

**MAINE STATE HARNESS RACING COMMISSION
ANNUAL REPORT
For Calendar Year 2020**

PURSUANT TO 8 MRS SECTIONS 267(2) AND 1037

PRESENTED TO THE JOINT STANDING COMMITTEES ON:

**VETERANS AND LEGAL AFFAIRS;
AGRICULTURE, CONSERVATION AND FORESTRY; AND,
APPROPRIATIONS AND FINANCIAL AFFAIRS**

February 15, 2020

**SUBMITTED BY:
THE MAINE STATE HARNESS RACING COMMISSION
MAINE DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY**

TABLE OF CONTENTS

1. Executive Summary	Page 3
2. Overview of Commission Operations and Actions	Page 4
3. Practical Effect of Title 8, Chapter 11 and Recommended Legislation	Page 9
4. Report of The Commission's Financial Position	Page 9
5. Summary of Income and Expenses For the Harness Racing Promotional Fund	Page 12
6. Overview of Wagering Commission Revenue (Handle) and Disbursements	Page 13
7. Overview of Revenue and Disbursements Arising from the Bangor Racino	Page 17
8. Overview of Revenue and Disbursements Arising from the Oxford Casino	Page 21
9. Use of Funds by Commercial Tracks	Page 23
10. Use of Funds by Fairs that Conduct Harness Racing	Page 25
11. Use of Funds by Fairs that Do Not Conduct Harness Racing	Page 26
12. Use of Funds by the Maine Standardbred Breeding Program	Page 27
13. Use of Funds by Off Track Betting Facilities	Page 31

1. Executive Summary

Like so many other industries across the globe, the COVID-19 wreaked havoc with Maine's harness racing industry during 2020. Extraordinary efforts coupled with drastic adjustments were required for the industry to survive the year. The planned 171 race-day calendar was reduced to 76 days after the start of the season was delayed for over two months. All eight pari-mutuels fairs canceled their events in accordance with the Governor's Executive Orders. A collaborative and comprehensive, industry-wide COVID-19 risk management plan was approved by the Maine Department of Economic and Community Development in time for racing to begin on June 3, 2020. The Commission found it necessary to adopt seven emergency rule amendments and reopen the race date award hearing several times to implement adjustments necessary for the industry's survival.

2020 also marked the end of racing at the storied track at Scarborough Downs after 70 years of racing. The "Downs" had served as Maine's primary commercial harness racing track in recent years, hosting the most racing. Despite the closure of the Downs and the impacts of the COVID-19 during 2020, there is optimism about a pending renaissance for Maine's harness racing industry, as First Tracks Investments pursues the development of a new Southern Maine track as part of a multifaceted project.

On February 8, 2021, the Maine State Harness Racing Commission awarded the first new commercial harness racing track license in recent history to First Tracks Investments, LLC, following a lengthy and detailed application and review process. The Commission found that First Tracks satisfied the fundamental statutory threshold requirements of "good moral character" and "financial responsibility" after reviewing reports and testimony provided by experts.

First Tracks was awarded fifty-six 2021 race dates (which will be held at the Cumberland Fairgrounds) and hopes to leverage the value of Maine's live racing video signal across the country and beyond to take advantage of a strong market for quality horse racing video content when timed to fill holes in the live racing schedule and to coincide with customer demand.

Background/History of the Commission

The State Harness Racing Commission was originally created by Public Law 1975, Chapter 771, and reconstituted in 1997 to its current structure of five public members appointed by the Governor. One member must be affiliated with agricultural fairs, one member must represent the public, and three members must have knowledge of harness racing. Administrative support and staff are provided through the Department of Agriculture, Conservation and Forestry.

The Commission is responsible for rulemaking, adjudicating prohibited substance violations and appeals of race judge's decisions, licensing of participants, tracks and off-track betting facilities, annually awarding race dates to the applicants, and promoting every aspect of the sport. It meets approximately monthly.

The Commission's staff exerts its presence at Maine's ten harness racing venues in a variety of ways. The staff serves as the Commission's presence at each track while overseeing the administration of Maine's harness racing laws. A veterinarian employed by the State monitors the health of participating horses and oversees a sampling program intended to ensure that Maine racing is not tainted by the inappropriate use of drugs. When prescribed, the Commission's staff also

administers furosemide to horses prior to racing to prevent pulmonary hemorrhaging. Finally, the Commission's staff also assists with on-site promotional activities.

In recent years, the Commission undertook an effort to improve the marketing of Maine's harness racing industry. Public Law 2017, Chapter 371, transferred marketing responsibilities from the Maine Harness Racing Promotional Board to the Commission. Marketing plans were developed and implemented with input from stakeholders and marketing professionals. The plans focused on diversifying the marketing portfolio to include more current approaches such as social media and other internet-based forms of marketing. Finally, during 2019, the Commission contracted for a market research survey to help inform and guide future marketing efforts.

2. Overview of Commission Operations and Actions

Annually, the Commission's staff engages in a series of oversight and support activities intended to ensure the integrity of the sport, promote fairness and participation, and enhance the industry's economic viability. The Commission operates a licensing program for tracks, racing participants, and off-track betting facilities, which forms the first line of oversight. Every fall, the Commission holds a hearing to award race dates to the racing venues in a manner that best supports the interests of the industry. Commission staff and the State Veterinarians are present on every race day, providing on-site supervision of horses and racing. The Commission's staff processes enforcement cases and presents appeals to judge's decisions to the Commission. Finally, the Commission recently assumed responsibility for promoting harness racing in the state.

RULEMAKING

Like many industries across the globe, the 2020 pandemic wreaked havoc on Maine harness racing. In an effort to adjust and survive the year, the Commission conducted eight emergency rulemaking initiatives and adopted seven emergency rule amendments covering Chapters 1, 5, 7, 9, 11 and 19. In addition, one regular rulemaking amendment to Chapter 5 was also completed.

Administrative rulemaking must be conducted in accordance with the Maine Administrative Procedures Act pursuant to Title 5, Chapter 375. All the Commission's rules are considered routine technical rules as defined under Title 5, Section 8071. Routine technical rules do not require legislative review prior to final agency adoption.

