roney - Enforcement Administrator

Joseph Rudisill – Historical Horse Racing Specialist



COMMONWEALTH of VIRGINIA

Virginia Racing Commission

D.G. Van Clief, Jr., Chairman
Stuart C. Siegel, Vice Chairman
I. Clinton Miller
Stephanie B. Nixon
J. Sargeant Reynolds, Jr.

David S. Lermond, Jr.
Executive Secretary

February 18, 2019

TO: The Honorable Ralph Northam, Governor of Virginia
Members of the General Assembly

In accordance with Code of Virginia Title 29, Chapter 59.1-369 (9) as related to horse racing with pari-mutuel wagering, I am pleased to present the 2019 Annual Report of the Virginia Racing Commission.

House Bill 1609, which authorized Historical Horse Racing (HHR), was signed into law by the Governor in April of 2018. Since that time the Virginia Racing Commission (VRC) has authored and promulgated the emergency regulations for HHR, awarded four licenses to the Colonial Downs Group (CDG) for Satellite Wagering Facilities (SWFs) to conduct pari-mutuel wagering on HHR, monitored the successful opening of these four SWFs, and has effectively regulated the wagering activity that has taken place through a total of 2,150 HHR terminals in the Commonwealth of Virginia.

Funding for the Virginia Racing Commission comes solely from revenue generated by a small percentage of all pari-mutuel wagers made in the Commonwealth. This revenue enables the agency to meet its financial obligations associated with the regulation of horse racing with pari-mutuel wagering.

The Racing Commission remains steadfast in protecting the integrity of racing for those who participate and the loyal customers who enjoy it, in addition to the health and welfare of the equine athletes. As always, we rely on the continued support of the Virginia Equine Industry, from you and your administration, as well as from the General Assembly.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "DL", written over a faint circular stamp.

David S. Lermond, Jr.
Executive Secretary

THE RACING COMMISSION

The Racing Act, Title 59, Chapter 29, effective as of January 1, 1989, vests control of all horse racing with pari-mutuel wagering conducted in the Commonwealth to the Virginia Racing Commission.

The Commission:

- Prescribes regulations and conditions under which racing and wagering is conducted;
- Maintains horse racing in the Commonwealth of the highest quality free of corrupt, incompetent, dishonest or unprincipled practices, and;
- Maintains in such racing complete honesty and integrity.

Horse racing offering pari-mutuel wagering is permitted in the Commonwealth with the intention of “promotion, sustenance, and growth of the native industry, in a manner consistent with the health, safety, and welfare of the people”.



Commissioner Sarge Reynolds prepares for a double sulky race at Shenandoah Downs in Woodstock, VA.

The closure of Colonial Downs in 2014 adversely affected the Thoroughbred and Standardbred racing and breeding industries in the Commonwealth. However, we are pleased to report that through the excellent efforts of the Virginia General Assembly, the Governor's Office, the Virginia Equine Alliance, the Virginia Horsemen's Benevolent and Protective Association, and the Virginia Harness Horse Association, horse racing with pari-mutuel wagering has been resurrected in the Commonwealth.

Live Thoroughbred racing returned to Colonial Downs Race Track in 2019 for the first time in over five years. Fifteen days of live racing were conducted with an average daily total purse distribution of \$500,000 per day. Horsemen from as many as sixteen different states came to New Kent, Virginia to compete on the Secretariat Turf Course, which is considered one of the best in North America. A special emphasis was put on the safety and welfare of the horses and their riders and there were no racing or training fatalities at this beautiful facility.

Live racing was conducted at Great Meadow Racecourse in Fauquier County for the Virginia Gold Cup Races, which celebrated its 94th anniversary on May 4, 2019. An enthusiastic crowd of approximately 60,000 people gathered to watch and wager on a combination of quality steeplechase and flat racing. In addition, a crowd of approximately 35,000 enjoyed the International Gold Cup Races on October 26, 2019.

