

REVIEW

Illinois racing continued to prosper in 1991 despite a slumping economy, heated competition from dog racing in adjacent states and the initiation of riverboat gambling. While virtually every other racing state in the nation suffered a decline in 1991, revenue derived from Illinois racing increased 1.3% to \$46,318,927. This could not have been accomplished without the model racing date schedule adopted by the Board which permitted unopposed thoroughbred racing at the three most successful northern Illinois tracks. Total handle was \$1,248,161,065.

Privilege tax in 1991 was \$29,727,544, an increase of 0.01%. Revenue to cities and counties from off track betting increased 20.65%, to \$7,162,710.

On track handle decreased 8.06% from 1990 while off track handle increased 20.66%. Eleven off-track facilities generated total handle of \$358,135,513.

Over \$30 million was wagered on races from other states such as the Kentucky Derby and the Breeder's Cup. Illinois bettors wagered over \$7 million on Kentucky Derby Day.

For the first time ever, all Illinois locations were able to receive the simulcast of and wager on the World Trotting Derby conducted at the DuQuoin State Fair on August 31st. A total of \$220,409 was wagered on the race which was easily an all time record.

Two new off track parlors opened in 1991 -- one in Danville and the other at 111th and Corliss in the Roseland area. This brought the statewide total to eleven operating OTB facilities.

The 1991 session of the General Assembly produced major racing legislation. One of the key elements of the new law was the authorization of fourteen additional off track betting facilities, bringing the total to twenty-nine. In association with the expansion of OTB, the Act altered the division of revenue from the new facilities. The tracks had received 11% to 16% (depending on the wager) of the OTB handle, while the horsemen

received only 4%. This disparity had been the object of horsemen complaints for several years and had been one of the most important issues in Illinois racing. After a five year sliding scale of reapportioning the percentage distribution, the tracks and horsemen will become equal partners in the new OTB facilities. These divisions have no effect on state revenue.

The new law also authorized simulcasting of more than one race program during the same time period. At its October, 1991 meeting, the Board granted approval for Maywood and Balmoral to simulcast all of their races on Friday and Saturday evenings into all Illinois facilities. This program operated from October 12th until the end of the year and resulted in a handle increase of 16.3% over 1990.

An important change for most horsemen in the new law was the abolition of the security barn system. The security barn originally came into existence in response to media investigation of illegal drugging of horses at Illinois race tracks. Horses entered in races were required to be in designated security barns under the control of the Racing Board at least two hours before their races. Pre-race blood samples were drawn in the security barn and later tested at the Racing Board Laboratory.

The Board continued the program because statistics showed that the same percentage of favorites finished in the money both before and after the barn went into effect, because the security barn provided deterrence and because most people generally acknowledged that Illinois racing had never been cleaner. Under the new law, horses proceed from their own stall directly to the paddock.

Following several public hearings, the Board implemented new rules governing all aspects of pre-race security including requirements that all horses be in designated stalls prior to post and that the horse's trainer or the trainer's delegate be present during the security period. The Board feels the new rules balance the paramount needs of security with the concerns of the affected horsemen.

The new law eliminated the requirement that

organizations pay winning tickets whenever they are presented, regardless of the passage of time. Previously, Illinois pari-mutuel tickets were good forever. No other racing jurisdiction allowed for payment indefinitely. Maintaining records has been burdensome because IRB staff has to store, secure and update data concerning every uncashed winning ticket ever purchased. Old tickets were rarely presented and usually only for small amounts. The majority of racing jurisdictions limit tickets to one year, and this provision, honoring tickets until the end of the succeeding year, makes good sense.

The amendment also clarifies the law with respect to the simulcasting of Illinois races, for wagering purposes, to other states. Prior law permitted simulcasting on a "separate pool" basis. The out-of-state track conducted its own pool and simply paid a negotiated amount (sometimes a small percentage of the net handle) to the entity conducting the Illinois race. The existing statute imposed a 7.5% tax on the proceeds, and the net amount received after taxes was split (depending on private contract terms) with the horsemen.

In 1990, "combined pools" were authorized by the Board. Under this method, wagers placed out-of-state were channelled into the Illinois pool for odds-making purposes, resulting in one pool with identical pay-outs. Because the statute was silent on this subject, the Board exercised its administrative discretion to permit combined pools and applied the 7.5% tax applicable to separate pools.