GRANTING LICENSES AND AWARDING RACE DATES

The Commission is authorized to issue annual licenses to entities desiring to hold harness races in which wagering is allowed. It also oversees the issuance of race dates to the various racing venues and issues licenses for simulcasting and to off-track betting facilities. Finally, the Commission licenses horse owners, trainers, drivers, grooms, and all other persons participating in harness racing, including pari-mutuel employees and race officials.

During the 2020 racing year, race days were awarded from March – December. However, due to COVID-19, races were only conducted from June – November resulting in the high number of days not raced*:

* Due to the impacts of COVID-19, all eight fairs were forced to cancel, and both commercial tracks drastically reduced the number of days raced.

	Days Granted	Days Raced	Days Not Raced
Scarborough Downs	71	53	18
Bangor Raceway	48	23	25
Northern Maine Fair	5	0	5
Topsham Fair	4	0	4
Skowhegan Fair	7	0	7
Union Fair	5	0	5
Windsor Fair	9	0	9
Farmington Fair	7	0	7
Cumberland Fair	8	0	8
Fryeburg Fair	6	0	6
 TOTALS	 170	 76	 94*

Off-Track and Inter-Track Betting Facilities Days Requested*

HC Bangor, LLC, DBA Hollywood Casino, Hotel & Raceway Bangor, ME	363
Pioneer Gaming, LLC, DBA Sanford OTB Sanford, Maine	363
Midcoast OTB, Inc., DBA Winner's OTB Brunswick, ME	363
LRI, Inc., DBA Lewiston Raceway, DBA Winner's Circle OTB Lewiston, ME	363
Pioneer Gaming, LLC, DBA Favorites Waterville, ME	363
Davric Maine Racing, LLC, DBA Scarborough Downs Scarborough, ME	363

* While all six facilities requested permission to operate for 363 days, all of them shut down temporarily due to the COVID-19 pandemic. Most facilities shut down in March and reopened in July.

Licenses of Racing Personnel 2020 Licenses Issued

Type of License	Number Issued
Owner	216 @ \$35
Trainer	17 @ \$35
Driver	10 @ \$35
Driver/Trainer	19 @ \$60
Owner/Driver/Trainer	72 @ \$90
Owner/Driver	9 @ \$60
Owner/Trainer	57 @ \$60
Owner/Limited Trainer	17 @ \$60
Groom	133 @ \$20
Officials	33 @ Various prices
Pari-mutuel Clerks	16 @ \$20
Stables	17 @ \$30
Vendors	3 @ \$50

MAINE SIRE STAKES PROGRAM

The Commission also oversees Maine's Sire Stakes Program, which seeks to encourage the breeding of Standardbred racehorses in Maine. The program requires the registration of participating stallions and mares and the resulting foals that will participate in the program. Revenues from both harness racing wagering profits and slot machine profits are designated—by statute—for the purpose of supplementing Sire Stakes race purses. Close to \$1 million was designated to the Sire Stakes purse supplement fund in 2020.

During 2020, the Commission staff once again helped organize and implement the Sire Stakes program in collaboration with the Maine Standardbred Breeders and Owners Association (MSBOA) by projecting revenues, calculating the base purse for the legs, assisting with the schedule, and disbursing the purse payments to racing venues. The staff also took part in closing out the Sire Stakes season by attending the draws and assisting with on-site promotions for the 2-year old Sire Stakes Finals at Bangor Historic Track and 3-year old Sire Stakes Finals at Scarborough Downs.

Horses in the Sire Stakes events are tested for any prohibited substances as requested by the Sire Stakes Advisory Committee.

The Commission recognizes the efforts of each track for hosting, promoting and providing assistance to showcase the Maine Sire Stakes Program. Additionally, the breeders, owners, Advisory Committee and the MSBOA Board of Directors should be recognized for all the support of the Sire Stakes program.

MEDICATION/TESTING PROGRAMS

BLOOD TESTING PROGRAM

In most cases, blood samples are drawn from two horses after each race, including the winning horse and another horse designated by the Commission staff. Samples were analyzed by the University of Illinois at Chicago Analytical Forensic Testing Laboratory (AFTL), located in Chicago, Illinois. The laboratory is accredited by the Racing Medication and Testing Consortium (RMTC) and utilizes highly specialized methods to detect prohibited drugs or therapeutic medications that exceeded the permitted levels as stated in the Maine State Harness Racing rules.

Initial screening of samples is done primarily using either gas or liquid chromatography coupled with mass spectrometry. These dual instrument methods allow for greater confidence in analyte identification. Confirmatory tests generally utilize the same instrumentation, but the method is refined to target and quantify the specific analyte in question.

During the 2020 racing year, 1,561 post-race equine blood samples were taken. Of that total, there were two positive tests: one was found to be in violation of the Commission's rules, and one is yet to be adjudicated.

OUT OF COMPETITION TESTING PROGRAM

Beginning in 2008, the Commission requested the staff test for "blood doping" agents, such as erythropoietin (EPO). This procedure requires taking blood from the horses at the tracks and training centers on days when the horse is not scheduled to race and transferring it to the laboratory for analysis. In 2020, there were 27 horses tested out of competition, none of which were found to be in violation.

BLOOD GAS TESTING PROGRAM

The Blood Gas Testing Program was established in 1993 at the request of the Commission. The program requires taking blood from horses shortly before they are scheduled to race and transferring it to the laboratory for analysis. In 2020, 96 pre-race samples were taken to test for blood gas anomalies. Out of the 96 tests, none were found in violation of the Commission rules.

FUROSEMIDE PROGRAM

The Furosemide Program, formally known as the Controlled Medication Program, was established in 1992 by statute. The program allowed tolerances for horses that use phenylbutazone and furosemide. The Commission voted to eliminate phenylbutazone from the Controlled Medication Program in June 2014. Consequently, the program now provides for on-site administration of furosemide only by the State Veterinarian on race day. There were 665 horses participating in this program in 2020. Throughout the year, 11 horses went off the program.

HUMAN DRUG TESTING PROGRAM

The Human Drug Testing Program was created to test anyone with a Maine State Harness Racing license while in the paddock on race day. This program was designed to ensure the safety of the licensees and horses, on and off the track. Urine is collected by the State Stewards.

