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ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

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December 29, 1986

MEMORANDUM

FROM: Penelope Weyhrauch  
Legislative Analyst

RE: Parimutuel Wagering  
Research Request 87.055

You asked for a discussion of state parimutuel wagering programs and revenues received from the programs. You were particularly interested in state fair parimutuel programs, and in the type of people who attend parimutuel wagering activities. In regard to Alaska, you were interested in the amount of revenues that could be generated by parimutuel wagering in the state, and whether or not dedicating parimutuel wagering revenue would violate Alaska's constitutional prohibition on dedicated revenues.

**Parimutuel Wagering in the United States**

In parimutuel wagering events, all bets on a given race are placed in a common pool, which is proportionally divided among those holding winning tickets after the race is run. Parimutuel wagering events are usually horse and dog races. Some form of horse racing is legal in 36 states, and is actually in operation in 30 states. Thoroughbred racing is legal in 36 states, harness racing in 28 states and quarter horse racing in 23 states. Greyhound racing is legal in 15 states and is operative in 14 states. Attachment A lists by state: parimutuel turnover (gross "handle"), number of racing days, number of races, and race attendance.

**Parimutuel Wagering Revenues.** Prior to distributing the pool among the winners, a specified percentage, or "takeout", is withheld. The takeout percentage in the western states ranges from 15 to 25 percent. The takeout percentage may be a constant percentage for all wagering pools or may depend on the type of bet, track, or type or number of horses. It may also vary according to whether the meet has a commercial or nonprofit purpose. The takeout is divided between the horse or dog owners' purses, the track, and the state in which the racing is conducted. Table 1 lists the western states and the distribution of the takeout in each state.

TABLE 1

Takeout Percentages and Distribution  
in the Western States

State	Total Takeout	State	Meet Operator	Purses	Purse/Breeding Supplements	Other
<b>ARIZONA</b>						
Ave. Handle < \$200,000						
1st \$100,000	18-25	2	15-22		1	
All Additional	18-25	5	12-19		1	
Ave. Handle > \$200,000						
1st \$100,000	18-25	3	14-21		1	
All Additional	18-25	5	12-19		1	
<b>CALIFORNIA</b>						
Thoroughbreds						
Total Handle < \$250 M.	15-19.75	4.8-6.85	5.26-6.98	4.30-5.88	.34	
Total Handle > \$250 M.	15-19.75	5.7-7.45	4.93-6.49	4.03-5.47	.34	
Quarterhorses	15-19.75	2.5-5.55	6.16-8.43	5.04-7.06		
Harness	16-23.75	1.5-4.79	7.26-12.19	5.28-8.31		
Fair Meets						
Daily Handle < \$650,000	16-20.75	2.0-5.75	5.76-9.32	6.24-9.68		
Daily Handle > \$650,000	16-20.75	4.65-6.40	5.45-7.01	5.90-7.34		
<b>COLORADO</b>						
Commercial Tracks	18.5	3.5	15			
Non-profit Tracks	22.5-23	4	13	5.5	.5	
IDAHO	20-20.75	1.25-2.0	15.5-17.5		1	.25-2.25
MONTANA	20-22	1-1.6	19		0-1.4	

TABLE 1 (Continued)

State	Total Takeout	State	Meet Operator	Purses	Purse/Breeding Supplements	Other
<b>NEVADA</b>						
State Fair, others receiving state or local aid	18	1	17			
All others	18	2	8	8		
<b>NEW MEXICO</b>						
Daily Handle						
1st 250,000	18.75	2	16		.75	
Amount bet. \$250-350,000	18.75	2.5	15.5		.75	
Amount bet. \$350-400,000	18.75	3.5	14.5		.75	
Amount over \$400,000	18.75	6	12		.75	
State Fair	18.75	2	16		.75	
<b>OREGON</b>						
Commercial	18-22	4.5-5.5	6.05-8.75	6.25-6.925	1	.2
State Fair	19-25	.9-2.9	11.5-13.5	5.4-7.4	1	.2
Non-Commercial	16-22	.9-2.9	8.5-11.5	5.4-7.4	1	.2
Non-profit, all others	16-22	1.2-4.2	14.8-17.8			
<b>WASHINGTON</b>						
Daily Handle						
1st \$200,000	15-24.5	.5-4.0	14.5-20.5		1	
Amount bet. \$200-400,000	15-24.5	1-4.5	14.0-20		1	
Amount over \$400,000	15-24.5	4-7.5	11.0-17		1	
<b>WYOMING</b>						
	20	1	19			

SOURCE: National Association of Racing Commissioners, Pari-Mutuel Racing, 1985, pp. 13-16, and state statutes.

As shown in Table 1, the states' percentage of the takeout ranges from .5 to 7.5 percent. Takeout revenues received by state governments include revenues from track licenses, occupational licenses, parimutuel taxes, breakage (monies in excess of actual payoffs for winning tickets--calculated to the nearest nickel or dime), and admission taxes. Attachment B lists the total revenue and categorized revenue received by states from parimutuel wagering in 1982.

The states apply their percentage of takeouts from parimutuel wagering to different purposes. Table 2 lists the western states' application of their percentage of takeout. State takeout is distributed primarily to a state's general fund and to the State Racing Commission. Some states also fund their fair commissions through parimutuel revenues. Attachment C summarizes tax methods applied by states on parimutuel wagering activities.

#### Parimutuel Wagering Participants

According to a demographic study done by Dr. John Koza, parimutuel wagering is most likely to occur among white collar workers with one or more years of higher education and with household income of \$35,000 or more. It is less likely to occur among black or hispanic persons with household income of \$7,500 or less. According to Dr. Koza, the poor under-participate in horse racing probably because of the expense of transportation to the races and the relatively high playing expenses.

In regard to particular groups involved in parimutuel wagering, Dr. Koza found that "achievers" more frequently participate in parimutuel wagering than other groups. Achievers are defined as managers, administrators, and leaders in business, government, education, and politics. Dr. Koza estimates that 22 percent of Americans are achievers. Attachment D lists gambling groups identified by Dr. Koza and indexes the gambling activities they frequent.

The Commission on the Review of the National Policy Toward Gambling prepared information on demographic characteristics of on-track bettors in 1974. Table 3 shows that (in 1974) 14 percent of the adult population bet on horse races and four percent of the adult population bet on dog races. Proportionately more men than women bet, with betting increasing as income and educational levels increased.

The family income and horse race betting chart (the lower portion of Table 3) shows that families earning under \$5,000 a year spent a higher percentage of their income on horse races than those earning more money.<sup>1</sup> However, a 1976 survey completed by the National Gambling Commission found that persons in the under \$5,000 family income category had the lowest level of participation in racetrack betting of any income category.

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<sup>1</sup>The 1985 Consumer Price Index was 52.6 percent greater than the 1974 Consumer Price Index. 1974 Family Income listed on Table 3 should be multiplied by 152.6 percent to reach equivalent 1985 income levels. For example, a family with an income level of under \$5,000, becomes a family with an income level of under \$7,630.

TABLE 2  
Distribution of State  
Takeout Share

State	Use or Recipient	Percentage or Amount
Arizona	General Fund	61%
	Agriculture Promotion Fund	12%
	Breeders Awards	9.5%
	Fair Racing Betterment Fund	7.5%
	Coliseum Support Fund	6%
	Commission Expenses	4%
California	Fairs and Exposition Fund*	.63%
	General Fund	99.37*
Colorado	Commission Expenses	varies
	General Fund	all remaining funds
Idaho	Commission Expenses	100%
Montana	Commission Expenses	100%
Nevada	Commission Expenses	varies
	County Agriculture Assns.	all remaining funds
New Mexico	General Fund**	100%
OREGON	County Fair Commission	10.5%
	Counties	\$22,000+ each
	Various local shows & events	\$1,000 to \$8,000
	Commission expenses	varies
	OSU School of Vet. Medicine	.1% of gross handle
	General Fund	all remaining funds
Washington	General Fund	47%
	County fair fund	30%
	Commission Expenses	20%
	State Trade Fair Fund	3%
Wyoming	Commission Expenses	100%

SOURCE: National Association of Racing Commissioners,  
Pari Mutuel Racing, 1985, pp. 13-16 and state statutes.

\* Commission expenses are paid from this fund.

\*\* The commission is funded from the general fund.

Source: John Houser, "Racing Takeout in the Western States" Research  
Monograph 86:153, Oregon Legislative Research, August 13, 1986.

TABLE 5-25.—DEMOGRAPHIC CHARACTERISTICS OF ON-TRACK BETTORS, 1974

	Percent who bet at	
	Horseraces	Dograces
Total Sample	14	4
Sex		
Men	16	6
Women	12	2
Region		
Northeast	20	5
North Central	12	4
South	10	3
West	16	4
Income		
Under \$5,000	6	2
\$ 5,000-\$10,000	12	3
\$10,000-\$15,000	10	5
\$15,000-\$20,000	16	3
\$20,000-\$30,000	19	5
\$30,000 and over	22	5
Education		
Grade school	8	2
High school	15	4
Some college	14	5
College degree	23	6
Age		
Under 25	14	6
25-44 years	17	5
45-64 years	13	6
Over 65 years	3	2

TABLE 3

TABLE 5-26.—FAMILY INCOME AND HORSERACE BETTING

	Family income						Total
	Under \$5,000	\$5,000-10,000	\$10,000-15,000	\$15,000-20,000	\$20,000-30,000	\$30,000 & over	
Residents of States with legal tracks							
Percent who bet	8.7	15.5	11.2	17.2	20.9	20.3	15.3
Average annual bet per bettor	\$186	\$294	\$396	\$577	\$294	\$436	\$513
Average annual bet per capita	\$16	\$46	\$44	\$99	\$61	\$88	\$78
Average annual takeout per capita (Takeout rate: 16.6%)	\$2.63	\$7.55	\$7.36	\$16.49	\$10.21	\$14.69	\$13.02
Residents of all States							
Percent of income bet at track in 1974 per capita	0.63	0.61	0.35	0.57	0.25	0.22	0.50
Percent of income taken out per capita	0.105	0.101	0.059	0.094	0.041	0.037	0.083
All types of gambling combined							
Percent of income bet in 1974 per capita	2.53	1.55	1.07	1.16	0.67	1.09	1.15
Percent of income taken out per capita	0.62	0.42	0.29	0.23	0.14	0.18	0.25

Source: Gambling in America, Commission on the Review of the National Policy Toward Gambling, Washington, 1976.

### State Parimutuel Wagering Programs

States that allow parimutuel wagering that were surveyed include: Montana, Oregon, Arizona, California, and Washington. These states allow parimutuel wagering at their county or state fairs. In general, commercial parimutuel wagering facilities are more financially successful than state fair parimutuel wagering activities.

**Montana.** Fairs in Montana often offer horse racing as a fair event. Statistical information on horse racing at Montana fairs can be found as Attachment E. One of the most successful fair racing programs is held in Great Falls during the State Fair. In 1986, racing was held for ten days with an attendance of 43,000 people (approximately one-third of the people attending the fair). The total parimutuel handle (i.e. gross revenue) during this time was \$1,193,000.

The takeout for fair races in Montana is 20 percent. Of this amount, the state takes one percent, purses take between seven and nine percent, and the remainder goes to the tracks to pay track overhead. Steve Meloy, Executive Secretary with the Montana Board of Horse Racing, said that (in a good year) one percent or more remains after paying track overhead. This profit generally goes to the county operating fund.

Dog racing is not allowed in Montana, though Mr. Meloy believes it would be a more lucrative parimutuel program than horse racing. He said that start-up costs, maintenance and overhead costs for dog racing would all be considerably cheaper than horse racing. He also said that fewer dogs are required for races than horses; dogs require only a few days between races to recuperate, while horses require a resting period of ten days to two weeks between races.

**Oregon.** The Oregon State Fair operates a successful horse racing program during fair days. Don Hillman, Deputy Director of the Alaska State Fair, said that racing events are successful because the fair operates the events as a business and has been doing so for over a hundred years. In 1986, racing was held for 11 days with an attendance of 67,500 people (approximately nine percent of the people attending the fair). The total parimutuel handle during this time was \$2,228,659.

The takeout for fair races in Oregon is 19 percent. Of this amount, the State Fair takes 11 percent, purses take 5.4 percent, .9 percent goes to the State Racing Commission, and the remainder is divided between special track improvements and people raising race horses in Oregon. Mr. Hillman said that the state usually takes five to six percent of the takeout on commercial tracks.

Dwight Butz, also with the Oregon State Fair, said that maintaining and operating horse racing facilities is very expensive. Initial start-up expenses at a minimum include: track surface--a hard base topped by four inches of a fairly loose sand and soil mixture, grandstand and backstretch construction, wagering equipment, and stables. Operating expenses include horse trainers, clockers and timers, staff to operate parimutuel equipment,

officials, judges, and concession staff as well as maintenance. Statistical information on horse racing at the Oregon State Fair in 1985 appears as Attachment F. The 1985 actual figures list horse racing revenue and expenditures for the 36 days racing occurred at the fairgrounds.

Arizona. The State Department of Racing allows horse racing at county fairs for four days a year at each fair. The state provides some of the staff necessary to conduct the races and supplies funding for capital improvements for fair racing. State aid for fair racing totals approximately \$1 million a year. According to Dawn Sinclair, Assistant Director of the Department of Racing, some county fairs make as little as \$2,000 in profit a year from racing events. Statistical information on county fair horse racing in Arizona appears as Attachment G. Ms. Sinclair said that areas surrounding fairs usually experience an increase in hotel and restaurant use, and veterinarian services.

California. Lynn Foote, Executive Secretary for the California Horse Racing Board, said that horse racing has been successful in the past, but rising costs, an increase in the number of private racetracks and the state lottery has decreased horse racing attendance. Mr. Foote said that operating fair races is costly and many county racing facilities are run down as a result of inadequate funding for repair. He also said that because racing at county fairs is not an on-going or important fair event, track staff often lack expertise needed to successfully operate parimutuel races. Mr. Foote believes that racing is more successful if handled by a private entity. Statistical information on fair races in California can be found as Attachment H.

Washington. Washington state and county fairs are authorized to operate horse racing during fair days. A percentage of state taxes on wagering is divided among the fairs. No parimutuel wagering revenue is retained by local governments. Will Bachofner, Executive Secretary of the Washington State Horse Racing Commission, said that a considerable amount of state aid is required to regulate and supervise fair racing, probably because fair racing does not generate enough revenue to support itself. Mr. Bachofner believes this is because only a limited number of the people who watch racing actually place bets. Mr. Bachofner does not believe that areas surrounding fairs are significantly affected as a result of racing events.

Mr. Bachofner said that for a fair race to make a profit in the first few years, established race horses would have to be run. He does not believe that people will bet on horses that do not have records or a history. Mr. Bachofner also said that start-up and operating costs for horse racing are more expensive than for dog racing. Limited facilities are needed for dogs, while horses require more elaborate stables and equipment.

#### Parimutuel Wagering in Alaska

Parimutuel wagering is currently not allowed in Alaska. There is interest by some groups in Alaska in legalizing parimutuel wagering on horse racing and dog sprint, sled, and chariot racing. Marsha Melton, Manager of the Alaska State Fair, is interested in seeing parimutuel racing as an event offered by the State Fair.

**Horse Racing.** According to Richard Tozier, President of the Alaska Sled Dog Racing Association, horse racing occurred at the state fair as recently as ten years ago. At that time, race horses were raised in the area, although there are currently few race horses in Alaska. Ms. Melton said that a 5/8-mile race track and stables that house 102 horses are already installed at the fairgrounds. The track requires some remodelling and additional stalls (perhaps 200) if racing were to occur again. Ms. Melton also said that some Alaskans own race horses but keep them out of state. She believes that if racing were offered at the fair, these horses would be brought up to Alaska to race. Ms. Melton believes that offering racing at the state fair would increase revenue to the local economy.

**Dog Racing.** Sled dog racing is an established activity in Alaska, but greyhound and chariot dog races are unfamiliar to the state. Mr. Tozier, speaking for the Alaska Sled Dog Racing Association, said that the association believes a one-mile, open-to-view track would be necessary for parimutuel wagering on sled dog and chariot dog races. Races that are not open to view could not be regulated and bettors might not want to risk money on an unregulated race. Mr. Tozier suggested Palmer, Fairbanks, and Anchorage as potential track locations.

**Projected Revenues from Parimutuel Wagering.** It is difficult to project revenues from parimutuel wagering in Alaska because it differs from other states with parimutuel wagering programs. Many race tracks in other states have race participants, spectators and bettors who travel to races in different states. It is not known how many horsemen would bring their horses to Alaska to race, or how many bettors will travel to Alaska to wager. It is also not known how many established race horses are stabled in Alaska or how many people in Alaska are interested in parimutuel wagering. These and other variables make it difficult to project revenues from parimutuel wagering at the Alaska State Fair.

According to Ms. Melton, 175,000 people attended the 11 days of the 1986 Alaska State Fair. In Montana, approximately one-third of the people attending the fair attended racing events. The total parimutuel handle during this time was \$1,193,000. If one-third of the Alaska State Fair attendance attended fair racing events, approximately 58,000 people may participate in parimutuel racing at an Alaska State Fair. Using the parimutuel handle figure of the Montana State Fair, a parimutuel handle of \$1,609,000 is projected for races attended by 58,000 people at the Alaska State Fair. The takeout in Montana is 20 percent. If the takeout were 20 percent in Alaska, \$321,800 would be available to pay the purses, track overhead and state or municipal taxes. In Montana, approximately eleven percent of the takeout is used for track overhead and expenses. Using the Montana figure, the Alaska State Fair could expect to receive \$35,400 gross revenue from a parimutuel wagering program during the Alaska State Fair. We have no way to project net revenues.