Harness racing presented by the Virginia Equine Alliance (VEA) was conducted for a fourth straight year at Shenandoah Downs in Woodstock, Virginia. The Shenandoah County oval formally known as Woodstock Racetrack has conducted harness racing without pari-mutuel wagering for many years in conjunction with the Shenandoah County Fair. In 2016, the VEA invested \$750,000 in track renovations producing a quality racing surface, which was very well received by the horsemen. In 2017, the VEA made improvements to the facility in the form of a new bathhouse, which includes separate changing areas for men and women along with more temporary stalls allowing more horses to be stabled on the grounds. In 2018, a new area for the Commission's Test Barn was established providing a more secure area for the collection of post-race samples from selected horses. There were 10 days of live harness racing with pari-mutuel wagering conducted at Shenandoah Downs distributed over five weekends enjoyed by the many racing fans in attendance.

Advanced Deposit Wagering (ADW), offered through the internet and telephone, continues to be a major source of the pari-mutuel wagering in Virginia. The four Advanced Deposit Wagering providers licensed to operate in Virginia are: "TwinSpires" operated by Churchill Downs Incorporated, "Xpressbet" operated by the Stronach Group, "TVG" operated by Betfair, Inc., and NYRabets owned and operated by the New York Racing Association.

Virginia Racing Commission's revenue is generated solely from a percentage of all pari-mutuel wagers to meet the agency's financial obligations. In 2015, a reduction in revenue from the elimination of live racing at Colonial Downs and the closure of its satellite wagering facilities had become an encumbrance to the generation of operating funds for the Commission. By an act of the Virginia General Assembly, the license fees paid to the Commission from ADW were increased, allowing the Commission to maintain financial solvency and continue good governance of all matters related to horse racing with pari-mutuel wagering during the time that Colonial Downs was closed.

Commission Activities

Year	Wagering at Racetrack and at Satellite Facilities	Account Wagering	Historical Horse Racing	Total Taxable Wagering
1996	\$36,952,607.00			\$36,952,607.00
1997	\$95,094,161.00			\$95,094,161.00
1998	\$120,717,190.00			\$120,717,190.00
1999	\$121,324,249.00			\$121,324,249.00
2000	\$121,754,800.00			\$121,754,800.00
2001	\$123,879,396.00			\$123,879,396.00
2002	\$124,064,569.00			\$124,064,569.00
2003	\$130,382,875.00			\$130,382,875.00
2004	\$145,394,480.00	\$1,287,541.00		\$146,682,021.00
2005	\$151,758,202.00	\$12,691,398.00		\$164,449,600.00
2006	\$164,208,077.00	\$28,300,972.00		\$192,509,049.00
2007	\$167,684,686.00	\$33,206,726.00		\$200,891,412.00
2008	\$149,629,200.00	\$47,303,439.00		\$196,932,639.00
2009	\$122,461,456.00	\$49,850,493.00		\$172,311,949.00
2010	\$105,505,800.00	\$53,392,088.00		\$158,897,888.00
2011	\$97,737,892.75	\$62,646,843.85		\$160,384,736.60
2012	\$91,927,194.10	\$69,233,852.85		\$161,161,046.95
2013	\$86,220,534.60	\$73,205,095.00		\$159,425,629.60
2014	\$21,198,320.50	\$93,858,388.30		\$115,056,708.80
2015	\$291,173.50	\$79,478,622.50		\$79,769,796.00
2016	\$2,726,163.80	\$76,725,493.00		\$79,451,656.80
2017	\$20,803,619.10	\$81,076,535.12		\$101,880,154.22
2018	\$32,681,651.30	\$83,958,599.27		\$116,640,250.57
2019	\$39,078,097.10	\$86,629,347.47	\$1,078,283,481.45	\$1,203,990,926.02
Totals	\$2,273,476,394.75	\$932,845,434.36	\$1,078,283,481.45	\$4,284,605,310.56



From left to right, Executive Secretary, David Lermond, Commissioner Stephanie Nixon, and VEA Executive Director Jeb Hannum ready for their double sulky race at Shenandoah Downs.