SUMMARY OF FINES AND SUSPENSIONS

During the 2020 racing year, there were 45 violations of on-track racing laws and rules.

Failed to Drive When Programmed.....	2
Failure to keep a line in each hand	9
Foot out of Stirrup	6
Foot out of Stirrup with Intent.....	4
Inside Pylons.....	0
Late Driver Change.....	6
Late to Bring Horse to Testing Barn.....	2
Excessive Use of the Whip	3
Interference - Impeding the Progress.....	4
Miscellaneous	9
TOTAL.....	45

COMMISSION ACTION ON 2020 RULE VIOLATIONS

Appeals	4	Still Pending Commission Action
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ACCOUNT OF COMMISSION'S ACTIONS REGARDING PROMOTION OF HARNESS RACING

The Commission recognized that improving the marketing of Maine harness racing is paramount to its long-term survival. In late 2016, a small group of industry stakeholders began brainstorming ideas to improve marketing and better coordinate marketing between industry associations, fairs, and commercial tracks.

Since 2016, industry stakeholders have worked with the Commission and marketing professionals to build a credible, modern marketing program that included the aggressive use of social media and digital advertising. Allocation of marketing resources peaked in 2019 with a total marketing budget of approximately \$184,000 derived from dedicated marketing revenues from wagering profits, the Commission's operating budget, and Sire Stakes Promotional Funds.

During 2020, the global pandemic led to a dramatic reduction in revenue to Maine's harness racing industry, which resulted in a delayed start to the racing season and the need for the Department and the Commission to sharply focus available resources on core activities. Consequently, marketing activities essentially ceased in mid-March. As revenues began to return later in the year, basic, low-cost marketing activities (Facebook) resumed for the tail end of the shortened racing season. For the 2020 calendar year, a total of approximately \$33,769 was expended for advertising and the services of a marketing firm, while another \$2,000 was spent on Facebook advertising (boosts).

3. Practical Effect of Title 8, Chapter 11 and Recommended Legislation

Title 8, Chapter 11 establishes the State Harness Racing Commission and provides statutory authority for the oversight and regulation of harness racing in the state. It authorizes licensing of participants, tracks, and off-track betting facilities and for the allocation of race dates between the various racing venues. During 2018, marketing responsibility was transferred to the Commission. Chapter 11 contains extensive rulemaking authority for the Commission, which has resulted in the promulgation of eleven chapters of rules.

In general, Chapter 11 provides adequate authority to regulate and support Maine's harness racing industry. However, the world of harness racing is evolving rapidly to keep pace with quickly changing landscapes involving entertainment and wagering. As a result, the harness racing statutes will need frequent updates going forward in order for Maine's industry to remain viable. While changing times present challenges, they also present opportunities. There is optimism that Maine is uniquely positioned to fill a developing void/niche. Live/quality harness racing video appears to be a possible growth opportunity that industry insiders are looking to leverage in the future.

4. Report of the Commission's Financial Position

The Commission derives its operating budget from four revenue sources as follows:

1. The Department's share from the Commission on harness racing wagering profits;
2. Licensing fees associated with racing participants, tracks, race dates, and off-track betting facilities;
3. Revenue from the administration of the furosemide program intended to prevent pulmonary hemorrhaging; and

4. To the degree necessary to remain solvent, periodic administrative assessments against revenue allocated pursuant to Title 8, Section 1036, Subsection 2, paragraphs B, C, D, H and I.

In essence, the Commission operates under a zero-sum budget principle, insomuch as it attempts to make administrative assessments that ensure that revenues are approximately equal to expenditures by year-end. However, in 2020, essentially all revenue streams ceased altogether in mid-March as the pandemic forced businesses to close. Since the Commission operates entirely on dedicated revenues, it faced insolvency in the near term and real questions about whether it would be forced to shut down.

As a result, in cooperation with the Department, the Commission's staff developed a bare-bones budget by shedding all spending beyond that necessary to exist. In conjunction with a minimalist budget, an assessment against slot revenues sufficient to ensure the operation of the Commission for the entire calendar year was made in April. The strategy proved vital to the survival of the industry during the pandemic as racing was allowed to resume in June, and 76 days of racing was eventually conducted at Maine's two commercial tracks. Revenues resumed at reduced rates across the second half of the calendar year, and the Commission finished the year without the need to conduct additional assessments and with a healthy carryover that will reduce the need for additional operating revenues in 2021. The table below summarizes the Commission's Financial Position for the calendar year 2020.

Statement of the Commission's Financial Position-Cash Basis
January 1, 2020 - December 31, 2020
014-01A-0320-07

Beginning cash balance 01/01/20 Commission acct 014-0320-07- Admin units only		\$45,141.29
REVENUE		
1221 Licenses Harness Horse Racing	3,010.00	
1301 Comm Pari Mutuels Harness (CPMH)	195,375.20	
1448 Special Licenses & Leases	26,045.00	
2631 Registration Fees for CMP	25,900.00	
2689 Cash Over Cash Short - appeals	1,620.00	
2642 CERTIFIED DOCUMENT FEES	37.50	
2907 TRANSFER BETWEEN ACTIVITIES	100,000.00	
2719 Contributions from other special revenue Administrative Assessment: Administrative Assesement 4-27-2020	\$910,000.00	
Total Administrative Assessment		\$910,000.00
TOTAL REVENUE		\$1,261,987.70
EXPENDITURES		
3100 Salary & Wages	\$332,163.41	
3900 Benefits Costs	199,620.30	
		\$531,783.71
TOTAL PERSONAL SERVICES		\$531,783.71
4000 Services Not By State	98,873.14	
4200 Mileage, Meal & Lodging, In State	1,235.75	
4600 Rents	3,316.09	
4800 Insurances, Risk Management	1,526.12	
4900 General Operating Expenses	49,886.79	
5300 OIT Technology	1,913.64	
5500 Equipment & Technology	109.29	
5600 Other Supplies, lab, household, educational, etc	6,615.41	
6400 Grants to Pub and Priv Orgns	117,541.00	
8511 Sta Cap Charges	20,142.20	
		\$301,159.43
TOTAL ALL OTHER		\$301,159.43
TOTAL EXPENDITURES		\$832,943.14
Ending cash balance 12/31/19 Commission acct 014-0320-07- Admin units only		\$474,185.85