In Oregon, 67,500 people attended racing events at the State Fair--nine percent of the total number of people attending the fair. The total parimutuel handle during this time was \$2,228,659. Nine percent of the 175,000 people who attended the 1986 Alaska State Fair is 15,750 people.

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Using the parimutuel handle figure from the Oregon State Fair, the parimutuel handle for 15,750 people attending the Alaska State Fair would be \$520,000. The takeout in Oregon is 19 percent, with eleven percent of the total takeout going to the State Fair. Eleven percent of the projected Alaska State Fair parimutuel handle is \$57,200. Thus, using the Oregon figures, \$57,200 could be expected as gross revenue from an Alaska State Fair parimutuel program.

We have no way to project net revenue for the Alaska State Fair because we cannot project racing expenditures. The Oregon State Fair received \$325,400 in net fair racing revenue in 1985 for 36 days of racing, as can be seen on Attachment F. The Oregon State Fair is considered to be very successful in its horse racing activities. Mr. Hillman, of the Oregon State Fair, said that the State Fair's takeout of eleven percent contributes to the fair's racing success.

**Dedicating Parimutuel Wagering Revenues.** According to John Rubini of the Alaska Attorney General's Office, the constitutional prohibition on dedicated revenues applies to revenues received by the State. The prohibition does not extend or apply to revenues received by municipalities. Lee Sharp, the Matanuska-Susitna Borough attorney, agreed that the constitutional restrictions on dedicated revenue does not apply to municipalities.

The Alaska State Fair is operated by the State of Alaska. If the state operated parimutuel races at the fair, the revenue would be put into the State general fund and could then be appropriated, but not dedicated, to a specific purpose. If the Matanuska-Susitna Borough operated parimutuel races at the fair, the borough could appropriate or dedicate revenues to a specified purpose.

\* \* \*

I hope this information is helpful to you. Attachment I is a study completed for the Oregon State Fair on the horse racing market in Oregon which you may find informative. If you would like additional information, or if we can be of further assistance, please contact our office.

PW

Attachments

ATTACHMENT A

Parimutuel Turnover  
Number of Racing Days  
Number of Races  
Race Attendance  
by State

SOURCE: Parimutuel Racing 1982: A Statistical Summary, prepared by the  
National Association of State Racing Commissioners, 1982.

# PARI-MUTUEL AND DAILY AVERAGE TURNOVER

A STATISTICAL SUMMARY PREPARED BY THE NAT. ASSN. OF STATE LOTTERY COMMISSIONS

State	PARI-MUTUEL TURNOVER (\$)					DAILY AVERAGE TURNOVER (\$)				
	Total	Thoroughbred	Harness	Qtr. Horse	Mixed	Total	Thoroughbred	Harness	Qtr. Horse	Mixed
Arizona	85,533,616	✓		✓	85,533,616	392,356	✓		✓	392,356
Arkansas	159,295,877	159,295,877				2,844,569	2,844,569			
California	2,048,354,886	1,547,222,583	162,835,884	193,400,730	144,895,689	2,054,518	3,348,967	786,647	957,429	1,149,966
Colorado	48,032,339	30,638,584		8,969,407	8,424,348	218,329	319,152		242,416	96,832
Connecticut-OTB	185,985,910	117,587,569	68,398,341			299,977	378,195	221,354		
Delaware	89,284,194	41,294,062	47,990,132			279,013	565,672	194,292		
Florida	461,639,067	398,423,203	52,779,085	10,436,779		891,195	1,106,731	502,658	196,920	
Idaho	10,062,552	✓		✓	10,062,552	87,500	✓		✓	87,500
Illinois	974,457,548	498,471,465	175,986,083			794,827	998,941	654,726		
Kentucky	293,336,964	237,144,140	56,192,824			456,911	812,137	160,551		
Louisiana	502,848,075	✓		✓	502,848,075	838,080	✓		✓	838,080
Maine	27,936,461		27,936,461			92,505		92,505		
Maryland	388,646,676	300,471,510	88,175,166			690,314	978,735	344,434		
Massachusetts	312,018,099	243,445,493	68,572,606			604,686	851,208	298,142		
Michigan	347,489,410	137,014,725	209,717,401		757,284	509,515	721,130	463,977		18,932
Montana	10,648,753	✓		✓	10,648,753	85,190	✓		✓	85,190
Nebraska	187,287,476				187,287,476	666,503	✓		✓	666,503
Nevada			N/A					N/A		
New Hampshire	4,947,698		4,947,698			81,110		81,110		
New Jersey	949,079,913	395,416,477	553,663,436			1,234,174	1,412,202	1,132,236		
New Mexico	129,015,755	✓		✓	129,015,755	417,527	✓		✓	417,527
New York	1,617,470,441	975,009,346	642,461,095			988,070	2,096,794	548,175		
New York-OTB	1,711,283,545	1,253,333,193	457,950,352			1,044,740	2,689,556	390,743		
Ohio	395,020,791	223,284,469	168,216,072	3,520,250		320,374	572,524	206,400	125,723	
Oregon	49,523,136	✓		✓	49,523,136	442,171	✓		✓	442,171
Pennsylvania	540,693,706	360,031,793	180,661,913			473,048	617,550	322,611		
South Dakota	3,527,022	✓		✓	3,527,022	71,980	✓		✓	71,980
Vermont	538,752		538,752			67,344		67,344		
Washington	205,063,436	205,063,436				638,827	638,827			
West Virginia	147,367,966	147,367,966				305,743	305,743			
Wyoming	1,507,963			1,507,963		83,776			83,776	
<b>Totals</b>	<b>11,887,598,027</b>	<b>7,270,515,891</b>	<b>3,267,023,301</b>	<b>217,835,129</b>	<b>1,132,523,706</b>	<b>879,087</b>	<b>1,413,947</b>	<b>546,234</b>	<b>644,483</b>	<b>549,236</b>

NOTE: Includes turnover from simulcasting in Colorado, Illinois, Kentucky Harness, New York, Ohio, Pennsylvania Thoroughbred, and West Virginia

# TOTAL HORSE RACING DAYS AND TOTAL RACES

State	RACING DAYS					NUMBER OF RACES				
	Total	Thoroughbred	Harness	Qtr. Horse	Mixed	Total	Thoroughbred	Harness	Qtr. Horse	Mixed
Arizona	218	✓		✓	218	2,341	✓		✓	2,341
Arkansas	56	56				528	528			
California	997	462	207	202	126	9,689	4,142	2,170	1,889	1,488
Colorado	220	96		37	87	2,194	969		335	890
Delaware	320	73	247			2,914	691	2,223		
Florida	518	360	105	53		5,180	3,600	1,050	530	
Idaho	115	✓		✓	115	1,224	✓		✓	1,224
Illinois	1,226	499	727			11,999	4,618	7,381		
Kentucky	642	292	350			6,297	2,674	3,623		
Louisiana	600	✓		✓	600	5,768	✓		✓	5,768
Maine	302		302			3,370		3,370		
Maryland	563	307	256			5,405	2,769	2,636		
Massachusetts	516	286	230			31,135	28,605	2,530		
Michigan	682	190	452		40	6,830	1,910	4,520		400
Montana	125	✓		✓	125	1,262	✓		✓	1,262
Nebraska	281	✓		✓	281	2,599	✓		✓	2,599
Nevada			N/A					N/A		
New Hampshire	61		61			661		661		
New Jersey	769	280	489			7,717	2,520	5,197		
New Mexico	309	✓		✓	309	3,641	✓		✓	3,641
New York	1,637	465	1,172			15,983	4,188	11,795		
Ohio	1,233	390	815	28		12,330	3,900	8,150	280	
Oregon	112	✓		✓	112	1,576	✓		✓	1,576
Pennsylvania	1,143	583	560			11,033	5,373	5,660		
South Dakota	49	✓		✓	49	517	✓		✓	517
Vermont	8		8			80		80		
Washington	321	321				3,194	3,194			
West Virginia	482	482				4,917	4,917			
Wyoming	18			18		169			169	
<b>Totals</b>	<b>13,523</b>	<b>5,142</b>	<b>5,981</b>	<b>338</b>	<b>2,062</b>	<b>160,553</b>	<b>74,598</b>	<b>61,046</b>	<b>3,203</b>	<b>21,706</b>

# ATTENDANCE AND DAILY AVERAGE ATTENDANCE

State	ATTENDANCE					DAILY AVERAGE ATTENDANCE				
	Total	Thoroughbred	Harness	Qtr. Horse	Mixed	Total	Thoroughbred	Harness	Qtr. Horse	Mixed
Arizona	871,253	✓		✓	871,253	3,997	✓		✓	3,997
Arkansas	1,296,735	1,296,735				23,156	23,156			
California	12,777,283	8,958,000	1,280,219	1,406,676	1,132,388	12,816	19,390	6,185	6,964	8,987
Colorado	572,568	313,971		102,387	156,210	2,603	3,271		2,767	1,796
Delaware	1,028,782	380,434	648,348			3,215	5,211	2,625		
Florida	3,144,250	2,481,075	538,174	125,001		6,070	6,892	5,125	2,359	
Idaho	245,089	✓		✓	245,089	2,131	✓		✓	2,131
Illinois	7,537,160	3,731,094	3,806,066			6,148	7,477	5,235		
Kentucky	2,864,567	2,135,753	728,814			4,462	7,314	2,082		
Louisiana	3,385,861	✓		✓	3,385,861	5,643	✓		✓	5,643
Maine			NO RECORD			—				
Maryland	3,271,849	2,354,198	917,651			5,811	7,668	3,585		
Massachusetts	2,758,440	2,066,225	692,215			5,346	7,225	3,010		
Michigan	2,558,468	968,659	1,572,590		17,219	3,751	5,098	3,479		430
Montana	1,125,000	✓		✓	1,125,000	9,000	✓		✓	9,000
Nebraska	1,703,609	✓		✓	1,703,609	6,063	✓		✓	6,063
Nevada			N/A					N/A		
New Hampshire	118,775		118,775			1,947		1,947		
New Jersey	7,077,115	3,098,967	3,978,148			9,203	11,068	8,135		
New Mexico	1,146,126	✓		✓	1,146,126	3,705	✓		✓	3,709
New York	11,014,761	6,147,601	4,867,160			6,729	13,221	4,153		
Ohio	3,672,395	1,797,178	1,833,261	41,956		2,978	4,608	2,249	1,498	
Oregon	390,860	✓		✓	390,860	3,490	✓		✓	3,490
Pennsylvania	4,926,273	3,132,581	1,793,692			4,310	5,373	3,203		
South Dakota	59,639	✓		✓	59,639	1,217	✓		✓	1,217
Vermont			NO RECORD			—				
Washington	1,805,500	1,805,500				5,625	5,625			
West Virginia	1,475,145	1,475,145				3,060	3,060			
Wyoming	30,472			30,472		1,693			1,693	
<b>Totals</b>	<b>76,857,975</b>	<b>42,143,116</b>	<b>22,775,113</b>	<b>1,706,492</b>	<b>10,233,254</b>	<b>5,684</b>	<b>8,196</b>	<b>3,808</b>	<b>5,049</b>	<b>4,963</b>

## GREYHOUND RACING IN THE U.S. 1983

State	Racing Days	Number of Races	Attendance	Daily Average Attendance	Pari-Mutuel Turnover (\$)	Daily Average Turnover (\$)
Arizona	572	8,504	1,192,528	2,085	121,024,021	211,580
Arkansas	116	1,702	1,119,037	9,647	121,173,887	1,044,602
Colorado	354	5,672	1,437,014	4,059	165,116,384	466,430
Connecticut	451	5,718	912,977	2,024	109,210,216	242,151
Florida	1,872	2,667	8,867,509	4,737	880,621,829	470,418
Massachusetts	770	9,240	2,376,532	3,086	247,430,127	321,338
New Hampshire	651	11,067	970,197	1,490	82,301,083	126,423
Oregon	95	1,046	611,745	6,439	48,511,002	510,642
Rhode Island	297	5,346	1,190,828	4,010	110,519,418	372,119
South Dakota	290	3,579	411,602	1,419	33,262,119	114,697
Vermont	161	2,034	183,239	1,138	12,500,436	77,642
West Virginia	305	5,431	916,706	3,006	103,578,412	339,601
Green County, Ala.	283	3,962	535,669	1,893	68,992,477	243,790
Mobile County, Ala.	282	4,667	649,055	2,302	74,720,585	264,967
<b>Totals</b>	<b>6,499</b>	<b>70,635</b>	<b>21,374,638</b>	<b>3,289</b>	<b>2,178,961,996</b>	<b>335,277</b>

ATTACHMENT B

Total Revenue and  
Categorized Revenue Received  
by State

SOURCE: Parimutuel Racing: A Statistical Summary, 1984 and 1982, prepared  
by the National Association of State Racing Commissioners

Table 4: State Government Horse Racing Revenue, By State, 1984\*

State	Total Revenue		Revenue by Categories						
	Amount	Percent Change <sup>1</sup>	Pari-Mutuel Taxes	Breakage <sup>2</sup>	Track Licenses	Admission Taxes	Occupational Licenses	Miscellaneous	
Arizona.....	\$ 2,698,031	1	\$ 2,613,595	5	---	\$ ---	\$ ---	\$ 84,436	\$ ---
Arkansas.....	12,495,348	7	10,786,458	1,384,182	---	31,000	62,290	61,132	170,286
California.....	157,068,219	12	146,710,170	7,811,179	---	---	---	1,048,456	1,498,414
Colorado.....	598,580	(-160)	447,601	---	---	---	---	60,612	90,367
Connecticut-OTB.....	12,555,181	(-) 2	---	---	---	---	---	---	---
Delaware.....	459,354	---	323,637	---	2,250	---	---	24,812	108,655
Florida.....	12,864,073	7	11,155,621	---	518,300	738,280	314,269	137,603	---
Idaho.....	324,130	(-) 5	235,176	---	2,625	---	83,004	3,325	---
ILLINOIS.....	65,012,028	(-) 3	52,715,562	8,939,890	299,340	1,326,473	371,364	1,359,399	---
Kentucky.....	13,783,404	(-) 35	12,060,901	---	1,132,935	281,811	287,447	20,310	---
Louisiana.....	21,744,485	(-) 5	20,442,152	---	---	274,259	163,117	864,957	---
Maine.....	505,400	1	479,140	---	675	---	17,030	8,555	---
Maryland.....	17,316,068	(-) 10	14,826,404	313,227	272,625	652,259	161,764	1,089,789	---
Massachusetts.....	13,522,502	(-) 9	12,332,074	49,332	233,899	---	177,788	729,409	---
MICHIGAN.....	22,412,751	(-) 3	20,802,545	810,298	4,200	---	201,750	594,003	---
Montana.....	236,942	62	169,595	---	1,200	---	59,617	6,530	---
Nebraska.....	9,873,807	82	9,214,865	---	42,630	441,372	106,135	68,805	---
New Hampshire.....	1,712,960	14	1,223,326	288,776	89,468	---	94,567	16,823	---
New Jersey.....	7,940,860	(-) 36	4,552,929	---	---	988,697	829,627	1,569,607	---
New Mexico.....	2,207,120	1	1,904,702	---	95,650	101,096	76,597	29,075	---
New York.....	93,324,719	8	73,700,914	3,215,233	12,134,425	1,880,300	527,831	1,865,956	---
New York-OTB.....	129,789,775	3	---	---	---	---	---	---	---
Ohio.....	15,968,756	(-) 39	15,502,236	3,735	780	---	462,005	---	---
Oklahoma.....	1,312,358	---	941,938	---	7,000	14,920	337,500	11,000	---
Oregon.....	897,101	(-) 51	671,505	---	10,750	---	70,610	144,236	---
Pennsylvania.....	19,267,401	11	17,294,921	509,396	---	304,500	376,721	781,863	---
South Dakota.....	38,035	(-) 9	22,714	---	325	---	13,849	1,147	---
Vermont.....	25,120	3	21,296	---	40	---	2,724	1,060	---
Washington.....	10,388,274	1	9,947,343	---	111,030	161,437	140,894	27,570	---
West Virginia.....	3,880,133	(-) 25	3,672,752	---	101,500	---	94,666	11,215	---
Wyoming.....	39,937	31	17,125	---	1,600	1,124	10,701	9,387	---
TOTAL.....	\$650,262,852	2%	\$444,789,197	\$ 23,325,248	\$15,094,247	\$7,228,878	\$ 6,260,890	\$ 11,219,346	---

\*Thoroughbred, harness, quarter horse and mixed racing events. Data includes simulcasting/telephone betting in Arizona, California, Colorado, Connecticut, Illinois, Kentucky, Louisiana, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Washington and West Virginia; OTB (Off-Track Betting) in Connecticut and New York.

<sup>1</sup>Percent change from prior year.

<sup>2</sup>"Breakage" — odd cents not paid winning pari-mutuel bettors because of exceeding a payoff figure that is calculated at a multiple of 5 or 10.