The new law provides statutory authority for combined pools and sets the tax at 10% with 2.5% going to the county in which the races are run. The state does not receive a percentage of the handle, but only a percentage of the negotiated contract amount. The new law also authorized "net pool" pricing. Under this concept the guest state applies its own "takeout" before transmitting its pool data to the host state. The Board approved net pool pricing for a national Pick-7 on the Breeder's Cup races on November 2, 1991. Illinois wagered \$360,766 into a national pool of \$8,525,849. This was accomplished through the use of facsimile machines but the prospect of computerized merging is planned for future pools.

A change intended to help promote the

racing and breeding industries requires a percentage of the state tax generated from OTB to be distributed to the Illinois Department of Agriculture. Upon the advice of a new nine member committee appointed by the Governor and consisting of representatives of racetracks, horsemen and breeders, the Department will use the funds to promote the industry. The amount that will be devoted to this function should approximate \$1 million per year. Under prior law, the Department of Commerce and Community Affairs received a percentage of OTB funds for promotional purposes. There was unanimity in the industry that the Department of Agriculture, acting through a committee composed of racing industry representatives, would better serve this purpose.

The new law alters the manner by which charitable funds are granted. Previously, the Board was required to consider the applicants of any charitable organization, regardless of affiliation with the racing industry. In each year since 1988, the Racing Industry Charitable Foundation has received \$500,000 to \$600,000 in grants from the Board. The RCIF provides comprehensive medical, dental and social services, family counseling, substance abuse programs, and other services to individuals who live and work on the backside of Illinois race tracks. Now, all charitable funds are awarded to RCIF and all funds will be used to assist the racing industry in an area where there is a compelling need.

In addition to significant legislative reforms, there were other important events that had a positive impact on Illinois racing:

Sportsman's Park, in Cicero, Illinois, spent over \$5 million to expand its five-eighths mile race track to seven-eighths of a mile thus creating the longest stretch in North America.

Fairmount Park began the second phase of its clubhouse renovation plan at a cost of \$750,000.

Both Hawthorne Race Course and Maywood Park improved the exterior of their facilities and paved and reconstructed their parking lots, spending approximately \$450,000 each.

Maywood Park implemented several innovative concepts in harness racing that have since been duplicated by other tracks across the country. Maywood eliminated its interior rail which makes its

racing much safer for all participants and more aesthetic to race watchers. Maywood also added a racing lane by extending the width of its home stretch. Maywood calls it "open stretch racing" and it has resulted in more exciting and competitive racing.

On February 4th, 1991, the United States Court of Appeals for the Seventh Circuit overturned a previous District Court decision which found that random drug testing of selected racing participants violated the Fourth Amendment to the Constitution. The Board is now free to conduct these random tests. Throughout 1991, the Board conducted alcohol and probable cause drug testing of jockeys, drivers, starters, assistant starters and outriders.

Lady Shirl was unanimously voted 1991 Illinois Horse of the Year by the Illinois media and racing secretaries. She earned her title by winning Grades I, II and III stakes races at several racetracks around the country. The four-year-old filly by That's A Nice/Canonization is owned and was bred by Irish Acres Farm and has been trained by P. Noel Hickey her entire career. Lady Shirl has lifetime

earnings of \$658,195.

The 1991 Illinois Harness Horse of the Year was Panic Attack, trained by Tex Moats and driven by Dave Magee. This two-year-old filly by Masquerade/Abacus Abby is owned by D.R. Stevens and M.S. Levine. Panic Attack has lifetime earnings of \$230,526 and was the winner of the Orange and Blue 2-year-old filly pace held at Sportsman's Park on September 14, 1991 in which she paced a lifetime mark of 1:56.3.

At the annual Eclipse Awards Dinner, Black Tie Affair was honored as North America's 1991 Horse of the Year, capturing 76% of the votes. Owned by Chicago businessman Jeffrey Sullivan and trained by Chicagoan Ernie Poulos, Black Tie Affair won seven of ten starts in 1991 including the \$3 million Breeder's Cup Classic at Churchill Downs. He earned \$2,483,540 in 1991 and \$3,370,694 in his lifetime. On November 8, 1991, the Illinois Senate adopted Senate Resolution No. 850 which honored Black Tie Affair, his owner and his trainer, for their achievements and for bringing world recognition to the Illinois horse racing industry.

Black Tie Affair --

1991 Horse of the Year

*Photo Credit:
Four Footed Fotos*