5. SUMMARY OF INCOME AND EXPENSES FOR THE HARNESS RACING PROMOTIONAL FUND

Statement of the Promotion Board's Financial Position-Cash Basis
January 1, 2020 - December 31, 2020
014-01A-0320-07

Beginning cash balance 01/01/20 Promotion Board Appropriation:		\$	36,901.34
REVENUE			
1301 Comm Pari Mutuels Harness	\$	21,942.62	
2953 ADJ OF ALL OTHER BALANCE FWD	\$	26,678.11	
TOTAL REVENUE		\$	48,620.73
EXPENDITURES			
4900 General Operating Expenses	\$	66,970.58	
8500 Sta Cap Charges	\$	868.93	
TOTAL EXPENDITURES		\$	<u>67,839.51</u>
Ending cash balance 12/31/2020 Promotion Board acct 014-0320-07		\$	<u>17,682.56</u>

6. Overview of Wagering Commission Revenue (Handle) and Disbursements

2020 WAGERING DISTRIBUTION FOR THE HANDLE

LIVE RACING:

TRACK:	EXOTIC	STRAIGHT	TOTAL
Scarborough	281,967	112,474	394,441
Bangor Raceway	14,324	5,817	20,141
Northern Maine	-	-	-
Topsham	-	-	-
Skowhegan	-	-	-
Union	-	-	-
Windsor	-	-	-
Farmington Fair	-	-	-
Cumberland Fair	-	-	-
Cumberland Extension	-	-	-
Fryeburg	-	-	-
TOTAL LIVE RACING	\$ 296,291	\$ 118,291	\$ 414,582

INTRA-STATE SIMULCAST:

OTB FACILITY:

LRI INC, d/b/a Lewiston Raceways, Inc.	17,340	6,529	\$ 23,869
OTB Facilitators dba Sanford OTB	3,267	629	3,896
Pioneer Gaming LLC d/b/a Favorites	28,386	4,606	32,992
Winner's OTB-Midcoast OTB	10,280	4,519	14,799
TOTAL OTB FACILITY	\$59,274	\$16,283	\$ 75,557

COMMERCIAL TRACK:

Scarborough	10,850	2,379	\$ 13,229
Bangor Raceway	1,292	655	1,947
TOTAL COMMERCIAL TRACK	\$ 12,142	\$ 3,034	\$ 15,176

TOTAL INTRA-STATE SIMULCAST

\$ 71,416	\$ 19,317	\$ 90,733
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2020 WAGERING DISTRIBUTION FOR THE HANDLE CONT'D

INTER-STATE SIMULCAST

	EXOTIC HANDLE	STRAIGHT HANDLE	TOTAL HANDLE	EXOTIC COMMISSION	STRAIGHT COMMISSION	TOTAL COMMISSION
OTB FACILITIES						
LRI INC, d/b/a Lewiston Raceways, Inc.	1,022,060	418,964	\$1,441,024	228,765	71,751	\$ 300,516
OTB Facilitators dba Sanford OTB	469,856	138,404	608,260	105,702	23,405	129,107
Pioneer Gaming LLC d/b/a Favorites	1,485,839	273,504	1,759,343	332,880	49,781	382,660
Winner's OTB-Midcoast OTB	1,612,275	595,863	2,208,138	363,091	101,890	464,981
TOTAL OTB FACILITIES	\$ 4,590,030	\$ 1,426,735	\$ 6,016,765	\$ 1,030,438	\$ 246,826	\$ 1,277,264
COMMERCIAL TRACKS						
Scarborough	3,045,224	1,065,429	\$4,110,653	688,484	179,422	\$ 867,906
Bangor Raceway	289,843	83,581	373,424	64,647	14,498	79,145
TOTAL COMMERCIAL TRACKS	\$ 3,335,067	\$ 1,149,010	\$ 4,484,077	\$ 753,131	\$ 193,920	\$ 947,051
TOTAL INTERSTATE SIMULCAST	\$ 7,925,097	\$ 2,575,745	\$ 10,500,842	\$ 1,783,569	\$ 440,746	\$ 2,224,315
GRAND TOTAL HANDLE WAGERING	\$ 8,292,804	\$ 2,713,296	\$ 11,006,100			

2020 Funds received pursuant to MRS Title 8, Chapter 11, §286 Calculation of Distribution of Commission

	GF/STATE	AG FAIR	PURSE	PROMO	OTB	AGR FAIR	TOTAL	
	477X-07	STIPEND	IRE STAKI	SUPPLE	BOARD	SIMULCAST	FUND	
		473X-01	476X-01	478X-01	0873-01	474X-01	472X-01	
Bangor	6,052	4,120	4,161	3,475	879		319	19,006
Scarborough	68,017	47,550	46,410	40,086	10,135		3,580	215,777
Cumberland Fair	-	-	-	-	-	-	-	-
Cumberland Fair Ext.	-	-	-	-	-	-	-	-
Farmington Fair	-	-	-	-	-	-	-	-
Fryeburg Fair	-	-	-	-	-	-	-	-
Northern Maine Fair	-	-	-	-	-	-	-	-
Skowhegan State Fair	-	-	-	-	-	-	-	-
Topsham Fair	-	-	-	-	-	-	-	-
Union Fair	-	-	-	-	-	-	-	-
Windsor Fair	-	-	-	-	-	-	-	-
Winner's OTB, Brunswick	38,358	18,737	18,286	55,998	3,994	53,211	2,023	190,607
LRI, Lewiston	24,779	12,348	11,701	35,728	2,631	34,576	1,298	123,061
Pioneer Gaming, Sanford	10,906	5,129	5,307	15,891	1,094	14,584	587	53,497
Pioneer Gaming, Waterville	33,683	15,037	16,898	48,287	3,211	42,090	1,761	160,968
	181,795	102,920	102,763	199,466	21,943	144,461	9,568	762,917

Overview of Wagering Commission Revenue (Handle) and Distribution for 2020

Distribution Basis			
Actual Days Raced	Number of Dashes	Exotic Wagers at OTBs	Premiums

Handle							
Commission	Agri Stip-Prem/facility Improvement	Fair Stipend 5%	Sire Stakes	Purse Supplement	Promotion Fund	OTB Simulcast Fund	Total