Source: National Association of State Racing Commissioners, *Pari-Mutuel Racing 1984: A Statistical Summary*.

## REVENUE TO GOVERNMENT AND STAKES AND PURSE DISTRIBUTION

State	Total Revenue (\$)	% Increase Decrease	Track Licenses (\$)	Occupational Licenses (\$)	Pari-Mutuel Taxes (\$)	Breakage (\$)	Admission Taxes (\$)	Misc. (\$)	Total Money Distributed (\$)
Arizona	6,928,433	+25%	—	12,399	6,916,034	—	—	—	3,455,546
Arkansas	7,955,079	-37%	34,800	10,556	7,270,433	465,723	54,209	119,358	2,621,055
Colorado	7,922,062	-1%	—	11,235	7,909,672	—	—	1,155	4,946,559
Connecticut	9,334,974	+6%	20	13,996	8,880,289	152,594	101,158	186,917	2,627,086
Florida	69,443,423	+3%	2,576,720	207,927	61,860,130	2,472,996	1,032,728	1,292,922	24,894,531
Massachusetts	20,952,766	+29%	268,921	9,935	19,732,186	448,907	—	492,817	8,660,054
New Hampshire	7,338,720	-12%	200,350	22,045	6,763,119	181,303	—	171,903	3,140,791
Oregon	3,773,412	+9%	8,550	8,175	3,634,734	—	—	121,953	1,435,069
Rhode Island	7,505,383	+2%	—	—	7,172,165	204,342	—	128,876	3,594,068
South Dakota	2,564,992	-1%	8,092	9,011	2,476,231	69,738	—	1,920	27,260,224
Vermont	856,460	-23%	550	5,209	829,173	—	—	21,528	381,992
West Virginia	6,634,367	+12%	45,750	14,048	6,422,157	—	—	152,412	2,930,552
Green County, Ala.	2,930,627	+10%	1,000	8,116	2,775,975	—	82,551	62,985	1,864,297
Mobile County, Ala.	6,222,089	+5%	100	5,608	5,977,647	138,617	62,626	37,491	2,030,228
<b>Totals</b>	<b>160,362,787</b>	<b>+6%</b>	<b>3,144,853</b>	<b>338,260</b>	<b>148,619,945</b>	<b>4,174,220</b>	<b>1,333,272</b>	<b>2,792,237</b>	<b>89,842,052</b>

\*Satelite

ATTACHMENT C

State Tax Methods Applied  
on Parimutuel Wagering Activities

SOURCE: Parimutuel Racing, 1982: A Statistical Summary, prepared by the  
National Association of State Racing Commissioners

## BRIEF SUMMARY OF TAX METHODS BY STATES

### Arizona

Total take-out 18%. State receives 3% of first \$100,000 and 5% all over \$100,000 daily average; 1% to state from tracks who do not exceed \$200,000. Breakage 10 cents, 50% to track, 25% Arizona Bred Purses Structure. FAIRS: County in which fair is located receives pari-mutuel tax revenue, instead of state. Net under pay to state at end of meet.

### Arkansas

Total take-out 18%. Pari-mutuel tax to state 6%, \$500 daily license fee, 10 cents on paid admissions. Breakage 10 cents, divided 1/2 to association, 1/4 to city where track is located with a portion going to the county.

### California

Take-out 15% for thoroughbred and quarter horse, 16% for harness and fairs, additional 4.75% for exotic pools. THOROUGHBRED: Handle of \$250 million or more — 5.7% to state, 4.93% to track, 4.03% to purses, .34% to breeder and stallion awards; handle less than \$250 million — sliding scale beginning with 4.8% to state and balance shared 55% to tracks, 45% to purses, .34% to awards. QUARTER HORSE: Sliding scale from 2.5% to 3.8% to state, 55% to tracks, 45% to purses. HARNESS: Sliding scale of 1.5% to 3.04% to state, balance distributed 59.5% to tracks, 40.5% to purses. FAIRS: Handle of \$650,000 and over, 4.65% to state, 3.45% to tracks, 5.9% to purses. Breakage at harness to Sire Stakes Program. Breakage to all other meetings handling \$250 million distributed 50% to state, 27.5% to track, 22.5% to purses on first \$24 million, 100% to purses from \$24 million to \$50 million, 100% to state over \$50 million.

### Colorado

Total take-out 18 1/2%. State tax revenue is paid at a rate of 3 1/2% of the gross mutuel handle. Breakage 10 cents, all to association.

### Delaware

THOROUGHBRED: Total take-out 17% plus 2% on daily doubles and exactas, plus 8% on exotic wagers. Daily license fee \$10,000. Additional tax to state on a graduated basis from 20% to 90% of the track's average daily income in excess of \$145,000. Breakage 10 cents, all to association. Uncashed pari-mutuel tickets revert to state after one year. HARNESS: Total take-out 18% on straight bets, 20% on multiple bets on 8-horse field, 25% on multiple bets on 9-horse field. State receives .75% of the first \$400,000; 3% of \$400,000 to \$600,000, 5.5% of all over \$600,000. Delaware Standardbred Development Fund receives 1/2 of 1% from tracks handling more than \$300,000 per day. Breakage to 10 cents reverts to track. Uncashed pari-mutuel tickets revert to state after one year.

### Florida

Total take-out permitted: 17.8% on regular wagering (win/place/show); 19% on exotic wagering (wagers involving two or more animals in a single wager); an additional 1/2% on regular wagering and an additional 1% on exotic wagering may be taken out for capital-improvement fund. Tax on handle: 3.3% of handle in excess of \$300,000 each performance, except as follows: SECOND PERIOD/WINTER THOROUGHBRED: 3.3% of handle in excess of \$175,000 per performance, and tracks with under \$400,000 average daily handle in preceding season; 3.3% of handle in excess of \$500,000 per performance. (An additional 1% of handle is collected on Quarter Horse solely for the Florida Quarter Horse Racing Promotional Trust Fund). Daily license fee of \$100 per race if average daily handle was greater than \$100,000 per performance for preceding season; \$50 per race if average daily handle was less than \$100,000 per performance for preceding season. Breakage 10 cents, 100% for Florida Thoroughbred Breeders Promotional Trust Fund, Florida Harness Horse Racing Promotional Trust Fund, Florida Quarter Horse Racing Promotional Trust Fund. Admissions 15% of entrance gate admission or 10 cents per person, whichever is greater. Purses: The minimum purse provision is the minimum amount that a horse racing permit holder must contribute from commission for purses: Thoroughbred 7.5%; Harness 7.5% of handle; Quarter Horse 6% of handle.

### Idaho

Total take-out 20%. Racing Commission receives 1 1/4%; 1/2% to Owners and Breeders Awards; 1/2% to small track purses. Public schools receive 1/2% to 2 1/2% based on a sliding scale. Balance to associations. Association accrues all monies in unclaimed tickets at termination of time allowed by rule of the commission. Daily license fee \$25, fairs exempt.

### Illinois

Total take-out: Win, place, show wagering 17%; Daily Double, Quinella, Perfecta wagering 20.5%; Trifecta wagering 25%. State receives on a sliding scale of daily pari-mutuel handle 1.75% up to and including the first \$200,000 to 7.75% over \$3,000,000. Breakage 100% to state for regular meet; 50% to state for charity meets.

### KENTUCKY

THOROUGHBRED: Total take-out to tracks over \$900,000 daily average, 16% on straight betting and 19% on Daily Double, Exacta, Quinella; Take-out to tracks under \$900,000, 17 1/2% on straight betting and 19% on Daily Double, Exacta, Quinella, 1/2 to 1% to Backside Improvement Fund, State receives 4%; From state share Ky. Thoroughbred Development Fund receives 75%. Daily license \$500 if average daily handle at track during year does not exceed \$450,000; \$1,000 at tracks with average daily handle \$450,000 to \$600,000, \$2,500 at tracks where sum exceeds \$600,000. Breakage 10 cents, all to association. Unclaimed pari-mutuel tickets revert to Ky. Racing Health and Welfare Fund after two years. HARNESS: Total take-out 18%, 25% on exotics. State receives 4%, Standardbred Development Fund 1%. Daily track license \$100. Breakage 10 cents, all to association. Unclaimed tickets used for purses at county fair racing.

## BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

### Louisiana

Total take-out 17%, 20% exotic pools. State receives: On total daily pool up to \$201,000, 4% exceeding \$201,000; \$201,000 to \$401,000, \$5,840 plus 5% exceeding \$201,000 up to \$401,000; \$401,000 and over, \$15,840 plus 6% exceeding \$401,000. When two or more conflicting race meetings occur within the state, state receives: On Total daily pool up to \$201,000, 4% exceeding \$100,000; \$201,000 to \$401,000, \$4,040 plus 5% exceeding \$201,000 up to \$401,000; \$401,000 and over, \$14,040 plus 6% exceeding \$401,000. Minimum daily license fee \$1,000 thoroughbreds; \$500 quarterhorses. Admission 10 cents. Breakage 10 cents, 1/2 to association, 1/2 to Louisiana Breeders Funds to supplement purses.

### Maine

Total take-out on straight betting 16%; 87% to State Commission, 1.13% Agricultural Stipend, 1% to purse supplement, 13% to association. Total take-out on exotic betting 25%; 537% to State Commission, 1.13% Agricultural Stipend, 1 1/4% Sire Stake Fund, 2 1/2% Purse Supplement, 14 1/2% to association. All breaks and outis tickets retained by the association.

### Maryland

THOROUGHBRED: Total take-out 15% on straight bets, 19% on two-horse pools, 25% on more than two. State receives 4.09%, Maryland Bred Fund 1%, other funds, 75%. Breakage 10 cents, 50% to tracks, 45% to purses, 5% to Maryland Bred Fund. HARNESS: Take-out 17% on straight bets, 19% on two-horse bets, 25% on more than two. State receives 3.5% of the first \$125,000, 6% in excess of \$125,000. At tracks handling less than \$125,000 daily, state receives 3%.

### Massachusetts

THOROUGHBRED (MAJOR TRACKS ONLY): Total take-out 19%; 5% to state, 7% to association, 7% to horsemen. License fee \$100 per day. THOROUGHBRED RACING AT FAIRS: Total take-out 19%. State receives 4% to \$100,000; 9%, \$100,000 to \$300,000; 10% to \$300,000 to \$500,000 and over. License fee \$50 per day. HARNESS (MAJOR TRACKS AND FAIRS): Total take-out 19%, 3% to state, 8% to association, 8% to horsemen. License fee major tracks \$200 per day, fairs \$50 per day. All breakage from Suffolk Downs and New England Harness Raceway goes into the improvement Trust Fund, 11-18-81; THOROUGHBRED AT COMMERCIAL TRACKS: Total take-out 19%; 5% to state, 7% to association, 7% to horsemen; 1/2 of 1% to breeding taken from state. THOROUGHBRED RACING AT FAIRS: Total take-out 19%; 7% to state if raced at a track owned and operated by fair. HARNESS (COMMERCIAL TRACKS AND FAIRS): Total take-out 19%; 3% to state, 8% to association, 8% to horsemen. 1/2 of 1% to Standardbred Breeders taken from state. 1/2 of 1% of handle for preceding calendar year shall be paid to city or town in which track is located not to exceed 3% of the levy limit determined by the Revenue Commission.

### Michigan

Total take-out 17% on straight wagering, 20% on multiples except 25% on "special sweepstakes" (selection to win in 4 or more races). Breakage 10 cents, 1/2 to state, 1/2 to association. THOROUGHBRED: State receives 8% on all wagers except "special sweepstakes" where state receives 10%. HARNESS, QUARTER HORSE AND APPALOOSA: State receives 8% on all wagers except at tracks in counties with a population less than 200,000 where state receives 5% and except "special sweepstakes" where state receives 10% at all tracks.

### Montana

Total take-out 20% plus breakage. The licensee shall pay to the Board of Horse Racing 1% of all gross receipts on each days pari-mutuel betting at each race meet, which sum shall be paid to Board within five days after the end of race meet. If underpayments exceed overpayments at the end of each race meet, the balance shall be paid to the Board. Breakage 10 cents, all to licensee. All unclaimed winning tickets 30 days after the end of a race meet are paid to the Board. (No tax paid to State of Montana)

### Nebraska

Total take-out 15%. No tax first million; thereafter, state receives 5%. Tax on admissions 30 cents which, along with monies received in license fees, is distributed among counties of state for county fair premiums. Breakage 10 cents, all to association.

### Nevada

Total take-out 18% with 2% to state and 1% to racing commission for administrative work. Any amount over \$10,000 is to be distributed to agricultural districts conducting horse racing proportionately to the amount contributed by each district. Breakage 10 cents, all to association.

## BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

### New Hampshire

**THOROUGHBRED:** Total take-out 18% — Win-Place-Show, State receives 2 1/2%, association 18 1/2%. Total take-out 25% Multiple Wagering, State receives 5%; association 20%. Horsemen's purse — 7 1/4% of pari-mutuel sales. No license fee, but bond not exceeding \$300,000 required. Breakage 10 cents divided equally between state and association. **HARNESS:** Total take-out 19% — Win-Place-Show and 25% Multiple Wagering. Divided as follows: Of Total Pari-Mutuel Sales for any one day, State receives on first \$100,000 of sales — 1% of Win-Place-Show and 2% of Multiple Wagering, next \$150,000 — 4% of Win-Place-Show and 8% of Multiple Wagering, \$250,000 and over 5 1/2% of Win-Place-Show and 8% of Multiple Wagering. Track licenses paid to township where track is located. Breakage 10 cents, divided equally between state and association.

### New Jersey

**THOROUGHBRED:** Total take-out 17% on straight betting, 19% on two-horse selections, 25% on three-horse selections. State's share of take-out at private tracks averaging less than \$1,000,000 in total mutual handle, 30% to 1.30%, private tracks averaging more than \$1,000,000 in total mutual handle prior to June 1, 30% to 1.30% after May 31, 2.22% to 3.22%, at Sports Complex, 5%; tracks share of take-out at private tracks averaging less than \$1,000,000 in total mutual handle 9.73% to 13.21%, tracks share of take-out at private tracks averaging more than \$1,000,000 in total mutual handle prior to June 1 9.73% to 13.21%; after May 31 7.81% to 11.29%, at Sports Complex 12.11% to 18.61%; remainder to purses and breeders programs. Breakage 10 cents, at private tracks averaging less than \$1,000,000 in total mutual handle used to supplement average daily purses up to a maximum of \$65,000, at private tracks averaging more than \$1,000,000 in total mutual handle used to supplement average daily purses up to a maximum of \$85,000, remainder reverts to State, at Sports Complex reverts to tracks. **HARNESS:** Total take-out same as thoroughbred. State share of take-out at private tracks 1.30% to 5.50%, at Sports Complex, 5%, track share of take-out at private tracks 7.20% to 9.40%, at Sports Complex 10.50% to 16.50%; remainder to purses and sire program; Breakage 10 cents, at private tracks reverts to state, at Sports Complex reverts to track.

### New Mexico

Total take-out 18%. State receives 2 1/2% over \$250,000 to \$350,000; 3 1/4% over \$350,000 to \$400,000; 6% over \$400,000, except State Fair which pays a maximum 2% on total handle. Tax on admissions, 10 cents. Daily license fee \$300, half to state and half to county in which track is located. State Fair charge is \$10 per race day. Breakage 10 cents, all to association. New Mexico Breeders Award 1/2%; tracks for Capital Improvements 2% of first \$250,000.

### New York

**THOROUGHBRED:** Total take-out on regular betting at the New York Racing Association Tracks (Aqueduct, Belmont and Saratoga) is 14% from 1/1/80 - 5/31/80. Total take-out from 6/1/80 on is 17% on regular betting. On exotic betting (3 or more horses) total take-out 25%. The State receives 2% on regular through 5/31/80. From 6/1/80 on, the State receives 5%. On exotic betting, the State receives 7 1/2%. At Finger Lakes, total take-out was 17% on regular and 25% on exotic. The State receives 3.6% regular and 8.83% of exotic. The Breeder's Fund receives 0.40% of all pools at all Thoroughbred Tracks. Breakage 10 cents on regular and 50 cents on exotic with State receiving 20% at the New York Racing Association Tracks and 55% at Finger Lakes. State receives a minimum of \$30,000 per racing day as franchise fee from Aqueduct, Belmont and Saratoga, and \$100 per day license fee from Finger Lakes. **HARNESS:** Total take-out on regular betting is 17%. On multiple betting (i.e. on 2 horses: Daily Double, Exacta, Quinella) total take-out is 19%; on exotic betting (3 or more horses) total take-out is 25%. At Roosevelt and Yonkers, State receives 6 1/2% on regular betting, 7 1/2% on multiple and 11 1/2% on exotic if 10 races or more are held. For programs at which less than 10 races are held, State receives 7 1/2% on regular, 8 1/2% on multiple and 12 1/2% on exotic. At all other Harness Tracks, State receives 3% regular, 3 1/2% on multiple, and 8% on exotic through 11/30/80. From 12/1/80, the State receives 2% regular, 2 1/2% on multiple, and 7% on exotic. Breeder's Fund receives 1/2% of all betting pools. At all harness tracks, breakage 10 cents on regular and multiple, and 50 cents on exotic, with State and association each receiving 50%. State receives a license fee of \$100 per day.