Live Thoroughbred Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1997	\$183,594.00	\$28,182,006.00	\$939,400.00	3,620	\$50.72
1998	\$141,154.00	\$21,293,467.00	\$881,473.00	2,263	\$62.37
1999	\$107,881.00	\$23,420,243.00	\$975,854.00	1,628	\$66.27
2000	\$90,589.00	\$27,923,752.00	\$872,617.00	1,247	\$72.65
2001	\$117,818.00	\$27,579,707.00	\$1,103,188.00	1,940	\$60.73
2002	\$140,067.00	\$31,039,485.00	\$1,193,826.00	2,202	\$63.61
2003	\$140,305.00	\$36,090,262.00	\$1,203,009.00	2,193	\$63.98
2004	\$138,236.00	\$36,205,494.00	\$1,064,867.00	2,155	\$64.15
2005	\$124,122.00	\$44,710,190.00	\$1,117,755.00	2,028	\$61.20
2006	\$113,438.00	\$51,587,415.00	\$1,258,230.00	1,804	\$62.88
2007	\$164,557.00	\$50,507,580.00	\$1,262,689.00	1,996	\$82.44
2008	\$126,195.00	\$50,343,446.00	\$1,118,743.00	1,668	\$75.66
2009	\$128,093.00	\$31,241,633.00	\$781,041.00	1,712	\$74.82
2010	\$131,908.00	\$29,287,463.00	\$732,187.00	1,499	\$88.00
2011	\$127,542.00	\$27,041,285.00	\$845,040.00	1,864	\$68.42
2012	\$116,525.00	\$18,733,192.00	\$604,297.00	2,008	\$58.03
2013	\$118,086.00	\$14,343,174.00	\$597,632.00	1,942	\$60.81
2014	\$0.00	\$0.00	\$0.00	0	N/A
2015	\$13,130.00	\$13,130.00	\$13,130.00	3,478	\$3.78
2016	\$0.00	\$0.00	\$0.00	0	N/A
2017	\$0.00	\$0.00	\$0.00	0	N/A
2018	\$0.00	\$0.00	\$0.00	0	N/A
2019	\$133,271.00	\$18,101,453.00	\$1,206,764.00	2,588	\$51.50



Kentucky Derby Party at Ponies & Pints Satellite Wagering Facility in Shockoe Bottom, VA

Live Harness Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1998	\$56,661.00	\$7,260,770.00	\$172,875.00	1379	\$41.09
1999	\$41,319.00	\$5,795,265.00	\$193,175.00	909	\$45.46
2000	\$19,270.00	\$5,903,010.00	\$147,575.00	258	\$74.69
2001	\$30,912.00	\$2,459,010.00	\$163,934.00	486	\$63.60
2002	\$30,860.00	\$3,716,853.00	\$154,869.00	478	\$64.56
2003	\$34,585.00	\$4,148,072.00	\$148,145.00	580	\$59.63
2004	\$40,361.00	\$5,815,294.00	\$181,728.00	645	\$62.58
2005	\$36,959.00	\$6,217,238.00	\$172,701.00	620	\$59.61
2006	\$20,498.00	\$6,562,653.00	\$182,296.00	312	\$65.70
2007	\$43,183.00	\$5,726,362.00	\$178,949.00	613	\$70.45
2008	\$35,945.00	\$5,320,909.00	\$156,497.00	509	\$70.62
2009	\$27,552.00	\$3,885,199.00	\$107,922.00	353	\$78.05
2010	\$40,575.00	\$2,748,428.00	\$98,194.00	511	\$79.40
2011	\$33,198.00	\$3,125,901.00	\$104,197.00	431	\$77.03
2012	\$22,856.00	\$1,993,949.00	\$83,081.00	495	\$46.17
2013	\$20,503.00	\$2,425,357.00	\$101,057.00	376	\$54.53
2014	\$14,812.00	\$1,723,748.00	\$71,823.00	265	\$55.89
2015	\$7,953.00	\$31,811.00	\$7,953.00	557	\$14.28
2016	\$10,553.70	\$105,537.00	\$10,553.70	299	\$35.30
2017	\$12,499.30	\$124,993.00	\$12,499.30	324	\$38.58
2018	\$11,908.34	\$119,083.40	\$11,908.34	312	\$38.17
2019	\$14,818.76	\$148,187.60	\$14,818.76	318	\$46.60