Handle Revenue

\$ 181,795 \$ 102,920 \$ 9,568 \$ 102,763 \$ 199,466 \$ 21,943 \$ 144,461 \$ 762,917

Recipients:

Agricultural Fair Coordinator Assessment							\$13,380	\$1,244				\$14,623			
Commission Operating Fund					\$181,795		\$0	\$0		\$0		\$0	\$181,795		
Promotion Board							\$0	\$0		\$21,943	\$0	\$0	\$21,943		
See Sire Stakes Report							\$0	\$0	\$102,763	\$0		\$0	\$102,763		
Bangor Raceway							\$0	\$0		\$119,127		\$70,045	\$189,172		
Scarborough Downs							\$0	\$0		\$0		\$74,416	\$74,416		
Maine Harness Horsemen's Association							\$0	\$0		\$21,298		\$0	\$21,298		
Acton Fair							\$0	\$0		\$0		\$0	\$0		
Bangor Fair							\$0	\$0		\$0		\$0	\$0		
Blue Hill Fair							\$0	\$0		\$0		\$0	\$0		
Clinton Lions Club							\$0	\$0		\$0		\$0	\$0		
Common Ground Fair							\$0	\$0		\$0		\$0	\$0		
Cumberland Fair							\$0	\$0		\$0		\$0	\$0		
Cumberland Fair EXT							\$0	\$0		\$0		\$0	\$0		
Farmington Fair							\$0	\$0		\$0		\$0	\$0		
Fryeburg Fair							\$0	\$0		\$0		\$0	\$0		
Harmony Free Fair							\$0	\$0		\$0		\$0	\$0		
Houlton Fair							\$0	\$0		\$0		\$0	\$0		
Litchfield Fair							\$0	\$0		\$0		\$0	\$0		
Maine Farm Days							\$0	\$0		\$0		\$0	\$0		
Monmouth Fair							\$0	\$0		\$0		\$0	\$0		
New Portland Fair							\$0	\$0		\$0		\$0	\$0		
Northern Maine Fair							\$0	\$0		\$0		\$0	\$0		
Ossipee Valley Fair							\$0	\$0		\$0		\$0	\$0		
Oxford County Fair							\$0	\$0		\$0		\$0	\$0		
Piscataquis Valley Fair							\$0	\$0		\$0		\$0	\$0		
Pittston Fair							\$0	\$0		\$0		\$0	\$0		
Skowhegan State Fair							\$0	\$0		\$0		\$0	\$0		
Springfield Fair							\$0	\$0		\$0		\$0	\$0		
Topsham Fair							\$0	\$0		\$0		\$0	\$0		
Union Fair							\$0	\$0		\$0		\$0	\$0		
Waterford's World Fair							\$0	\$0		\$0		\$0	\$0		
Windsor Fair							\$0	\$0		\$0		\$0	\$0		
Carryover to 2021							\$89,540	\$8,324		\$59,041		\$0	\$156,905		
Total distribution							\$181,795	\$102,920		\$9,568	\$102,763	\$199,466	\$21,943	\$144,461	\$762,917

Total distribution basis 0 0 \$ - \$ -

Distribution based on :

N/A	Premiums	Premiums	See Sire Stakes Report	Actual Days Raced	N/A	Exotic Wagers at the OTB's
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*To be disbursed to First Track Investments in CY2021

7.

Overview of Wagering & Disbursement Arising from the Bangor Racino

State Revenue from Slot Machines at Hollywood Casino Operation
Calendar Year 2020

		Totals
Number of Machines in Play		329
Funds In Bills and Tickets	\$	153,867,847
Funds Out Bills and Tickets	\$	124,989,974
Unclaimed tickets (Dollar Value)	\$	39,759
Net Slot Revenue	\$	24,521,993
Average Slot Win %	\$	10
Total Tax revenue Due the State 1%	\$	2,520,559
Total Tax revenue Due the State 39%	\$	8,580,243
Fund To Supplement Purses	10% \$	2,200,062
Agricultural Fair Support Fund	3% \$	660,019
Sire Stakes Fund	3% \$	660,019
General Fund	4% \$	880,025
Fund To Encourage Racing at Maine’s Commercial Tracks	4% \$	880,025
Fund to Stabilize OTB Facilities	1% \$	220,006
Fund for a Healthy Maine	10% \$	2,200,062
UMS Scholarship Fund*	1.89% \$	418,751
Maine Maritime Academy*	0.11% \$	21,262
ME Com. Col. System Scholarship FundMaine	1% \$	220,006
City of Bangor	1% \$	220,006
Total	39% \$	8,580,243

Overview of Wagering Commission Revenue (Bangor Racino) and Distribution for 2020

Racino						
Ag Fair Stipend Premiums	Ag Fair Stipend Purse Supplement	Purse supplement	Sire Stakes	Funds to Encourage Racing	OTB	Total
\$ 479,812	\$ 180,214	\$ 2,200,141	\$ 660,019	\$ 880,056	\$ 220,014	\$ 4,620,256
		\$ 336,359				\$ 336,359
		\$ 2,536,500				\$ 4,956,615

Racino Revenue *

Purse Monies Collected from Fairs
Purse Monies Distributed

Recipients:										
Administrative Assessment			130,000		433,333	130,000	173,334	43,333		910,000
Agricultural Fair Coordinator Assessment			45,476							45,476
See Sire Stakes Report						530,019				530,019
LRI OTB								44,170		44,170
Sanford-OTB								44,170		44,170
Waterville-OTB								44,170		44,170
Winner's OTB								44,170		44,170
Bangor Raceway					1,024,138		213,876			1,238,015
Scarborough Downs					376,487		492,846			869,333
Maine Harness Horsemen's Association					18,707					18,707
Acton Fair										-
Bangor Fair										-
Blue Hill Fair										-
Clinton Lions Club										-
Common Ground Fair										-
Cumberland Fair					11,649					11,649
Cumberland Fair EXT					1,664					1,664
Farmington Fair					11,649					11,649
Fryeburg Fair					10,983					10,983
Harmony Free Fair										-
Houlton Fair										-
Litchfield Fair										-
Maine Farm Days										-
Monmouth Fair										-
New Portland Fair										-
Northern Maine Fair					8,320					8,320
Ossipee Valley Fair										-
Oxford County Fair										-
Piscataquis Valley Fair										-
Pittston Fair										-
Skowhegan State Fair					12,314					12,314
Springfield Fair										-
Topsham Fair					6,656					6,656
Union Fair					8,320					8,320
Waterford's World Fair										-
Windsor Fair					15,809					15,809
Carryover to 2021			304,337	180,214	*596,470					1,081,021
Total distribution/disbursements			\$ 479,812	\$ 180,214	\$ 2,536,500	\$ 660,019	\$ 880,056	\$ 220,014	\$	\$ 4,956,615