### Ohio

Total take-out 18% on straight win, place, show wagers; 2 1/2% on all other wagers. **THOROUGHBRED:** State receives 6 1/8% thru July 12, 1982, 5 11/16% thru July 12, 1983 and 5 1/2% thereafter, of which 1/2% goes to Ohio Fairs Fund and 5/8% thru July 12, 1982, 1 1/16% thru July 12, 1983 and 1/2% thereafter to Ohio Thoroughbred Race Fund; purses 5 15/16% thru July 12, 1982, 6 5/32% thru July 12, 1983 and 6 3/8% thereafter plus 40% of breakage. **HARNESS:** State's share on sliding scale from 2 1/4% of first \$50,000 to 5 1/2% of all over \$200,000 thru July 12, 1982, 2% of first \$50,000 to 5% of all over \$200,000 thru July 12, 1983 and thereafter 1 1/2% of first \$50,000 to 4 1/4% of all over \$200,000. Ohio Standardbred Development Fund receives 5/8%; purses, effective January 1, 1982 and thereafter, 50% of pari-mutuel revenues retained by permit holder after payment of state tax, plus 40% of breakage. **QUARTER HORSE:** State's share on a sliding scale from 0% of first \$50,000, 2% of next \$50,000, 4% of next \$100,000, 6% of next \$250,000 and 6 1/2% of all over \$550,000; 5/8% to Ohio Quarter Horse Development Fund. Breakage 10 cents, of which state receives 25% of all in excess of \$2,000 in a calendar year. Taxes of associations that make capital improvements are reduced by 4%. Of the additional 3 1/2% take-out on all wagers other than win, place and show, state receives 2%, Ohio Fairs Fund 1/2%, Thoroughbred or Standardbred or Quarter Horse Funds 1/4%, permit holders 1/4%, retained purses 1/4%.

## BRIEF SUMMARY OF TAX METHODS BY STATES (continued)

### Oregon

Total take-out 18%. State receives 4% from commercial race meets and 1.2% from non-profit race meets (includes fairs) 0.9% where the daily average pari-mutuel handle is over \$150,000 during preceding year. Daily license for commercial race meets \$100. Non-profit (includes fairs) meets \$25. per race meet. State receives unclaimed winning tickets 90 days after meet ends and all underpays. Breakage 10 cents — Track retains 45% and 55% to be used for breeder's awards, stallion awards, horsemen education and promotion and development of horse breeding and racing. The following applies only to race meets where the average daily gross mutual wagering during the preceding year exceeded \$150,000; 1% of the gross mutual wagering is apportioned among the owners of Oregon-bred horses as purse supplements in the same ratio that each owner's purses bears to the total purses won by Oregon-bred horses at the race meet; 5 1/4% of mutual handle is paid for purses, 0.2% is earmarked for backside improvements. Effective 8-2-81: Total take-out is 16% except on any wager that requires the selection of three or more separate wagering interests. Total take-out is 22%. State receives 4% of wagering from commercial meets (6% on wagers with selection of three or more separate wagering interests); 9% from non-profit meets if average daily wagering exceeds \$150,000 (2.9% on wagers with selection of three or more separate wagering interests); and 1.2% from all other non-profit meets (4.2% on wagers that require selection of three or more separate wagering interests). Daily license fee \$100 for commercial meets, \$25 for entire meet for fairs and non-profit meets. State receives all monies for unclaimed winning mutual tickets 90 days after conclusion of race meet. Breakage 10 cents except to five cents (5¢) when the first dollar only computes to less than 10 cents, with race meet licensee retaining 45% and horsemen's association 55%, to be used for breeders awards, stallion awards, horsemen's education, promotion and development of horse breeding and racing. At any race meet with daily average of \$150,000 or more, after completion of race meet, 1% of wagering is distributed to owners of Oregon-bred horses in proportion to the total purses earned by such Oregon-bred horses. For purses at any meet with daily average of \$150,000 or more, 5 1/4% of wagering except 7.0% plus an additional .4% for a total of 7.4% of any wagering where the selection of three or more separate wagering interests is required. The additional .4% shall be used only to supplement purses of races consisting exclusively of Oregon-bred horses. .2% is earmarked for back-side improvements only at any meet where the daily average handle exceeds \$150,000.

### Pennsylvania (before amendment in December 1981)

**THOROUGHBRED:** Total take-out 17 1/2-19%. Penn National and Keystone (average daily handle is greater than \$300,000) take-out is 17% on straight wagering; 19% on exactas, quinellas, and doubles; 25% on trifectas. Commodore Downs and Pocono Downs (average daily handle is less than \$300,000) take-out is 19% on all wagering; 25% on trifectas. State receives 4.75% track 11.75% - 13.75%, breeders fund 0.5%. Breakage 10 cents, 5 cents on minus pools, divided equally by state and track. Track license, \$1,000 per association track retains balance. **HARNESS:** In first-class school district, take-out 17% on straight wagering, 19% on multiple, 25% on exotic. State receives 1% school district 4%. Sire Stakes Fund 0.5%, track retains balance. Distribution in other than first-class districts: take-out 17% on straight wagering, 19% on multiple and exotic. State receives 3%. Department of Commerce 1.99%. Sire Stakes Fund 25%. Track retains balance when handle is less than \$300,000. Take-out 19% on straight and multiple wagering, 25% on exotic. State receives 3%. Department of Commerce 1.99%. Sire Stakes Fund 0.5%. Track retains balance. Breakage 10 cents, shared equally by state and track. State money from breakage designated to Sire Stakes Funds. In a minus pool, track must distribute 5 cents on each dollar wagered.

### South Dakota

Total take-out 18 1/2%. Of first \$2 million, state 3%; breeders fund 1%, track 14 1/2%, \$2 million and over, state 3%; breeders fund 1%; track 13%; county 1 1/2%. On daily handles under \$100,000, state 2.25%; breeders fund .75%; track 15 1/4% of first \$2 million, \$2 million and over, state 2.25%, breeders fund .75%; track 14%; county 1 1/4%; 3% additional take-out on multiple wagering — all retained by the track. Breakage 10 cents, to association.

### Vermont

Take-out for flat racing 18%, 19% on Sunday; harness 19%, 20% on Sunday, 25% on exotics. **THOROUGHBRED:** State receives 5 1/2% on weekdays, 6 1/2% on Sundays. **HARNESS:** State receives 3% to 8% on sliding scale on weekdays, 4% to 8% on Sundays.

### Washington

**MAJOR TRACKS:** Total take-out 18%. State receives 4% from daily handle less than \$500,000. For handle in excess of \$500,000, state receives 4 1/4% of the first \$500,000, plus 5% of handle above \$500,000. Take-out on exotic races is 19%, the extra 3% is split 1% to state and 2% to association. **MINOR TRACKS:** Total take-out 15%, with 1% to state. Take-out on exotic races is an additional 1% to the state. Breakage 5 cents, all to association.

### West Virginia

Total take-out 17.25% on straight bets, 25% on multiples. March thru October: State receives 5.75%, horsemen's purses 5.75%, association 5.65%, county 10%. On multiples state receives 5.75%, horsemen's purses 9.75%, association 9.40%, county 10%. November thru February: On straight bets state receives 5.25%, horsemen's purses 6.75%, association 5.15%, county 10%. On multiples state receives 5.25%, horsemen's purses 10.75%, association 6.90%, county 10%. State receives unclaimed winning ticket money to pay breeder's awards and supplement certain state races. Breakage 10 cents, all to association. Daily license tax of \$250, all to the state.

### Wyoming

Total take-out 20%, with 1% to Pari-Mutuel Board for operating expenses (none to state or city), 19% to racing association. Breakage 10 cents, all to association.

## GREYHOUND BRIEF SUMMARY OF TAX METHODS BY STATES

Arizona	Total take-out 15%. In counties with population 180,000 or more state receives 6%, association 9%; in counties under 180,000 population state receives 4%; association 11%. If handle over \$65,000, state 6%, association 9%. Breakage 10c, all to association. Net underpay to state at end of meet.	no triple wagering) to be applied first to bring purses up to 3% of handle; any excess in funds once 3% purse cap has been met may be applied to capital improvement fund.
Arkansas	Total take-out 16%, pari-mutuel tax to state 6%; \$300 daily license. Breakage 10c, 33 1/3% to state, 66 2/3% to city in which track located.	Massachusetts Total take-out 18%. State receives percentages based on daily handle as follows: MAJOR tracks, to \$150,000, 5% to state, 10% to association, 3% to dogmen, \$150,000 and over, 10% to state, 5% to association, 3% to dogmen; if handle is over \$150,000 but does not exceed \$200,000, 5% to state, 10% to association, 3% to dogmen. FAIRS: To \$100,000, 4% to state; \$100,000 to \$300,000, 9% to state; \$300,000 to \$500,000 and over, 11% to state. Breakage 10c, divided equally between state and association. Daily license fees, major tracks \$200, fairs \$50. 11-18-81: Total take-out 19%; 4 1/2% to 9 1/2% to association; 3 1/2% to dogmen. If daily handle to \$200,000 state receives 6%; \$200,000 and over, state receives 11%. 1/4 of 1% of handle for preceding calendar year shall be paid to city or town in which track is located not to exceed 3% of levy limit determined by the Revenue Commission.
Colorado	Total take-out 15%; 5% to state, 10% to association. Breakage 10c, all to association. 1% of total handle at Mile High Kennel Club goes to local government.	Nevada Total take-out 18%; 3% to state, 1% to City of Henderson. Breakage 10c, retained by association as well as unclaimed winning tickets. Underpayments revert to state.
Connecticut	Total take-out is 18%; 10% to association, 7 1/2% to State, 1/2% to local municipalities. Breakage is distributed 50% to the association and 50% to the State. 10% of admission tax is paid to the city on all admissions and 10% is paid to the State on all charges over \$1.00. The State receives all unclaimed winning mutual tickets after one year. Computation errors resulting in underpayment are remitted to the State.	New Hampshire Total take-out 19% on straight betting, 25% on exotic betting. Of the 19% take-out, state receives 6% to \$100,000; 7% to \$200,000; 9% to \$300,000; 10% to \$400,000. The additional 6% take-out on exotic betting, state receives 4%. Breakage 10c, divided between state and association. Tax relief is given tracks with handle under \$100,000 in form of credit at \$175 for each race run on program, provided not less than \$500 is paid to state.
Florida	Total take-out permitted: 17.6% on regular wagering (win/place/show); 18% on doubles (perfectas); 19% on triples (trifectas); additional 1% on triple wagering may be taken out for capital improvement fund. Tax on handle: 7.6% on total handle in excess of first \$25,000 of wagers per performance. Daily license fee of \$80 per race if average daily handle was greater than \$100,000 per performance for preceding season; \$50 per race if average daily handle was less than \$100,000 per performance for preceding season. Breakage 10c, 100% to state. Admissions 15% of entrance gate admission or 10c per person, whichever is greater. Purses: An additional 1% on triple wagers may be taken out (or 1/2% on all exotic wagering if	Oregon Total take-out 16%. State receives 6.5% from commercial meets and 2 1/2% from fairs and non-profit meets. Daily license fee \$100; Fairs and non-profit \$25 for meet. State receives unclaimed winning mutual tickets 90 days after meet ends and all underpay. Breakage 10c, 1/2 to track, 1/2 for purses and 1/2 for the benefit of Oregon Grayhound Industry. 0.1% earmarked for building and maintaining training track. 8-2-81: Total take-out 16% except on any wager requiring the selection of three or more separate wagering interests, 22% total take-out. State receives 6.3% from commercial meets (10.3% on any wager requiring the selection of three or more separate wagering interests) and 2 1/2% (7.5% on any wager requiring selection of three or more separate wagering interests) from fairs and non-profit meets. Daily license fee \$100, fairs and non-profit meets \$25 for entire meet. State receives unclaimed winning mutual tickets 90 days after conclusion of race meet. Breakage 10c except when the breaks compute to less than 10c for each dollar wagered, the race meet licensee shall pay five cents (5c) for each dollar wagered. 1/2 of breaks to race meet licensee, 1/2 of breaks for purses and 1/2 of breaks for the benefit of greyhound industry. Also, .1% of all wagering is set aside for construction and operation of a training track.
Oregon	Total take-out 16%. State receives 6.5% from commercial meets and 2 1/2% from fairs and non-profit meets. Daily license fee \$100; Fairs and non-profit \$25 for meet. State receives unclaimed winning mutual tickets 90 days after meet ends and all underpay. Breakage 10c, 1/2 to track, 1/2 for purses and 1/2 for the benefit of Oregon Grayhound Industry. 0.1% earmarked for building and maintaining training track. 8-2-81: Total take-out 16% except on any wager requiring the selection of three or more separate wagering interests, 22% total take-out. State receives 6.3% from commercial meets (10.3% on any wager requiring the selection of three or more separate wagering interests) and 2 1/2% (7.5% on any wager requiring selection of three or more separate wagering interests) from fairs and non-profit meets. Daily license fee \$100, fairs and non-profit meets \$25 for entire meet. State receives unclaimed winning mutual tickets 90 days after conclusion of race meet. Breakage 10c except when the breaks compute to less than 10c for each dollar wagered, the race meet licensee shall pay five cents (5c) for each dollar wagered. 1/2 of breaks to race meet licensee, 1/2 of breaks for purses and 1/2 of breaks for the benefit of greyhound industry. Also, .1% of all wagering is set aside for construction and operation of a training track.	Vermont Take-out 19%, 25% on exotics. Breakage to licensee. State receives 5% of handle on weekdays, 6% on Sunday. From exotic bets states receives additional 1% to 5% based on number of programs.
Rhode Island	Total take-out 18%. State receives 5 1/2%; 1/2 of 1% to local government. Additional 1% of multiple pools to the Capital Improvement Fund. Breakage 10c, divided equally between state and association.	West Virginia Total take-out is 16.25%. State's share of handle increases on a sliding scale from 4% to 8%; Association's share of handle decreases on a sliding scale from 12% to 8%. State also receives \$150.00 license tax per actual race day. State receives unclaimed winning tickets' money and supplements certain stake races therewith. Prices are calculated to the dime with breakage retained wholly by the Association. Purse money is paid by the Association from its share of the handle.
South Dakota	Total take-out 16 1/4% to 17 1/4%, depending on handle. State's share increases on sliding scale from 4% to 7%; track's share decreases on sliding scale from 12 1/4% to 9%; and county receives 1 1/4% of handle over \$2 million. Tracks with daily averages under \$25,000: the state receives 3%, track receives 12%-13 1/4%, and county receives 1 1/4% of total handle exceeding \$2 million. 1% of total take-out on all multiple wagering; 1/2 of the 1% retained by track, 1/4 of the 1% to Breeders' Fund and 1/4 of the 1% to Racing Revolving Fund. Breakage 10c, all to track on handle up to \$8 million; all over \$8 million to the state.	Greene County, Al. Total take-out 18%; 14% to association, 4% to county. Breakage 10c, all to association. 15% or 10c, whichever is greater, admission tax to county. Unclaimed winning tickets retained by association.
		Mobile County, Al. Total take-out 18%; 10% to association, 8% to county. Breakage 10c, divided equally between county and association. 15% or 10c, whichever is greater, admission tax to county. Unclaimed winning tickets divided equally between county and association.

ATTACHMENT D

Types of Gambling Groups and  
Gambling Activities

SOURCE: Public Gaming Magazine, May 1984.