Early morning training at beautiful Shenandoah Downs in Woodstock, VA

Live Steeplechase Racing Statistics

Year	Total Handle	Daily Average On-Track Handle	Daily Average Attendance
2013	\$119,956.00	\$59,978.00	43,500
2014	\$240,302.00	\$80,100.67	34,400
2015	\$222,682.00	\$111,341.00	50,000
2016	\$241,859.50	\$120,929.75	50,000
2017	\$179,930.50	\$89,965.25	47,500
2018	\$194,528.00	\$97,264.00	47,500
2019	\$196,358.00	\$98,179.00	47,500



Horses competing in the Steeplethon Stakes at Great Meadow Race Course in The Plains, VA.

The Breeders Fund

This fund establishes awards and incentive programs to foster the horse breeding industry in Virginia. Funding for these programs is derived from a one percent deduction of all wagers made in the Commonwealth. Since 1996, a grand total of \$30,281,974 has been contributed to the fund and it has increased by more than 60% since 2015. This fund is managed by the collaborative efforts of the Virginia Thoroughbred Association and the Virginia Harness Horse Association with oversight from the Racing Commission staff.

Breeders Fund Contributions

Year	Thoroughbred Contributions	Standardbred Contributions	Total Contributions
1996	\$263,517.00	\$105,288.00	\$368,805.00
1997	\$755,900.00	\$195,041.00	\$950,941.00
1998	\$917,484.00	\$289,688.00	\$1,207,172.00
1999	\$915,431.00	\$297,811.00	\$1,213,242.00
2000	\$942,714.00	\$274,834.00	\$1,217,548.00
2001	\$967,123.00	\$271,671.00	\$1,238,794.00
2002	\$970,555.00	\$270,091.00	\$1,240,646.00
2003	\$1,035,181.00	\$268,647.00	\$1,303,828.00
2004	\$1,136,789.00	\$317,156.00	\$1,453,945.00
2005	\$1,176,374.00	\$341,208.00	\$1,517,582.00
2006	\$1,285,476.00	\$356,604.00	\$1,642,080.00
2007	\$1,318,153.00	\$358,693.00	\$1,676,846.00
2008	\$1,167,875.00	\$328,417.00	\$1,496,292.00
2009	\$960,763.00	\$263,852.00	\$1,224,615.00
2010	\$1,266,614.00	\$287,607.00	\$1,554,221.00
2011	\$1,301,040.00	\$286,961.00	\$1,588,001.00
2012	\$1,338,896.00	\$276,548.00	\$1,615,444.00
2013	\$1,325,659.00	\$262,990.00	\$1,588,649.00
2014	\$854,434.00	\$287,360.00	\$1,141,794.00
2015	\$651,792.00	\$118,890.00	\$770,682.00
2016	\$729,940.00	\$96,759.00	\$826,699.00
2017	\$875,229.00	\$140,971.00	\$1,016,200.00
2018	\$997,228.00	\$175,765.00	\$1,172,993.00
2019	\$1,065,244.00	\$189,711.00	\$1,254,955.00
Totals	\$24,219,411.00	\$6,062,563.00	\$30,281,974.00