Total distribution basis 0 0 \$ -

Distribution based on :

Premiums	Number of Dashes	Number of Dashes	See Sire Stakes Report	Race Day Credits Earned	Disbursed Evenly
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*To be disbursed to First Track Investments in CY2021

**Overview of Advance Deposit Wagering
& Disbursement Arising from PENN ADW, LLC d/b/a Hollywood Races**

**State Revenue from Advance Deposit Wagering Arising from
PENN ADW, LLC d/b/a Hollywood Races
Calendar Year 2020**

	Totals
ME resident activity on Maine Races	\$ 112,406.40
ME resident activity on non-Maine events	\$ 3,045,114
Total Advance Deposit Wagering Activity	<u>\$ 3,157,521</u>
Total Tax Revenue Due the sState 5%	<u>\$ 157,876</u>

**DISTRIBUTIION OF REVENUES FROM ADVANCED DEPOSIT
WAGERING RACES CONDUCTED IN STATE**

		\$ 5,620
General Fund	10%	\$ 562
Distribution to Off Track Betting Facilities	20%	\$ 1,124
Sire Stakes Fund	1%	\$ 56
Agricultural Fair Support Fund	10%	\$ 562
Fund To Supplement Purses	24%	\$ 1,349
Race Tracks: (Distributed by Gambling Control Board)	20%	\$ 1,124
Scarborough Downs		\$ 720
HC Bangor Raceway		\$ 404
Sagadahoc Ag/Hort Society		
Skowhegan State Fair		
Knox Ag Society		
Windsor Fair Assoc		
Franklin Cnty Ag Society		
Cumberland Farmers Club/Fair		
West Oxford Ad Society		
Distribution to Commercial Tracks	15%	\$ 843
		<u>\$ 5,620</u>

**DISTRIBUTIION OF REVENUES FROM ADVANCED DEPOSIT
WAGERING RACES CONDUCTED OUTSIDE OF STATE**

		\$ 152,256
General Fund	10%	\$ 15,226
Distribution to Off Track Betting Facilities	36%	\$ 54,812
Sire Stakes Fund	1%	\$ 1,523
Agricultural Fair Support Fund	10%	\$ 15,226
Fund To Supplement Purses	7%	\$ 10,658
Race Tracks:		
Distribution to Commercial Tracks	36%	\$ 54,812
		<u>\$ 152,256</u>

Source: Gambling Control Unit Website Revenue Information for Hollywood Casino 2020

8. Overview of Wagering & Disbursements Arising from the Oxford Casino

State Revenue from Slot Machines at Oxford Casino Operation Calendar Year 2020

		Totals
Number of Machines in Play		368
Funds In Bills and Tickets		322,501,377
Funds Out Bills and Tickets		291,359,772
Unclaimed tickets (Dollar Value)		67,946
Net Slot Revenue		<u>38,123,550</u>
Average Slot Win %		<u>8.644%</u>
Total Tax revenue Due the State @ 46%		<u><u>17,536,833</u></u>
DOE Grades K-12	25%	9,530,888
U of ME Scholarship Sys*	3.77%	1,437,258
Maine Maritime Academy*	0.23%	87,684
ME Comm College Scholarship	3%	1,143,707
Tribal Governments Penob & Pass	4%	1,524,942
Gambling Control Board & Add'l	3%	1,143,707
Host Municipality-Town of Oxford	2%	762,471
Agricultural Fair Support Fund	1%	381,236
Harness Racing Purse Supplement	1%	381,236
Sire Stakes Fund	1%	381,236
Host County Costs-Oxford	1%	381,236
Dept of Agr. Dair Imp. Fund 7/13	0.50%	190,618
Dept of Agr. Maine Milk Fund 7/13	0.50%	190,618
Total 46% Tax	46%	17,536,833

Source: Gambling Control Unit Website Revenue Information for Oxford Casino 2020

9. Use of Funds by Commercial Tracks (pursuant to 8 MRS § 1037(1))

There were two (2) licensed pari-mutuel facilities that met the definition of a Commercial Race Track pursuant to 8 MRS Section 275-A. One is in Scarborough and the other in Bangor.

Davric Maine Racing LLC., DBA Scarborough Downs conducted 53 days of live racing and offered wagering on 465 dashes and HC Bangor LLC, DBA Hollywood Casino Hotel & Raceway conducted 23 days of live racing and offered wagering on 210 dashes to the Off-track Betting facilities in Maine as well as out-of-state. Both facilities were licensed to accept pari-mutuel wagers on simulcast races for 363 days in 2020, however the seasons were reduced due to the impacts of COVID-19.

The revenues received from the Fund To Encourage Racing At Maine's Commercial Tracks were used by the recipients to defray expenses incurred in conducting live racing and accepting pair-mutuel wagers throughout the licensing year.

The information required to be reported in 8 MRS Section 1037 subsection 1 is contained on the following pages.