## A: SURVIVORS

Activity	Index
Pick 3 (Daily Lottery)	261
Trading Stamps	221
Bingo	183
Lottery Subscription	169
Pick 4 Lottery	139
Legal Video Blackjack Slots	138
Sports Betting with Friend	125
Giveaway Games	115
Rub-Off Instant Lottery	106
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Atlantic City Casino Gaming	99
Break-Open or Pull Tab Tickets	98
Slot Machines	96
Cents-Off Coupons	94
Poker	79
Pick 6 (Lotto) Lottery	66
Non-Skill Contest	65
Legal Video Poker Slots	63
Likely Video Lottery Players	58
Progressive Slots	57
Skill Contest	55
Horse Races	54
Cards for Money with Friends	52
Roulette	49
Raffles	49
Blackjack at Table	43
Video Games at Home	27
Pinball	23
Coin-Operated Video Outside Home	0
Craps	0
Big Six	0
Illegal Video Gray Machines	0
Bet with a Bookie	0



## B: SUSTAINERS

Activity	Index
Bet with a Bookie	343
Legal Video Poker Slots	263
Pinball	217
Sports Betting with Friend	196
Pick 4 Lottery	184
Illegal Video Gray Machines	183
Pick 6 (Lotto) Lottery	178
Non-Skill Contest	174
Poker	159
Legal Video Blackjack Slots	159
Horse Races	158
Progressive Slots	157
Cards for Money with Friends	155
Coin-Operated Video Outside Home	154
Rub-Off Instant Lottery	154
Pick 3 (Daily Lottery)	154
Bingo	148
Break-Open or Pull Tab Tickets	147
Craps	142
Big Six	138
Giveaway Games	137
Video Games at Home	125
Likely Video Lottery Players	125
Slot Machines	112
Raffles	111
Atlantic City Casino Gaming	103
Trading Stamps	102
Cents-Off Coupons	100
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Blackjack at Table	99
Skill Contest	76
Lottery Subscription	52
Roulette	45



## **C: BELONGERS**

<b>Activity</b>	<b>Index</b>
Lottery Subscription	161
Trading Stamps	138
Pick 3 (Daily Lottery)	136
Bingo	136
Cents-Off Coupons	127
Pick 4 Lottery	125
Rub-Off Instant Lottery	114
Pick 6 (Lotto) Lottery	109
<b>Slot Machines</b>	<b>104</b>
Non-Skill Contest	98
Atlantic City Casino Gaming	98
Big Six	98
Raffles	97
Poker	95
Progressive Slots	88
Cards for Money with Friends	85
Break-Open or Pull Tab Tickets	82
Giveaway Games	77
Likely Video Lottery Players	76
Illegal Video Gray Machines	73
Legal Video Poker Slots	72
Legal Video Blackjack Slots	68
Blackjack at Table	68
Video Games at Home	67
Horse Races	62
Bet with a Bookie	61
Skill Contest	54
Roulette	48
Coin-Operated Video Outside Home	39
Craps	38
Pinball	38
Sports Betting with a Friend	35



## **D: EMULATORS**

<b>Activity</b>	<b>Index</b>
Pinball	205
Sports Betting with Friend	192
Big Six	166
Poker	163
Legal Video Blackjack Slots	162
Coin-Operated Video Outside Home	161
Roulette	158
Bet with a Bookie	159
Video Games at Home	156
Pick 3 (Daily Lottery)	150
Pick 6 (Lotto) Lottery	148
Illegal Video Gray Machines	147
Pick 4 Lottery	144
Likely Video Lottery Players	141
Progressive Slots	137
Legal Video Poker Slots	135
Blackjack at Table	132
Break-Open or Pull Tab Tickets	130
Rub-Off Instant Lottery	129
Giveaway Games	127
Horse Races	127
Slot Machines	122
Non-Skill Contest	118
Cards for Money with Friends	117
Craps	115
Bingo	110
Atlantic City Casino Gaming	109
Skill Contest	105
Raffles	97
Cents-Off Coupons	90
Lottery Subscription	84
Trading Stamps	47



## **E: ACHIEVERS**

<b>Activity</b>	<b>Index</b>
Roulette	149
Craps	137
Horse Races	127
Blackjack at Table	122
Trading Stamps	117
Lottery Subscription	116
Raffles	116
Break-Open or Pull Tab Tickets	112
Video Games at Home	111
Slot Machines	106
Progressive Slots	106
Sports Betting with Friend	105
Non-Skill Contest	104
Casino Gaming	104
Cards for Money with Friends	102
Likely Video Lottery Players	100
Skill Contest	98
Rub-Off Instant Lottery	96
Cents-Off Coupons	96
Big Six	95
Pick 6 (Lotto) Lottery	94
Coin-Operated Video Outside Home	91
Legal Video Poker Slots	89
Illegal Video Gray Machines	88
Giveaway Game	88
Legal Video Blackjack Slots	84
Pick 4 Lottery	83
Pinball	77
Poker	74
Bingo	71
Pick 3 (Daily Lottery)	69
Bet with a Bookie	69



## **F: I-AM-ME**

<b>Activity</b>	<b>Index</b>
Coin-Operated Video Outside Home	255
Pinball	210
Legal Video Blackjack Slots	205
Sports Betting with Friend	191
Legal Video Poker Slots	189
Giveaway Games	174
Illegal Video Gray Machines	164
Progressive Slots	150
Roulette	148
Likely Video Lottery Players	146
Cards for Money with Friends	140
Break-Open or Pull Tab Tickets	130
Blackjack at Table	127
Atlantic City Casino Gaming	119
Video Games at Home	117
Poker	105
Bet with a Bookie	105
Slot Machines	102
Craps	102
Big Six	99
Horse Races	96
Raffles	92
Skill Contest	91
Non-Skill Contest	81
Rub-Off Instant Lottery	80
Pick 6 (Lotto) Lottery	62
Bingo	60
Pick 3 (Daily Lottery)	55
Cents-Off Coupons	52
Pick 4 Lottery	46
Trading Stamps	24
Lottery Subscription	0

## Who Is Playing

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been prepared by SRI as part of the VALS program.

An excellent description of the VALS typology is contained in the recently published book "The Nine American Lifestyles - Who We Are And Where We Are Going" by Arnold Mitchell (MacMillan Publishing Co., 1983).

### **The Need-Driven Group**

The first major consumer group is called "Need-Driven."

In general, Need-Driven consumers

### **Survivors**

The first VALS type in the Need-Driven group is the Survivors type.

Survivors are the most disadvantaged portion of American society, by reason of extreme poverty, low education, old age, and little access to the channels of upward mobility. Many, now infirm, once lived lifestyles associated with higher levels of the VALS hierarchy. Many generation-after-generation Survivors are ensnared in the so-called culture of poverty. For these people

participation in gambling activities reflect this goal.

Sustainers are a group struggling at the edge of poverty. They are better off and younger than Survivors, and many have not given up hope. Their values are very different from those of Survivors. They have advanced from the depression and hopelessness typical of Survivors to also embrace anger at the system they see as repressing them and a street-wise determination to get ahead. Many operate in the underground economy.

The Sustainer is often young. This group includes people in a variety of situations, including marginally employed young blacks, the divorced mother struggling to raise her children, and other similar "street-wise" individuals.

### **The Outer-Directed Group**

The second major group in the VALS consumer typology is called "Outer-Directed."

Outer-Directed consumers conduct their lives in response to signals, real or fancied, from others. The consumption, activities, and attitudes of Outer-Directed people are all guided by what other people think (or what they think other people will think). These "other people" to whom Outer-Directed persons direct their efforts include other members of the family, the company, the church, the union, the club, etc.

In their purchase decisions, Outer-Directed consumers buy with an eye to appearance. In making purchase decisions, this concern about what "other people" think is often more important to these consumers than their own "inner" satisfaction from the purchase. Their spending patterns are dominated by "outer" rather than "inner" measures.

The psychological needs of Outer-Directed consumers tend to be of a

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are so limited in resources (especially financial resources) that they lead lives driven more by need than by choice. Most have incomes at or below the poverty level.

The Need-Driven are the farthest removed from the cultural mainstream, are the least psychologically flexible, are least aware of the events of our times, and are most inclined to be depressed and withdrawn. Values center around survival, safety, security, and tradition. Such people tend to be distrustful, dependent, and unplanning.

It is estimated that about 11 percent of the national population aged 18 and over are Need-Driven consumers. This amounts to some 15 million adults.

This group is divided into two VALS types - "Survivors" and "Sustainers." There are about 4 million Survivors and 11 million Sustainers.

the struggle for survival is the dominant force in their lives.

Survivors tend to think of their lives and their future as a matter either of fate or luck. In any case, they do not perceive having control of it.

Since they are money-restricted, Survivor consumers tend to spend relatively little on private transportation, recreation, leisure, education, or luxuries.

### **Sustainers**

The second VALS type in the Need-Driven group is the Sustainer type.

Sustainers are distinguished from Survivors by having a longer perspective. They wish not only to survive but to sustain - and hopefully improve - their position over time. The severe economic constraints under which they operate often make this difficult. As will be seen, their attitudes and

## Who Is Playing

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sort that can be satisfied by tangible things. This is in contrast to the more physiologically oriented Need-Driven consumers and the more psychological inwardly-directed attitude characterizing Inner-Directed consumers.

Since external measures are so important to them, Outer-Directed consumers tend to buy in accord with established norms. Indeed, what they buy helps to establish national norms. As distinct from Need-Driven people, most Outer-Directed consumers have the resources to express many of their preferences in their buying behavior.

Outer-Directed people are the heart of contemporary mass consumer markets. They are the dominant group in America today and have been for generations.

We estimate their numbers at 68 percent of the population – around 112 million adults. This group is divided into 3 VALS types: Belongers, Emulators, and Achievers. There are approximately 63 million Belonger adults, 16 million Emulator adults, and 33 million Achiever adults. This traditional “mainstream” group is estimated to be declining as a percentage of the population.

### **Belongers**

Belongers comprise the large, solid, comfortable, middle-class group of Americans who are the main stabilizers of society and the preservers and defenders of the moral status quo. Belongers tend to be socially conservative, conventional, nostalgic, sentimental, puritanical, and conforming. The key drive is to fit in – to belong – and not to stand out. Their world is well posted and well lit, and the road is straight and narrow.

Family, church, and tradition loom large among Belongers. Belongers are people who know what is right, and they adhere to the rules. They are not much interested in sophistication or intellectual affairs. All the evidence

suggests that Belongers lead contented, happy lives relatively little vexed by the stresses and mercurial events that swirl around them.

Belongers seek to become part of the group through their purchases. Group norms, accepted traditions, and mass movements dominate the purchase decisions and behavior of Belongers. Belongers are driving forces behind such movements as patriotic upswellings, church membership, fraternal organizations, and a myriad of other traditional Middle American activities.

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*Belongers comprise the large, solid, comfortable, middle class group of Americans who are the main stabilizers of society and the preservers and defenders of the moral status quo.*

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The need to belong is one of the most powerful forces in the marketplace. Belongers respond to advertising appeals based on popularity. Abhorrence of being different inclines Belongers to select the standard design, the established product, and the usual store.

Belongers respond to authority, be it the government, the church, the corporation, the union, or the product endorsement of a popular personality.

Belongers tend to be middle income or lower middle income. They tend to have average, or slightly below-average education. They include a disproportionate percentage of blue collar workers. They are socially conservative, as contrasted with being economically conservative. Archie Bunker is a Belonger.

### **Emulators**

Emulators live in a wholly different world from that of Belongers. Emulators are trying to burst into the upper levels of the system – to make it big. The object of their emulation is the Achiever lifestyle. They are ambitious,

upwardly mobile, status-conscious, macho, and competitive. Many see themselves as coming from the other side of the tracks. Hence, many are intensely distrustful, are angry with the way things are, and have little faith that “the system” will give them a fair shake.

The stereotype is that of the “social climber,” the “young man in a hurry,” and the person “on the make.”

The prime characteristic of Emulators is their emulation of the buying patterns of those they consider to be richer or more successful than them-

selves. In as much as Emulators often have no first-hand knowledge of the purchasing patterns of the rich and successful (learning of them from such sources as Hollywood films, popular publications, gossip columns, fashion magazines, and dramatic advertisements), they often wind up buying much more conspicuously and flamboyantly than those they seek to emulate.

Emulators put their money where it shows. They spend heavily on highly visible items such as clothes, cars, or office furniture. They are attracted to the latest “in” labels and chic activities that represent the fad of the moment. In a style sense, Emulators prefer overstatement to the understatement characteristic of the purchases of people with more money.

Emulators are often young, well-educated, and have above-average incomes and white collar jobs. In addition to the “young man in a hurry,” the Emulator type also includes many people in minority groups and women who have joined the work force and are pursuing a career.

## Who Is Playing

### Achievers

Achievers are the pacesetters for the Emulators. They are the leaders and builders of the American dream and the good life. Achievers represent the "establishment" and are economically conservative. Achievers are the managers, administrators, and leaders in business, government, education, and politics.

The Achiever is the driving and often the driven person, oriented to success, who commonly expends much of his or her wealth, activity, and energy on the good things in life. Achievers want the best and are willing to work hard to get it. The work ethic and the Puritan ethic are central to the Achiever. Achievers tend to be materialistic, hardworking, oriented to attaining success and recognition for their success, and comfort-loving.

Estimates indicate that 22 percent of Americans are Achievers. Their numbers make them the second largest subgroup (after Belongers) in the VALS typology.

Achievers are, in the main, traditional buyers. They are, however, willing to experiment in the direction of new and improved products, especially technologically based products.

Greater affluence is, of course, correlated with greater age. Consequently, the Achiever type tends to be older than average. And, of course, Achievers have above-average educational levels. Achievers, while economically conservative, can be less conservative and easy-going on social issues. In this sense, they are the mirror image of the Belonger.

### The Inner-Directed Group

Unlike the large traditional Outer-Directed group and the impoverished Need-Driven group, the Inner-Directed is the *only growing group* in the VALS typology.

Inner-Directed consumers are primarily concerned with their own inner satisfaction. They buy things

and do things that give themselves satisfaction and pleasure, without regard to what other people may think about their actions.

Inner-Directed people are individualistic, person-centered, self-expressive, and impassioned. They will state and hold their opinions regardless of what "others" think, and they will "do their own thing."

The Inner-Directed group has developed since World War II and reflects a new kind of consumer.

This group is divided into three VALS types - I-Am-Me, Experientials, and Societally Conscious. There are approximately 32 million Inner-Directed adults (about 19 percent of the population) including 5 million I-Am-Me's, 8 million Experientials, and 19 million Societally Conscious consumers.

### I-Am-Me

The I-Am-Me consumer is fiercely individualistic, insisting on buying what appeals to his or her whims - and the whims are made of iron. Such consumers are emphatic in buying things avant-garde, funky, far-out, classic, nostalgic, etc. Typically the result is distinctly show-off.

The I-Am-Me type is a transitional type that is often an early stage in the development of inward-oriented living. As such, it is a stage through which many pass but in which few linger.

I-Am-Me consumers loom large in many of the "far out" fringe markets, especially those of a faddish type. Like Emulators, they spend much of their money on noticeable items.

I-Am-Me consumers are worth watching because I-Am-Me tastes sometimes spawn ideas or products that subsequently spread to the rest of the society.

The I-Am-Me consumers are young. Many are single. Many are students or just starting on their first job.

It is interesting to note that many I-Am-Me's are the children of Achievers.

### Experiential

An important emerging lifestyle pattern is the Experiential type. The Experiential is the person who avidly seeks direct experience, intense personal relationships, deep involvement, and a rich inner life. These kinds of people are leaders in many avant-garde movements. They are active in a wide range of participatory, experience-rich activities and pursuits.

Experiential consumers are strongly person-centered, often a bit intellectual, frequently mystical, sometimes esthetically inclined, and usually highly active. Sensuality and hedonism loom large. The core drive is for direct, often unusual, experience. They tend to welcome the new and different. Distinctly "right-brained," these people are intuitive, alert to nuance, and more accepting than most people of events with no logical explanation.

The key to the buying habits of Experiential consumers is their preference for "process over product." What is most important is the act and experience of doing something - the thrill or joy of the moment - rather than the tangible product or ownership per se. They are active in such sports as hang-gliding, backpacking, rock climbing, cross-country skiing, and scuba diving. At home they indulge their taste for direct participation via winemaking, gardening, crafts, home remodeling, and a host of other do-it-yourself activities.

### Societally Conscious

Societally Conscious consumers are people acutely aware of societal issues. They are imbued with a "space-ship earth" philosophy, and are adamant about living in a socially responsible way. These people are often active in consumer and environmental movements. Many are engaged in politics, volunteer work, and other forms of social participation. They are mission-oriented and are out to change the world.

ATTACHMENT E

Montana  
State Fair Parimutuel Racing Statistics

SOURCE: Skip Sherman, Montana State Fair

*Y. H. ...*

*Montana*

RACE TRACKS	1986 DAYS	1986 TOTAL HANDLE	1986 TRACK COFF.	1986 BOARD COFF.	22 EXOTIC WAGERING	BOARD'S 30%	BREAKAGE	PAYOFF	1985 DAYS	1985 TOTAL HANDLE	1985 BOARD COFF.
EAST CHANCE RACING	11	1,081,218.	205,811.42	10,872.18	10,467.50	4,486.00	6,260.12	845,460.70	14	1,197,621.	11,976.21
GOV CAPITAL TURF CLUB	12	318,507.	60,516.33	3,185.07	2,666.69	1,162.87	2,286.86	248,011.20	14	382,060.	3,820.60
STATE FAIR <small>(eventually held on days 22 (kls))</small>	29	1,220,541.	617,581.79	32,506.41	35,862.28	15,950.98	12,166.96	1,533,882.68	29	1,212,010.	32,150.10
SOUTHEAST HORSE RAC.	7	50,365.	2,565.55	503.45	404.62	173.42	456.56	19,250.5	9	93,165.	981.64
HARVIE FAIR	5	112,681.	25,209.77	1,326.83	1,287.62	551.84	1,157.24	101,149.70	5	152,727.	1,527.27
NORTHEAST HT. FAIR	3	56,563.	10,363.18	565.43	604.70	173.45	591.54	42,472.70	3	60,962.	609.62
YELLOWSTONE EXHIB.	36	4,507,877.	856,496.63	45,078.77	48,741.15	20,889.07	28,226.28	1,508,445.10	36	5,197,600.	51,974.60
ROSEBUD CO. FAIR	3	19,892.	3,779.48	198.92	177.06	58.74	210.42	15,488.90	3	19,381.	193.81
FALLOU CO. FAIR	2	19,500.	3,705.00	195.00	147.92	61.40	275.98	15,112.70	3	23,561.	235.61
NORTHWEST HT. FAIR	6	375,877.	71,264.63	3,750.77	3,530.25	1,512.97	3,600.88	291,417.50	6	412,175.	4,121.75
WESTERN HT. FAIR	12	892,969.	169,664.11	8,929.69	8,628.31	3,697.85	7,468.64	696,500.40	6	666,248.	6,662.48
RAV. CO. FAIR	1	96,922.	18,415.18	969.22	767.18	128.80	1,162.12	75,279.50	5	181,123.	811.23
TOTALS:	130	10,801,974.	2052,375.07	108,019.74	112,045.2	38,019.47	69,581.56	8411,959.50	131	11,606,656.	116,066.56