Tax Revenue to Localities

Year	New Kent	Chesapeake	Henrico	Richmond	Hampton	Brunswick	Vinton	Martinsville	Scott	Fauquier	Woodstock	Total
1996	\$157,871.00	\$144,304.00	\$6,783.00	\$6,783.00								\$315,741.00
1997	\$408,498.00	\$159,665.00	\$113,726.00	\$113,726.00	\$1,430.00	\$855.00						\$797,900.00
1998	\$520,316.00	\$128,530.00	\$107,693.00	\$107,693.00	\$101,062.00	\$43,538.00						\$1,008,832.00
1999	\$524,049.00	\$132,641.00	\$108,839.00	\$108,839.00	\$101,396.00	\$46,906.00						\$1,022,670.00
2000	\$532,156.00	\$129,419.00	\$104,967.00	\$104,967.00	\$108,412.00	\$49,836.00						\$1,029,757.00
2001	\$539,392.00	\$131,455.00	\$107,885.00	\$107,885.00	\$115,242.00	\$51,140.00						\$1,052,999.00
2002	\$544,937.00	\$136,127.00	\$107,043.00	\$107,043.00	\$110,778.00	\$50,791.00						\$1,056,719.00
2003	\$574,992.00	\$145,928.00	\$103,758.00	\$112,388.00	\$113,880.00	\$59,092.00						\$1,110,038.00
2004	\$645,979.00	\$146,406.00	\$89,652.00	\$167,027.00	\$125,476.00	\$59,268.00	\$9,817.00					\$1,243,625.00
2005	\$676,257.00	\$146,065.00	\$84,164.00	\$165,595.00	\$119,218.00	\$52,244.00	\$44,660.00	\$14,615.00				\$1,302,818.00
2006	\$727,828.00	\$171,176.00	\$70,299.00	\$175,246.00	\$114,814.00	\$41,761.00	\$44,349.00	\$43,288.00	\$26,478.00			\$1,415,239.00
2007	\$743,077.00	\$172,558.00	\$79,755.00	\$165,331.00	\$110,160.00	\$45,105.00	\$46,583.00	\$51,189.00	\$29,266.00			\$1,443,024.00
2008	\$656,347.00	\$160,286.00	\$71,940.00	\$148,229.00	\$96,737.00	\$40,619.00	\$35,164.00	\$41,901.00	\$32,365.00			\$1,283,588.00
2009	\$537,046.00	\$121,016.00	\$55,955.00	\$120,425.00	\$88,982.00	\$30,613.00	\$32,241.00	\$37,024.00	\$24,824.00			\$1,048,126.00
2010	\$463,010.00	\$102,607.00	\$57,802.00	\$100,312.00	\$77,853.00	\$29,467.00	\$25,096.00	\$31,866.00	\$17,070.00			\$905,083.00
2011	\$436,914.00	\$94,877.00	\$57,104.00	\$86,180.00	\$72,505.00	\$25,339.00	\$24,079.00	\$32,532.00	\$16,435.00			\$845,965.00
2012	\$409,436.00	\$88,681.00	\$75,208.00	\$69,123.00	\$61,255.00	\$23,622.00	\$22,076.00	\$31,618.00	\$15,602.00			\$796,621.00
2013	\$384,745.00	\$91,428.00	\$72,231.00	\$58,969.00	\$59,531.00	\$21,880.00	\$15,642.00	\$31,733.00	\$15,062.00			\$751,221.00
2014	\$95,193.00	\$29,432.00	\$21,429.00	\$18,738.00	\$17,126.00	\$1,657.00	\$1,069.00	\$2,536.00	\$1,331.00			\$188,511.00
2015	\$66,269.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$853.00	\$109.00	\$67,231.00
2016	\$268,539.00	\$0.00	\$9,515.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$767.00	\$382.00	\$279,203.00
2017	\$283,768.00	\$6,093.00	\$49,582.00	\$36,041.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$571.00	\$451.00	\$376,506.00
2018	\$293,855.00	\$53,539.00	\$44,778.00	\$30,086.00	\$0.00	\$0.00	\$0.00	\$16,831.00	\$0.00	\$639.00	\$440.00	\$440,168.00
2019	\$3,821,691.00	\$44,832.00	\$39,581.00	\$1,092,579.00	\$304,665.00	\$0.00	\$405,440.00	\$18,181.00	\$0.00	\$624.00	\$528.00	\$5,728,121.00
Totals	\$14,312,165.00	\$2,537,065.00	\$1,639,689.00	\$3,203,205.00	\$1,900,522.00	\$673,733.00	\$706,216.00	\$353,314.00	\$178,433.00	\$3,454.00	\$1,910.00	\$25,509,706.00