Use of Funds by Commercial Tracks for 2020

Commercial Tracks	SD	Bangor
A. The total amount wagered on live harness races	394,441	20,159
B. The total amount wagered on intrastate simulcast races	13,229	1,947
C. The total amount wagered on interstate simulcast races	867,906	79,145
D. The number of harness races originated in the State and made available for simulcast outside of the State	465	190
E. The amount of the harness racing handle from wagers at the commercial track kept by that commercial track and the distribution of the handle to the State and industry recipients under section 286		
Ag. Fair Stipend	47,550	4,120
Sire Stakes	46,410	4,161
Purse Supplement	40,086	3,475
Promotional Board Fund	10,135	879
Commission Operations	68,017	6,052
Ag. Fair Fund	3,580	319
Racing Handle Kept by Track-Horseman's Purse	139,008	12,428
Racing Handle Kept by Track-Track's Share	609,425	52,875
F. The amount received from the handle distribution from wagers at other tracks and off-track betting facilities under section 286		
Racing Handle received from other Track-Horseman's Purse	66	503
Racing Handle received from other Track-Tracks's Share	503	66
Racing Handle received from off-track betting facilities-Horseman's Purse	2,858	2,632
Racing Handle received from off-track betting facilities-Track's Share	3,129	2,853
G. The amount of revenue received in accordance with section 1036, subsection 2, paragraphs B, D and H		
B-Section 298-Supplement Harness Racing Purses-Bangor Racino	376,487	1,024,138
B-Section 298-Supplement Harness Racing Purses-Oxford Casino	66,037	221,101
Section 290-Supplement Harness Racing Purses-Handle	-	119,127
Section 1072-Supplement Harness Racing Purses-ADW Wagers from PENN ADW, LLC d/b/a Hollywood Races	-	4,957
D-Title 7, Section 91-Agricultural Fair Support fund-Bangor Racino	-	-
D-Title 7, Section 91-Agricultural Fair Support fund-Oxford Casino	-	-
H-Section 299-Fund to Encourage Racing at Maine's Commercial Track-Bangor Racino	492,846	213,876
Section 1072 Commercial Track Support from ADW Wagers from PENN ADW, LLC d/b/a Hollywood Races	37,103	18,552
Section 295-Off-Track Betting Facility Simulcast Fund-Handle	74,416	70,045
H. The number of full-time and part-time employees at the commercial track		
Full-Time Employees	14	3
Part-Time Employees	21	8
I. The amount, if any, spent on capital improvements to the commercial track and related facilities and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year:		
	See below	See below
J. Operating costs for the commercial track	2,296,526	880,302
K. Depreciation figures for the commercial track	(13,913)	37,995
K. Profit or (loss) figures for the commercial track	814,379	(406,644)
L. Administrative costs to comply with reporting requirements and contributions to the State Harness Racing Commission's operating account described in section 267-A	350	-

Scarborough Downs Capital Improvements:	
No capital improvements made this year.	
Total	\$ 0.00

Bangor Capital Improvements:	
Heating/Cooling Grandstand	
Total	\$ 40,011.61

10. Use of Funds by Fairs that Conduct Harness Racing (pursuant to 8 MRS §1037 (2))

There were eight (8) licensed agricultural fairs that were granted live racing licenses and were awarded race dates for the 2020 racing season. Due to the impacts from COVID-19, all eight pari-mutuel fairs cancelled for 2020. Consequently, none of the 51 awarded race dates were used.

The fair cancellations, coupled with reduced purse revenues for the year, resulted in the circumstance in which a significant portion of the available 2020 purse revenues resided at the eight pari-mutuel fairs, that were not able to race. Consequently, the pari-mutuel fairs worked with the Maine Harness Horsemen’s Association and agreed to return 30% of the purse funds currently on hand in order to boost available purse funds for the 2020 racing season. See table below.

Purse Return Funds from Fairs 2020			
Track/Fair	Total 2020 Purse Disbursements	Total 2020 Purse Returns	Net 2020 2020 Purse Disbursements
Northern Maine Fair	39,877.53	(33,340.48)	6,537.05
Topsham Fair	67,479.03	(30,616.45)	36,862.58
Skowhegan Fair	103,411.33	(50,018.09)	53,393.24
Union Fair	67,803.35	(26,541.63)	41,261.72
Windsor Fair	146,932.35	(58,454.67)	88,477.68
Farmington Fair	85,118.98	(40,187.90)	44,931.08
Cumberland Fair	113,782.88		
Cumberland Extended	15,821.31	(63,067.16)	66,537.03
Fryeburg Fair	94,915.78	(34,132.54)	60,783.24
	<u>735,142.54</u>	<u>(336,358.92)</u>	<u>398,783.62</u>

11. Use of Funds by Fairs that Do Not Conduct Harness Racing (pursuant to 8 MRS § 1037 (3))

None of Maine's seventeen non-pari-mutuel fairs held their events in 2020 and therefore those fairs did not use the funds described under 8 MRS § 1037(3).

2020 Agricultural Fairs that do not Conduct Harness Racing

Fair	Premiums Approved	Facilities Approved	Bangor Racino Stipend	Oxford Casino Stipend	Handle Premium Stipend	Handle Facility Stipend	Attendance Paid*	Attendance Free & Vendor*	Attendance Total*	Labor Costs*	Operating Expenses*
Acton Fair	0	0	0	0	0	0	0	0	0	0	0
Bangor Fair	0	0	0	0	0	0	0	0	0	0	0
Blue Hill Fair	0	0	0	0	0	0	0	0	0	0	0
Clinton Fair	0	0	0	0	0	0	0	0	0	0	0
Common Ground Fair	0	0	0	0	0	0	0	0	0	0	0
Harmony Free Fair	0	0	0	0	0	0	0	0	0	0	0
Houlton Fair	0	0	0	0	0	0	0	0	0	0	0
Litchfield Fair	0	0	0	0	0	0	0	0	0	0	0
Maine Farm Days	0	0	0	0	0	0	0	0	0	0	0
Monmouth Fair	0	0	0	0	0	0	0	0	0	0	0
North New Portland Fair	0	0	0	0	0	0	0	0	0	0	0
Ossipee Valley Fair	0	0	0	0	0	0	0	0	0	0	0
Oxford	0	0	0	0	0	0	0	0	0	0	0
Piscataquis Valley Fair	0	0	0	0	0	0	0	0	0	0	0
Pittston Fair	0	0	0	0	0	0	0	0	0	0	0
Springfield Fair	0	0	0	0	0	0	0	0	0	0	0
Waterford World's Fair	0	0	0	0	0	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0	0	0	0	0	0

12. Use of Funds by the Maine Standardbred Breeding Program (pursuant to 8 MRS § 1037 (4))

Maine has experienced a decrease in the number of Sire Stakes eligible horses participating in overnight events, therefore the need continues for additional horses from other racing jurisdictions to participate in Maine's overnight racing program.