COORBLES: \*\* Northeast Ht. Fair: Figure is off 8.00 due to overpayment  
 Harvie Co. Fair: Figure is off 1.50 due to overpayment

Southeast Horse Racing: Figure is off 17.10 due to overpayment

ATTACHMENT F

Oregon  
State Fair Parimutuel Racing Statistics

SOURCE: Dwight Butz, Director, Oregon State Fair Race Meet

# Horse Racing Analysis

3/27/86

DAH

	REVENUES	New GS	1985	OPTION A	OPTION B	OPTION C	OPTION D
		No Grants	Actual	GS "As Is"	New GS	GS "As Is"	New GS
		11-21-21	11-25	11-21-0	11-21-0	11-21-21	11-21-21
1	Parimutuel Receipts	1,112,078	735,705	708,279	849,935	1,086,279	1,539,936
2	Brookage	33,284	22,628	20,096	25,096	33,284	33,284
3	Backstretch Fund	18,534	12,578	11,804	14,166	18,105	22,566
4	General Admissions	389,976	194,822	194,888	233,866	389,976	467,771
5	Box Seats	173,815	173,815	173,815	51,278	173,815	76,478
6	Concessions	136,250	120,584	115,250	150,000	136,250	207,700
7	Program Sales	177,559	120,665	107,200	128,664	177,559	213,066
8	Miscellaneous	3168	3168	3168	3168	3168	3168
9							
10		1,377,430	943,606	906,190	1,124,893	1,351,202	1,765,209
11							
12	Parimutuel Personnel		171,871	153,234	153,234	251,031	251,031
13	Race Personnel		98,903	88,638	88,638	141,999	141,999
14	Tolycor Equipment		88,481	72,480	72,480	120,045	120,045
15	Armored Car Service		4000	3360	3360	6720	6720
16	Socket Insurance		17,533	15,378	15,378	25,528	25,528
17	Contract Security		22,853	22,244	22,244	37,924	37,924
18	Motion Services		37,555	33,071	67,422	5387	10,734
19	Advertising		20,111	19,200	29,200	31,800	41,800
20	Cleanup Personnel		4,435	3,942	9,884	6,259	13,058
21	Admission Personnel		3,980	3,450	5,174	5,713	8,570
22	Security Personnel		3,880	3,450	3,450	5,713	5,713
23	Ambulance Personnel		7,538	7,103	7,103	12,857	12,857
24	Equipment Rentals		42,935	10,000	10,000	17,400	17,400
25	Manure Removal (M)		43,000	13,000	13,000	24,000	24,000
26	Utilities (M)		15,500	19,500	19,500	36,000	36,000
27	Miscellaneous		19,862	20,000	20,000	28,000	28,000
28	Communications		5,267	6,000	6,000	8,500	8,500
29	Track Maintenance		4,516	6,000	6,000	12,000	12,000
30	TOTAL DIRECT	801,919	548,220	470,750	789,747	776,876	804,919
31							
32	Maintenance	64,000	50,000	<del>50,000</del>	40,000	80,000	64,000
33	Administration	24,000	10,000	<del>20,000</del>	15,000	16,000	24,000
34	Public Relations	32,000	10,000	<del>20,000</del>	20,000	16,000	32,000
35	SG 498 Take Out	278,626	188,870	177,870	212,484	291,576	328,484
36	Net Income	177,491	<del>134,716</del>	188,370	347,662	190,756	504,800
37			325,336				
38	Debt Load	510,271	-	-	510,271	-	510,271
39		(-)					(+)
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

10 includes Rent on Parking Stalls

EXHIBIT III

ATTACHMENT G

Arizona  
County Fair Horse Racing Statistics

SOURCE: Arizona Department of Racing 37th Annual Financial Report, July 1,  
1985 - June 30, 1986.

## REVENUES

The Department collects pari-mutuel commission, license fee and fine revenues which are deposited to six separate funds.

### REVENUES AND DISPOSITION

	<u>1984-85</u>	<u>1985-86</u>
<b>Receipts*</b>		
Mutuel commission	\$11,440,129	\$12,066,652
License fees	63,000	225,848
Fines	37,675	23,725
Other	<u>60,352</u>	<u>8,322</u>
Total	\$11,601,156	\$12,324,547
<b>Disposition</b>		
General Fund (67.5%)	\$7,802,676	\$8,326,432
Arizona County Fairs Racing and Breeder's Award Fund (14%)	1,670,400	1,723,962
County Fairs Livestock and Agriculture Promotion Fund (10%)	1,150,313	1,229,250
Arizona Coliseum and Exposition Center Fund (5%)	575,156	614,625
County Fairs Racing Fund (3%)	345,094	368,815
Administration of the Arizona County Fairs Racing and Breeder's Award Fund (.5%)	<u>57,517</u>	<u>61,463</u>
Total	\$11,601,156	\$12,324,547

\*Excludes revenues earned during 1985-86 but not received until after June 30, 1986.

COUNTY FAIR RACE MEETS  
1985-1986

	Days of Racing	Number of Races	Fuller Handle	Rhiorase/ (Decrease)	Track Commission	Breakage to Track	Returned to Public	Purses Paid
Apache	4	42	185,246	+10.7	33,344	2,166	149,736	61,656
Cochise	4	40	243,138	+9.2	43,765	2,172	197,201	53,056
Coconino	4	40	564,882	+23.2	101,679	5,973	453,308*	70,844
Gila	4	43	245,544	+23.4	44,198	2,745	198,601	77,487
Graham	4	44	227,290	+22.5	40,912	2,029	184,349	91,569
Greenlee	4	40	168,050	+17.0	30,249	1,764	136,037	57,502
Mohave	4	44	224,460	-15.6	40,403	2,093	181,964	87,435
Navajo	4	40	227,952	+16.2	41,031	1,745	185,176	75,222
Santa Cruz	4	44	491,256	+22.7	88,426	6,104	396,726	131,914
Yuma	4	40	201,766	+2.3	36,318	1,989	163,459	53,288
Subtotal-Meets at Non-Commercial Tracks								
	40	417	2,779,584	+14.9	500,325	28,780	2,246,557	759,993
Maricopa	4	44	2,262,976	+15.0	407,336	15,005	1,840,635	177,000
Yavapai	3	36	501,792	-4.5	90,323	4,797	406,672	143,485
Subtotal-Meets at Commercial Tracks								
	7	80	2,764,768	+10.9	497,659	19,802	2,247,307	320,485
Totals	47	497	5,544,352	+12.5	997,984	48,582	4,493,864	1,080,478

\* \$3,922. Underpay

COUNTY FAIR RACE MEETS  
1984-1985

	Days of Racing	Number of Races	Mutuel Handle	Change/ (Decrease)	Track Commission	Breakeage to Track	Returned to Public	Purses Paid
Apache	4	38	167,362	+9.3	30,125	1,677	135,559	35,568
Cochise	4	40	222,616	+5.0	40,071	2,245	180,301	51,131
Coconino	4	38	458,420	+3.6	82,516	4,963	370,941	49,921
Gila	4	39	199,012	-5.6	35,822	2,508	160,669*	63,326
Graham	4	40	185,474	+1.9	33,385	1,784	150,305	76,532
Greenlee	4	39	143,612	-1.8	25,850	1,631	116,130	43,180
Mohave	4	45	266,010	+46.1	47,882	2,969	215,159	94,886
Navajo	4	39	196,244	+15.6	35,324	1,578	159,342	75,156
Santa Cruz	4	43	400,314	-6.9	72,057	3,714	324,543	108,956
Yuma	4	39	197,198	+15.3	35,496	2,238	159,465	38,660
Subtotal—Meets at Non-Commercial Tracks								
	40	400	2,436,262	+5.6	438,528	25,307	1,972,414	637,316
Maricopa	4	44	1,968,180	-6.0	354,272	12,481	1,601,427	163,900
Yavapai	3	36	525,231	+3.9	94,542	4,170	426,520	138,752
Subtotal—Meets at Commercial Tracks								
	7	80	2,493,411	-38.9	448,814	16,651	2,027,947	302,652
Total	47	480	4,929,673	-22.7*	887,342	41,958	4,000,361	939,968

\* \$13 Underpay

COUNTY FAIR RACE MEETS  
1983-1984

	Days of Racing	Number of Races	Mutuel Handle	% Increase/ (Decrease)	Track Commission	Breakage to Track	Returned to Public	Purses Paid
Apache	4	38	153,138	+8.9	27,565	1,494	124,079	41,857
Cochise	4	39	212,116	-1.6	38,181	1,913	172,023	38,506
Coconino	4	34	442,400	+9.8	80,145	4,744	357,511	52,720
Gila	4	40	210,726	+15.1	37,931	2,079	170,717	81,461
Graham	4	40	181,966	+8.9	32,754	1,813	147,399	69,376
Greenlee	4	40	146,186	+18.8	26,313	1,703	118,169	36,109
Mohave	4	37	182,036	-0.2	32,766	2,305	146,964	68,734
Navajo	4	38	169,758	+13.3	30,556	1,702	137,500	70,858
Santa Cruz	4	44	429,939	+22.9	77,389	4,595	347,955	101,757
Yuma	4	39	171,096	+1.6	30,892	1,630	138,574	44,555
Subtotal—Meets at Non-Commercial Tracks								
	40	389	2,299,361	+11.2	414,492	23,978	1,860,891	605,833
Maricopa	4	44	2,094,847	-4.1	423,562	14,800	1,656,485	138,400
Pima*	4	45	1,477,625	"	299,765	11,455	1,166,406	181,700
Yavapai	3	36	505,310	+1.9	90,956	4,027	410,328	139,051
Subtotal—Meets at Commercial Tracks								
	11	125	4,077,782	+52.2	814,283	30,282	3,233,219	459,151
Total	51	514	6,377,143	+34.4	1,228,755	54,260	5,094,110	1,064,984

\*Did not sponsor races in previous fiscal year.

ATTACHMENT H

California  
State and County Fair Racing Statistics

SOURCE: California Racing Board, Annual Statistical Report, 1985

CALIFORNIA HORSE RACING BOARD — ANNUAL STATISTICAL REPORT

	RACING DATES	NUMBER OF DAYS	DAYS PER WEEK	REPORTED ATTENDANCE	AMOUNT WAGERED	AVERAGE			AMOUNT RETAINED	RETURNED TO PUBLIC
						DAILY ATTENDANCE	DAILY HANDLE	PER CAPITA WAGERING		
<b>THOROUGHBRED RACE MEETINGS</b>										
LOS ANGELES TURF CLUB . . . . . <small>SANTA ANITA, ANAHEIM</small>	12/26/84 - 4/22/85	89	5	2928253	\$ 531,091,571	32902	\$5967321	\$181	\$ 96,791,171	\$ 434,300,400
BAY MEADOWS RACING ASSOCIATION . . . . . <small>SAN MATEO</small>	12/26/84 - 2/4/85	31	5	313,472	66,063,396	10,112	2,131,077	211	12,112,552	53,950,844
PACIFIC RACING ASSOCIATION . . . . . <small>GOLDEN GATE FIELDS, ALBANY</small>	2/5/85 - 5/5/85	65	5	640,847	130,943,321	9859	2,014,513	294	24,457,133	106,486,188
HOLLYWOOD PARK OPERATING CO. . . . . <small>HOLLYWOOD PARK, INGLEWOOD</small>	4/24/85 - 7/22/85	67	5	1,722,294	367,573,583	25,706	5,486,173	213	69,065,149	298,508,434
TARFORAN RACING ASSOCIATION . . . . . <small>GOLDEN GATE FIELDS, ALBANY</small>	5/8/85 - 6/23/85	35	5	365,605	76,223,303	10,446	2,177,609	208	14,245,765	61,975,538
DEL MAR THOROUGHBRED CLUB . . . . . <small>DEL MAR</small>	7/24/85 - 9/11/85	42	6	830,615	150,115,233	19,777	3,574,172	181	27,623,582	122,491,651
TARFORAN RACING ASSOCIATION . . . . . <small>BAY MEADOWS, SAN MATEO</small>	9/17/85 - 10/14/85	21	5	176,442	35,878,497	8,402	1,708,500	203	6,556,058	29,322,439
OAK TREE RACING ASSOCIATION . . . . . <small>SANTA ANITA, ANAHEIM</small>	10/2/85 - 11/1/85	32	5	858,652	157,504,086	26,833	4,922,603	183	28,567,176	128,936,910
BAY MEADOWS RACING ASSOCIATION . . . . . <small>BAY MEADOWS, SAN MATEO</small>	10/17/85 - 12/23/85	50	5	621,602	124,789,725	12,432	2,495,795	201	22,811,631	101,978,094
HOLLYWOOD PARK OPERATING CO. . . . . <small>HOLLYWOOD PARK, INGLEWOOD</small>	11/13/85 - 12/24/85	30	5	633,876	135,851,498	21,129	4,528,381	214	25,478,021	110,373,477
<b>TOTALS</b> . . . . .		<b>462</b>		<b>9,091,658</b>	<b>\$1,776,034,213</b>	<b>19,679</b>	<b>\$3,644,230</b>	<b>\$195</b>	<b>\$327,708,238</b>	<b>\$1,448,325,975</b>
<b>HANNESS HORSE MEETINGS</b>										
WESTERN HANNESS RACING ASSN . . . . . <small>HOLLYWOOD PARK, LOS ANGELES</small>	1/13/85 - 4/27/85	74	5	383,325	\$ 60,454,848	5,180	\$ 816,957	\$158	\$ 13,100,998	\$ 47,354,850
CAL EXPO RACING ASSN . . . . . <small>SAN MATEO</small>	5/9/85 - 7/28/85	49	4	209,906	14,608,872	4,284	298,140	70	3,088,647	11,520,225
WESTERN HANNESS RACING ASSN . . . . . <small>LOS ANGELES</small>	8/16/85 - 10/19/85	48	5	272,018	42,190,985	5,667	878,979	155	9,200,358	32,990,627
<b>TOTALS</b> . . . . .		<b>171</b>		<b>865,249</b>	<b>\$ 117,254,705</b>	<b>5,060</b>	<b>\$ 685,700</b>	<b>\$136</b>	<b>\$ 25,389,013</b>	<b>\$ 91,865,702</b>
<b>QUARTER HORSE MEETINGS</b>										
HORSEMEN'S QUARTER HORSE ASSN . . . . . <small>LOS ANGELES</small>	12/25/84 - 1/15/85	19	5	106,844	\$ 15,363,679	5,623	\$ 808,615	\$144	\$ 2,936,226	\$ 12,427,453
MINISULA HORSE RACING ASSN . . . . . <small>BAY MEADOWS</small>	2/21/85 - 4/28/85	49	5	192,626	28,830,602	3931	588,380	150	5,458,465	23,372,137
LOS ANIMTOS RACE COURSE . . . . . <small>LOS ANIMTOS</small>	5/1/85 - 8/14/85	91	6	623,993	93,003,254	6,857	1,022,014	149	17,687,455	75,315,799
HORSEMEN'S QUARTER HORSE ASSN . . . . . <small>LOS ANIMTOS</small>	11/5/85 - 12/23/85	42	6	182,362	30,727,968	4,342	711,618	168	5,822,746	24,905,222
<b>TOTALS</b> . . . . .		<b>201</b>		<b>1,105,825</b>	<b>\$ 167,925,503</b>	<b>5,502</b>	<b>\$ 815,450</b>	<b>\$152</b>	<b>\$ 31,904,892</b>	<b>\$ 136,020,611</b>
<b>FAIR RACE MEETINGS</b>										
ALAMEDA COUNTY . . . . . <small>PLEASANTON</small>	6/25/85 - 7/7/85	13	7	134,486	\$ 19,557,297	10,345	\$1,504,407	\$145	\$ 3,824,301	\$ 15,732,996
SHERANO COUNTY . . . . . <small>VALLEJO</small>	7/9/85 - 7/21/85	13	7	110,282	15,450,663	8,483	1,188,513	140	3,033,501	12,417,162
SIERRA COUNTY . . . . . <small>SANTA FE</small>	7/22/85 - 8/4/85	13	6	130,624	15,431,935	10,048	1,187,072	118	2,983,009	12,448,926
SAN JOAQUIN COUNTY . . . . . <small>STOCKTON</small>	8/6/85 - 8/18/85	12	6	71,068	9,403,467	5,924	783,622	132	1,827,619	7,575,848
HUMBOLDT COUNTY . . . . . <small>FERRIS</small>	8/8/85 - 8/17/85	9	6	37,290	1,478,126	4,143	164,236	40	286,069	1,192,057
CAL EXPO & STATE FAIR . . . . . <small>SAN MATEO</small>	8/20/85 - 9/2/85	13	6	101,550	11,040,287	7,812	849,753	109	2,160,248	8,880,033
SAN MATEO COUNTY . . . . . <small>SAN MATEO</small>	8/31/85 - 9/14/85	13	6	111,191	21,584,757	8,553	1,660,356	194	4,226,998	17,357,756
LOS ANGELES COUNTY . . . . . <small>COMBIA</small>	9/12/85 - 9/29/85	18	7	264,840	45,029,323	14,713	2,501,129	170	8,806,466	36,222,851
FRESNO DISTRICT . . . . . <small>FRESNO</small>	10/7/85 - 10/20/85	13	6	106,755	8,247,590	8,211	634,330	77	1,006,051	6,641,539
CRATGE COUNTY . . . . . <small>CRATGE</small>	11-21/85 - 11/4/85	13	6	78,387	14,402,047	6,030	1,107,890	184	2,894,326	11,507,721
<b>TOTALS</b> . . . . .		<b>130</b>		<b>1,146,493</b>	<b>\$ 161,625,492</b>	<b>8,819</b>	<b>\$1,433,273</b>	<b>\$141</b>	<b>\$ 31,648,588</b>	<b>\$ 129,976,634</b>
<b>MIXED RACE MEETING</b>										
VALLEY RACING ASSN . . . . . <small>FRESNO</small>	5/3/85 - 6/17/85	27	4	84,328	\$ 11,868,117	3,123	\$ 439,560	\$141	\$ 2,423,299	\$ 9,444,818
<b>TOTALS</b> . . . . .		<b>27</b>		<b>84,328</b>	<b>\$11,868,117</b>	<b>3,123</b>	<b>\$439,560</b>	<b>\$141</b>	<b>\$2,423,299</b>	<b>\$9,444,818</b>
<b>TOTALS</b> . . . . .		<b>911</b>		<b>12,293,953</b>	<b>\$2,214,706,016</b>	<b>17,309</b>	<b>\$2,770,013</b>	<b>\$176</b>	<b>\$486,746,033</b>	<b>\$1,986,651,444</b>

ATTACHMENT I

"The Horse Racing Market in Oregon"  
Oregon, 1985

Bardsley & Haslacher, Inc.  
Marketing Research Consultants

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Appendix:

    The Questionnaires

INTRODUCTION

This is a report to the Oregon State Fair & Exposition Center on pari-mutuel horse racing.

The research was conducted and compiled by Bardsley & Haslacher, Inc., an independent and impartial research organization with offices in the Western United States.

Objectives

Purpose of the project was to. . . . .

- Identify the wagering individual, according to attitudes and demographic characteristics;
- Determine potential to create awareness and patronship of the Spring Racing Meet to be held at the State Fairgrounds;
- Assess the appeal of a Spring Racing Meet in Salem; and,
- Chart a strategy for broadening the pari-mutuel horse racing market.

Methodology

Two sample surveys were conducted to fulfill the objectives of the research. . . . .

- Cross-section sample of Oregonians; and,
- Sample of patrons attending the State Fair Horse Racing or Lone Oak Meets.

Cross-section Sample. Population for this survey consisted of residents of telephone households in 23 Oregon counties containing 80% of the state's population.

INTRODUCTION

Sample was a multi-stage probability type, consisting of 804 interviews conducted by telephone. The sample was stratified by county, and randomly selected at the household level, using systematic sampling procedures and random digit dialing (RDD+1) to remove biases from the sample resulting from lack of representation of unlisted or unpublished telephone numbers.

The unit of analysis was the attitudes and behaviors of the household spokesperson.

Interviewing for this study was conducted from October 4 to 15, 1985, under constant monitoring of an interviewer-supervisor. Calls were made between 5:00 p.m. and 9:00 p.m. on weekdays, 10:00 a.m. to 6:00 p.m. on Saturdays, and on Sundays from 12:00 p.m. to 8:00 p.m.

State Fair/Lone Oak Patrons. Population for this survey consisted of customers of the Oregon State Fair Horse Racing Meet during hours of operation on August 28 to 31, 1985, and attendees at the subsequent Lone Oak Meet on September 5 to 9, and October 3 to 5, 1985.

Sample was an accidental type, comprised of 301 interviews administered face-to-face near the Fairgrounds horse racing gates. An attempt was made to minimize bias by instructing interviewers to select respondents according to the following rigid procedure. . . . .

"Station yourself some place near the gate where there are people walking by as they exit. Make a 45 degree turn to the right, and then attempt to conduct an interview with the party closest to you. If this potential respondent is unavailable to be interviewed, take the next closest person. After you complete an interview, move to a different point near the gate and proceed in the same manner until you reach your quota."

Unit of analysis was the attitudes and opinions of horse racing meet patrons interviewed using this procedure.

## INTRODUCTION

### Sampling Variability

Surveys of the kind reported here are subject to variability due to sampling factors, and other possible sources of influence on their accuracy.

Sample results for the cross-section sample of 801 Oregon telephone households have a maximum sampling tolerance of 3.5%, plus or minus.

Results from the sample surveys of horse racing patrons are subject to sampling error, but it cannot be precisely calculated because the samples are non-probability types.

The reader should also be aware of other possible sources of error for which exact estimates cannot be made.

For example, different results might have been obtained from different question wording, and undetected flaws in the way the sampling and interviewing procedures were carried out could have a significant effect on the findings.

Good research practices tend to diminish the chances of such errors, but they can never be entirely ruled out. Bardsley & Haslacher, Inc., makes every attempt to carefully manage each stage of the research according to the highest standards of quality to ensure that all sources contributing to error in a survey are controlled.

Copies of the research instruments are appended to this report.

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HIGHLIGHTS OF FINDINGS

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HIGHLIGHTS OF FINDINGS

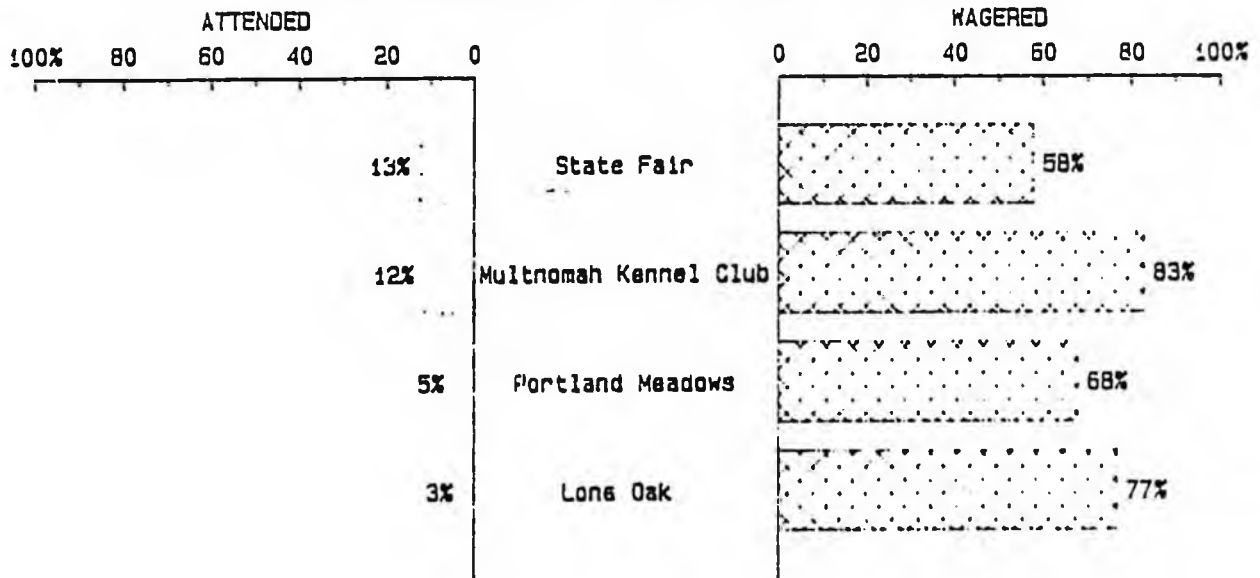
The Pari-mutuel Patron

Statewide incidence of attendance at major pari-mutuel events ranges from 13% of households at the Oregon State Fair Horse Racing Meet during the last three years to 3% at the September-October Lone Oak Meet.

Patterns of wagering range from 83% placing one or more bets at the Multnomah Kennel Club to 58% wagering at the State Fair Horse Racing Meet.

The lower frequency of betting at the State Fair Meet stems from the presence of visitors -- half those attending or more -- who are at the Fairgrounds primarily for the Fair, and only incidentally for Meet.

**INCIDENCE OF ATTENDANCE  
AND WAGERING AT MAJOR PARI-MUTUEL EVENTS  
IN OREGON DURING LAST THREE YEARS**



## HIGHLIGHTS

Following is a commentary on characteristics of pari-mutuel patrons during the last three years. The reader is referred to the Analysis of Findings, page 5, for a quantitative description. . . . .

### State Fair Horse Racing Meet

- Only about half (50%) are there strictly for the Meet, and an additional 25% have both the Fair and Meet on their minds. This means that the incidence of attendance just for the Meet is considerably less than the estimated 13%;
- An almost equal percentage come from the Willamette Valley (43%) and Tri-County (39%), with a sprinkling from other areas;
- Average age = 42 Years;
- Average income = \$25,652; and,
- Fans are about equally divided into the following occupations: professional-managerial, white-collar, retirees, and all other occupations, e.g., blue-collar, etc.

### Lone Oak Meet

- Relatively older (49 years, on average), but less affluent (\$20,233 yearly income before taxes);
- Twice as many in the grandstand come from the Willamette Valley (55%) than Tri-County (27%);
- Blue collar workers and retirees predominate, which is consistent with the more modest annual incomes reported; and,
- There is a higher incidence of men attending (73%) than for other pari-mutuel events.

## HIGHLIGHTS

### Multnomah Kennel Club

- Dog races have experienced the highest attendance among pari-mutuel events, once the State Fair figure is adjusted for attendees primarily there for the Fair;
- Kennel Club fans are overwhelmingly from the Tri-County. The State Fair & Lone Oak Meets do a better job pulling patrons to Salem than the Kennel Club or Meadows in attracting visitors from Willamette Valley;
- Overall, Kennel Club customers are a younger (40 years, on average), but more affluent group (\$28,478 annual income, on average);
- The grandstand at the Club is heavily salted with men (65% vs. 35%); and,
- Dog races attract a relatively larger share of blue-collar and white-collar types than the race meets in Salem.

### Portland Meadows

- Like the Kennel Club, Portland Meadows is primarily a Tri-County event, with a modest percentage attending from the Valley;
- These races attract a relatively younger (43 years, on average), more affluent customer (\$28,333 average income); and,
- The grandstand has a more even mix of men (55%) and women (45%), and is more heavily populated by professionals, blue-collar, and the retired.

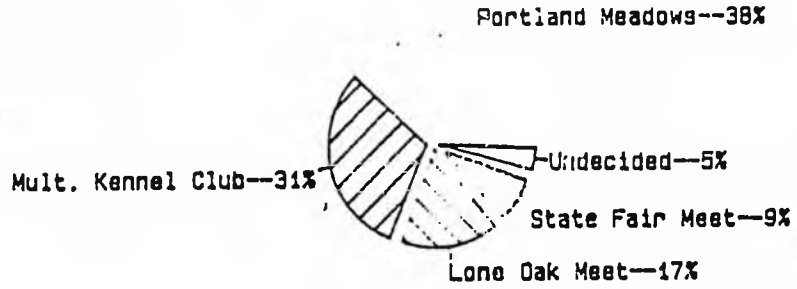
### Preferred Pari-mutuel Event

For those who sampled major pari-mutuel events in the state, the Meadows and Multnomah Kennel Club top the list in popularity.

This is shown in the chart on the following page. . . . .

HIGHLIGHTS

MOST POPULAR RACING EVENT



Rationale For Preferred Wagering Event

Fans preferring the Portland meets like them for the . . . .

- Better Facilities;
- Better Races; And,
- Better Wagering.

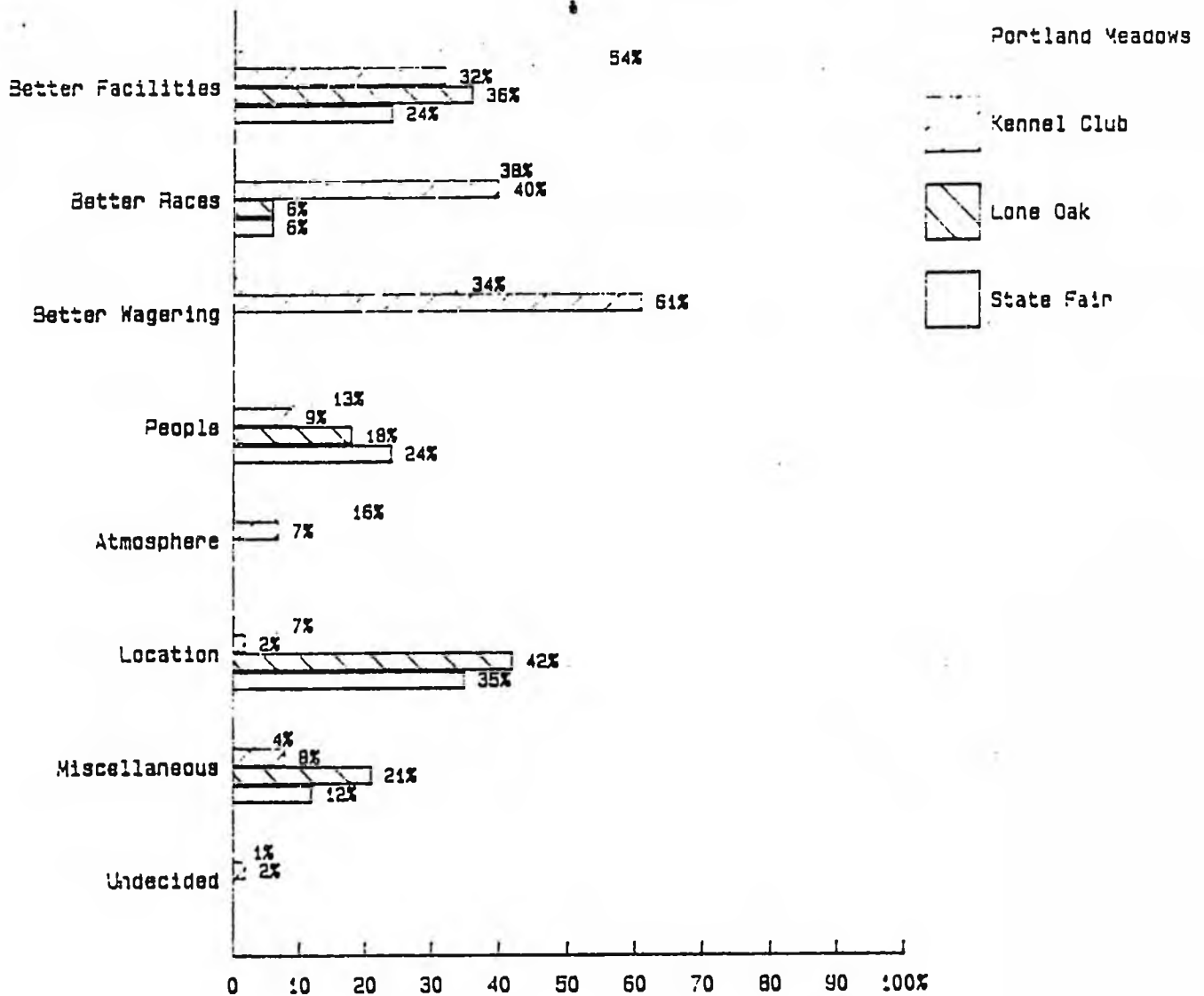
Rationales of patrons opting for the Salem events pertain mostly to the . . . . .

- Convenience Of Location; And,
- Quality Of The Crowd.

The full picture can be seen in the next chart. . . . .

HIGHLIGHTS

RATIONALE FOR PREFERRED PARI-MUTUEL EVENT



HIGHLIGHTS

Spending Trends At State Fair/Lone Oak Meet

The Salem Meets are characterized by the following  
spending patterns . . . . .

- Men spend more, on average, than women;
- The older the patron the more likely to spend money at the Meet, up to age 59. After that, spending trends down;
- Retirees spend the most at the races, followed by professional-managerial types, then blue-collar occupations;
- The higher the annual income, the more spent at the races up to \$34,000. At that point, the trend levels off; and,
- Fans from the Tri-County who visit the races in Salem spend substantially compared to attendees from the Willamette Valley.

Size of Market For Spring Salem Horse Racing Meet

There are two markets for the Spring Horse Racing Meet in  
Salem. . . . .

- Statewide Market. This consists of the market among households in the state that have one or more members who attended a pari-mutuel event during the last three years. There are two segments in this market:
  - \* Primary Segment, comprised of an estimated 6% of households in the state, who definitely or probably would attend the Spring Meet; and, the,
  - \* Potential Segment, composed of an estimated 14% of Oregon households indicating they might or might not attend the Spring Meet.

HIGHLIGHTS

Characteristics of each market segment are summed up below. .

- About an equal number of men and women can be found in each;
- (Median) average age in the primary segment is 45 years, while in the potential it is 41 years;
- A relatively larger percentage in the primary segment have gone no further than high school, while in the potential market there is a relatively larger percentage with some college;
- Those in the primary segment are less affluent, with an (median) average annual income of \$21,250 compared to \$23,035, on average, for potentials; and,
- In the primary segment, about twice as many are from the Willamette Valley, with a non-negligible percentage from the Coast, while in the potential segment the gap between Valley and Tri-County is not as wide.

There is also a market for the Spring Meet among current attendees at the State Fair and Lone Oak Meets.

Not surprisingly, there is much stronger interest in the Spring Meet among patrons already in the grandstand. Moreover, Lone Oak fans are more disposed to "sign up" than Fair Meet customers since most are mainly there for the races rather than the Fair.

This market consists of three segments. . . . .