2020

Yearlings Nominated	71
Mares Bred	73
Stallions Registered	16
Total Number of Dashes	61
2 year olds	28
Average Purse per Dash	\$9,542
Average Final Purse	\$40,944
Average Consolation Final	\$15,000
3 year olds	39
Average Purse per Dash	\$8,976
Average Final Purse	\$61,139
Average Consolation Final	\$0.00

The revenues generated for 2020 from the operation of the slot facility in Bangor was \$660,019; from Advance Deposit Wagering was \$1,579; from the Oxford Casino was \$381,236; and from the wagering handle was \$123,464.

Contained in the following pages is a breakdown of participants for calendar year 2020 and an accounting of the funds received, and the expenditures made from that account. At the end of the 2020 racing year, there was a balance of \$56,229.

2020 STALLIONS REGISTERED AND NUMBER OF MARES COVERED

Art By Keene	1
Artistic Fella	13
Boy Band	2
Cheyenne Hollywood	0
Deuce Seelster	12
Excel Nine	0
Make It Brief	0
Mysharona Bluechip	0
Noble Venture	3
Pembroke Slugger	4
Shake it Off Lindy	8
Shipps Supercruise	3
Thirty Two Red	14
Victor Blue Chip	0
Western Bay	2
Western Maverick	11

2020 PARTICIPATION STATISTICS

Stallions Registered		16
Mares Bred		73
Yearlings Nominated		71
Two Year Olds Continued		76
Two Year Olds Sustained		76
	Pacing	
	Colts:	28
	Pacing	
	Fillies:	21
	Trotting	
	Colts:	17
	Trotting	
	Fillies:	10
Three Year Olds Continued		73
Three Year Olds Sustained		70
	Pacing	
	Colts:	22
	Pacing	
	Fillies:	19
	Trotting	
	Colts:	13
	Trotting	
	Fillies:	16

2020 STANDARDBRED BREEDERS SIRE STAKES FINANCIAL REPORT

REVENUES:

Carried forward	\$	47,210	
Handle		102,763	
Fees		20,700	
Bangor Racino		660,042	
Bangor Racino - ADW Wagers		1,579	
Oxford Casino		<u>381,236</u>	
TOTAL REVENUE	\$		1,213,530

EXPENSES:

Total legs		579,275	
Finals		408,336	
Consolation Finals		15,000	
MHHA Contract 2.330%		23,059	
Printing/Dicap/other		1,631	
Transfer to Commission Operating Budget:			
Transfer 04/15/2020		130,000	
TOTAL EXPENSES:			<u>\$ 1,157,301</u>

BALANCE 2020:

\$ 56,229

BALANCE CARRIED FORWARD TO 2021:

\$ 56,229

13. Use of Funds by Off Track Betting Facilities (pursuant to 8 MRS § 1037 (5))

There were four (4) licensed off-track betting facilities that operated in 2020. Pioneer Gaming LLC, DBA Favorites is located in Waterville; Midcoast OTB, DBA Winner's OTB is located in Brunswick; LRI, Inc., DBA Winner's Circle OTB is located in Lewiston and, Pioneer Gaming LLC, DBA Sanford OTB is located in Sanford.

All four facilities offer pari-mutuel wagering on races that originate in Maine as well as races from other states.

The information required to be reported in 8 MRS Section 1037 subsection 5 is contained on the following page.

It should be noted that the requirement for Section 1037 subsection 5 paragraph A is not included in this report. None of the off-track betting facilities were able to extract this information from the totalizator records that were in their custody.

5. Off-track betting facility. The report required by this section must include, with regard to a facility licensed to conduct off-track betting on harness racing:

A. The number of individual wagers placed on intrastate and interstate simulcast races and the total amount for each;

	LRI	Waterville	Sanford	Winners
Intrastate Wagers	23,869	32,992	3,896	14,799
Interstate Wagers	1,441,024	1,759,343	608,260	2,208,138

B. The number of full-time and part-time employees of the off-track betting facility

Full Time Employees	2	1	1	3
Part Time Employees	2	3	3	1

C. The operating costs for the off-track betting facility

	275,886	418,854	185,047	549,093
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D. The name and primary location of the company licensed to operate the off-track betting facility; [2011, c. 358, §6 (NEW).]

LRI, Inc. dba Winners Circle OTB 12 Mollison Way Lewiston	Pioneer Gaming LLC dba Favorites OTB 38 College Ave Waterville	Pioneer Gaming LLC dba Sanford OTB 890 Main St Sanford	Midcoast OTB dba Winners OTB 20 Farley Road Brunswick
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E. The total number of races originating in the State received for simulcast as reported by the off-track betting facility; [2011, c. 358, §6 (NEW).]

	655	655	655	655
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F. The amount, if any, spent on capital improvements to the off-track betting facility and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year; [2011, c. 358, §6 (NEW).]

	-	-	1,000	-
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G. The amount of the harness racing handle kept by the off-track betting facility and the distribution of the handle to the State and industry recipients under section 286; [2011, c. 358, §6 (NEW).]

Kept by the off-track betting facility	179,549	221,811	275,656	275,656
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Distribution of Wagering Handle:

Ag. Fair Stipend	12,348	15,037	5,129	18,737
Sire Stakes	11,701	16,898	5,307	18,286
Purse Supplement	35,728	48,287	15,891	55,998
Promotional Board Fund	2,631	3,211	1,094	3,994
Commission Operations	26,083	35,456	11,480	40,377
OTB Simulcast Fund	34,576	42,090	14,584	53,211
Originating Track Share	1,889	2,613	309	1,171
Horsemen's Purse Acct.	1,695	2,467	289	1,038

H. The amount received from the handle distribution from wagers at tracks and other off-track betting facilities under section 286; and [2011, c. 358, §6 (NEW).]

	126,651	166,059	54,082	192,812
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I. The amount of revenue received in accordance with section 1036, subsection 2, paragraph I. [2011, c. 358, §6 (NEW).]

	68,988	68,988	68,988	68,988
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J. The amount of revenue received to be distributed to all off-track betting facilities in accordance with section 1072, subsection 1 & 2, paragraph B. [2015, c. 499, §8 (NEW).]

	13,984	13,984	13,984	13,984
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