- Primary Segment: Comprised of an estimated 43% of current attendees who would definitely be interested;
- Secondary Segment, constituting an additional 29% (estimated) who would probably attend; and,

HIGHLIGHTS

- Potential Segment, made up of 7% who might or might not be in the grandstands.

Patterns in the composition of this market are explained below. . . . .

- There are only modest differences between segments in the male-female mix;
- The younger the customer, the less likely to want to attend the Spring Meet. Average age in the primary segment is 43 years, in the secondary segment it is 39 years, while in the potential it is 29 years; and,
- There is a direct relationship between yearly income, on average, and intention to attend the Spring Meet -- larger the income the more likely to attend;

Creating Awareness & Participation Among Potential Patrons

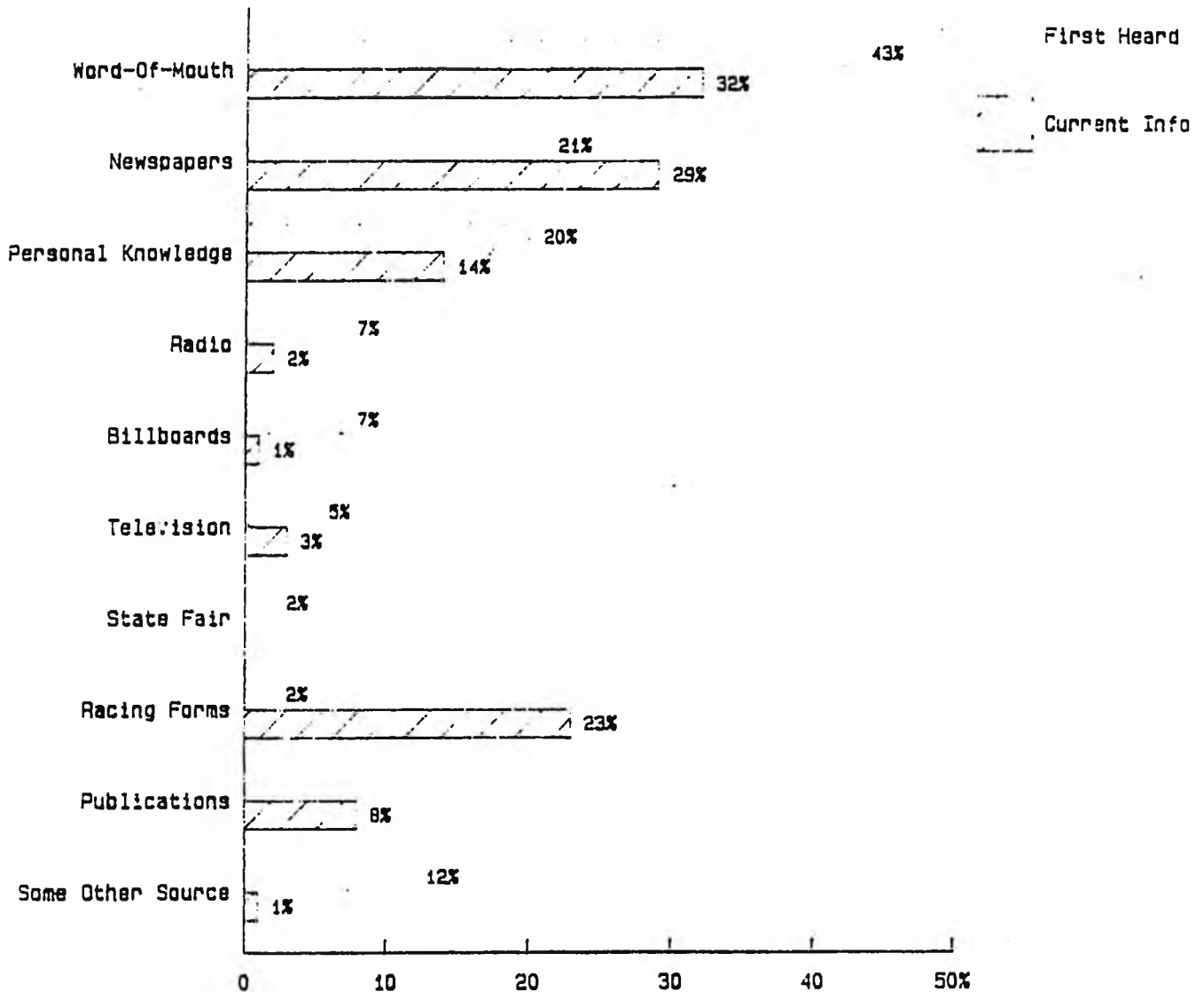
Newspapers and word-of-mouth are the primary means by which information about pari-mutuel events is diffused.

These two sources not only initially provide information to patrons, but continue to remain the primary means through which data about meets and horse races are acquired.

The chart on the next page illustrates this point. . . . .

HIGHLIGHTS

SOURCES OF INFORMATION ABOUT RACES  
AMONG CURRENT PATRONS AT SALEM MEETS



HIGHLIGHTS

The problem this presents for creating awareness and customership at race meets is that newspapers cover the entire demographic spectrum, and are not an efficient means to communicate with a highly targeted group, like race fans.

Communications via word-of-mouth also present marketing challenges because it is difficult, costly, and time consuming to intervene in a "system" that spreads information about horse racing via word-of-mouth.

Television, radio, and other channels to consumers play a very modest role.

Suggested Strategy For Broadening The Potential Market

The following is an outline of a suggested strategy for broadening the market for the Spring Racing Meet. . . . .

-- The two markets for the Spring Meet -- statewide and current attendees at Salem races -- should be approached in a coordinated fashion.

-- Major channels to the statewide market are newspapers and word-of-mouth.

-- Priorities for target groups might be Willamette Valley retirees, blue-collar workers, and professionals.

Coastal residents in the same occupational categories are also worth considering rather than Tri-county consumers because the Meadows would not be as strong a factor in the Coastal marketplace.

-- Building salience of the Meet should be viewed as a process that should begin well in advance of the event. Tasks to be accomplished in chronological order are. . . . .

HIGHLIGHTS

- \* Create awareness through simple messages identifying the Spring Meet;
- \* Move to providing knowledge about the Meet, e.g., dates, times, location, etc.
- \* Stimulate interest with such messages as. . . . .

"Chance To Win Money"

"There Is Excitement In The  
Fast Action Of The Horse Races"

"The Beauty Of Animals  
Bred For High Performance"

"The Enjoyment & Entertainment  
Of The Horse Races"

- Besides newspapers, the word-of-mouth system should also be accessed through contact with opinion makers in pari-mutuel industries e.g., jockeys, breeders, industry suppliers, and others, to spread the same messages over an extended period of time.
- Beyond the statewide market is the market among fans who have already attended either the State Fair or Lone Oak. Interest is high in this group.
- However, it is highly targeted, presenting problems of accessibility due to its spread across the demographic spectrum. Thus, we suggest building a direct mail list based on 1986 attendance at State Fair and Lone Oak Meets, using some kind of a drawing to obtain names and mailing addresses of attendees. Maintaining this list on a yearly basis will provide direct access to this important market.
- In addition, current customers of the Salem Meets will also be influenced by the information directed at the statewide market, as described above.

### HIGHLIGHTS

- Without facility renewal and renovation, the Spring Meet may tend to be subordinated to Portland Meadows Meet. The Meadows is preferred for its facilities, while the Salem grandstand has no comparable advantages.
  
- Thus, it is necessary to bring the grandstand and adjacent areas up to par, with appropriate structural and cosmetic improvements, and then to maintain the luster with a vigorous maintenance program.
  
- In addition, consideration should be given to making the experience of fans at the Salem Meet compare favorably to the Meadows, with appropriate food, drink, and entertainment.
  
- On that line, it would also be useful to consider that horse racing meets have a strong entertainment value. There is no other pari-mutuel facility in a more advantageous position to exploit this aspect than the Salem Fairgrounds, with its buildings and exhibit space. These can be used to build interest in horses among race fans, as well as to provide other entertainment.
  
- Next, attention should be given to experimenting with more intense promotion of the \$2 bet to cultivate the patronship of the "might or might not attend" segment among current customers. This group is characterized by a relatively lower income than those in the primary market.

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ANALYSIS OF FINDINGS

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THE OREGON PARI-MUTUEL PLAYER

It goes without saying that wagering is part of human nature. In one form or another, Oregonians, like everyone else, try and beat the odds.

There are two types of wagering. . . . .

- Unofficial: Informal, unsanctioned wagering we all engage in everyday; and,
- Official: Wagering that is legally sanctioned and formally carried out at sporting events.

Among friends and family, unofficial wagering goes on all the time. Although not usually for monetary gain, calculating the odds and wagering against them is commonplace.

There is an official wagering system, as well, centering around formal wagering events, like those held at the Portland Meadows, State Fairgrounds, Multnomah Kennel Club, and Oregon Lottery.

Attendance At Wagering Events

We estimate attendance by one or more members of Oregon households at major pari-mutuel events during the last three years to be. . . . .

- State Fair Horse Racing Meet = 13%
- Multnomah Kennel Club = 12%
- Portland Meadows Horse Racing Meet = 5%
- Lone Oak Horse Racing = 3%

### State Fair Horse Racing Meet

During the last three years, the State Fair Horse Racing Meet had the largest draw (13% of households).

However, not everyone in the grandstand is there for the races. One-half (50%) those attending the 1985 Meet indicate they are at the Fairgrounds mostly for the Fair.

The actual percentage at the Fairgrounds for the horse races is likely to be closer to 6%, in total.

Although attendees come mostly from the Willamette Valley (43%) and Tri-County (39%), there is a more even mix than at the Multnomah Kennel Club, Portland Meadows, or Lone Oak Meet.

Occupationally, race fans are divided between retirees (22%), professionals (26%), and white-collar types (22%).

(Median) average age is 42 years, while average income is \$25,652, which is somewhat lower than for players at the Portland Meadows, or Multnomah Kennel Club.

About half the attendees (58%) at the State Fair Meet wager on the races, which is on the low side compared to other pari-mutuel attractions. This should not be surprising, as many visitors doubtlessly drift over to see the Meet from the Fair in the next field, and are there to see the Meet along with the other Fair attractions.

### Lone Oak Meet

Compared to the State Fair Meet, just a fraction of Oregon households attended the races at the Lone Oak Meet during the last three years. But, with over three out of every four (77%) indicating they placed a bet, it is clear that fans are there for the horse racing action.

Another point of difference between the State Fair and Lone Oak Meets is that the latter has been less heavily patronized by race patrons from the Tri-County (27%).

The Lone Oak fan has been substantially older than his or her State Fair Horse Racing counterpart (age 49, on average, vs. 42 years for the Fair), and the grandstand is heavily populated by men (73% vs. 27%).

Furthermore, almost twice as many retirees have been attending the Lone Oak races than the State Fair (41% vs. 22%), and, notably, fans at Lone Oak are relatively less affluent, with a (median) average income of \$23,233 last year, before taxes.

#### Multnomah Kennel Club

The Kennel Club has had about as strong a draw as the Fair Horse Racing Meet during the last three years (12% vs. 13%), but in contrast to the Fair Meet, a far larger percentage have been players -- 83% placed a bet vs. 58% attending the State Fair.

The dog races have little "pulling power" outside the Tri-County. Patrons tend to be about two-thirds men (65%) to one-third women (35%), with a (median) average age of 40 years.

On the occupational spectrum, as with other pari-mutuel events, the Kennel Club more heavily attracts blue-collar players.

#### Portland Meadows

Patronage at Portland Meadows has been less than half that of the Kennel Club during the last three years -- 5% vs. 12%.

Like the Kennel Club, the Meadows draws heavily from the Tri-County (60%), with modest showings from the Willamette Valley (17%), and a non-negligible percentage from the Coast (13%).

There is a more even mixture of men and women at the Meadows (55% vs. 45%) compared to the Kennel Club where men are more prevalent.

Meadows patrons are neither the youngest nor oldest pari-mutuel players in the State, with an average age of 43 years.

The grandstand is more heavily salted with professional-manager types (25%), but also has a share of blue-collar workers (20%), and retirees (20%).

Despite the relatively affluent clientele -- \$28,333 (median) average income -- the incidence of wagering at the Meadows stands at about 68% -- lower than at the Kennel Club (83%), and more in line with Lone Oak (77%).

Please see the table below for the tabular findings. . . .

ATTENDANCE AT WAGERING EVENTS DURING LAST THREE YEARS:

(Please Read Down, Compare Across)

	<u>State Fair Racing Meet</u>	<u>Multnomah Kennel Club</u>	<u>Portland Meadows</u>	<u>Lone Oak Meet</u>
Attended. . . . .	.13%	12%	5%	3%
Wagered . . . . .	.58%	83%	68%	77%
Tri-County. . . . .	.39%	65%	60%	27%
Willamette Valley . . . . .	.43	18	17	55
Coast . . . . .	.7	6	13	10
Southern. . . . .	.6	2	5	4
Eastern . . . . .	.5	9	5	4
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Male. . . . .	.57%	65%	55%	73%
Female. . . . .	.43	35	45	27
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
(Median) Average Age:	42 Yrs.	40 Yrs.	43 Yrs.	49 Yrs.
College Complete. . . . .	.28%	31%	33%	36%
College Partial . . . . .	.38	25	30	29
High School Or Less . . . . .	.34	44	37	36
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
Prof/Manage/Owner . . . . .	.26%	17%	25%	9%
Clerical/Sales. . . . .	.22	20	15	14
Craft/Op/Serv/Labor . . . . .	.16	27	20	23
Housewife . . . . .	.6	6	13	4
Retired . . . . .	.22	19	20	41
Unemployed/Student. . . . .	.8	11	7	9
Total:	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
(Median) Average Income:	\$25,652	\$28,478	\$28,333	\$23,233

Attitudes Toward Pari-mutuel Events

Overall, race fans do not confine their customership to one pari-mutuel event.

About three-quarters of Lone Oak attendees (74%) indicate they patronized the Meadows and/or Kennel Club during the past three years.

On the other hand, among those attending the State Fair Meet, the crossover is not as high (49%) because many are not race fans, but there primarily for the Fair.

For customers who sampled the major pari-mutuel events in Oregon during the last three years, Portland Meadows is rated #1, followed by Multnomah Kennel Club.

Notably, the State Fair and Lone Oak Meets receive relatively fewer votes when pitted against Portland rivals. . . . .

MOST POPULAR RACING MEET:

---

	<u>8</u>
Portland Meadows. . . . .	38%
Multnomah Kennel Club . . . . .	31
Lone Oak Meet . . . . .	17
State Fair Meet . . . . .	9
Undecided . . . . .	<u>5</u>
 TOTAL:	 100%

---

Facilities are the primary reason for selecting the Meadows -- "better facilities," "bigger, faster track," etc.

For those preferring the Kennel Club, it is the "wagering" that makes the difference.

On the other hand, the primary rationale in choosing the Lone Oak or State Fair Meets is their location. Needless to say, this applies to fans in and around the Salem area.

Here are the rationales. . . . .

RATIONALE FOR PREFERRED PARI-MUTUEL EVENT:

	<u>Portland Meadows</u>	<u>Kennel Club</u>	<u>Lone Oak</u>	<u>State Fair</u>
<u>Better Facilities</u> . . . . .	.54%	32%	36%	24%
Like Facilities. . . . .	.31	10	18	6
Bigger, Faster Track . . . . .	.16	-	12	18
Cleaner. . . . .	-	15	-	-
Good Food & Drink. . . . .	.7	7	-	-
Free Admission & Parking . . . . .	-	-	6	-
<u>Better Races.</u> . . . . .	.38%	40%	6%	6%
Better Horses, Jockeys, Or Dogs. . . . .	.31	30	6	6
More Organized Races . . . . .	.7	10	-	-
<u>Better Wagering</u> . . . . .	.34%	61%	-%	-%
Higher Stakes. . . . .	.17	30	-	-
Smaller Bets (\$2). . . . .	.17	20	-	-
Better Odds. . . . .	-	11	-	-
<u>People.</u> . . . . .	.13%	9%	18%	24%
Nice Crowd . . . . .	.8	-	12	24
Less People. . . . .	-	-	6	-
Good Staff . . . . .	.5	2	-	-
Large Crowd. . . . .	-	7	-	-
<u>Atmosphere.</u> . . . . .	.16%	7%	-%	-%
<u>Location.</u> . . . . .	.7%	2%	42%	35%
<u>Miscellaneous</u> . . . . .	.4%	8%	21%	12%
Like State Fair. . . . .	-	-	6	6
Miscellaneous. . . . .	.4	8	15	6
<u>Undecided</u> . . . . .	.1%	2%	-%	-%
<u>TOTALS:</u> 1/	167%	161%	123%	101%

1/ Adds to more than 100% due to multiple mentions.

STATE FAIRGROUNDS RACING FACILITIES

In total, 80% are favorable toward the meets held at the State Fairgrounds facility. This high level of approval is pervasive, no matter which demographic or attitudinal group is singled out.

The "fun" offered by the races held at the Fairground is rated highest, while the food is scored lowest.

These are two of eight items race fans attending the Lone Oak or State Fair Meets were asked to evaluate. Ratings were made on a scale of 50, with 50 the highest or most complimentary mark and 10 the least favorable assessment.

Here is the full picture. . . . .

RATINGS OF STATE FAIRGROUNDS FACILITY:  
(Scale Of 50)

	<u>(Mean) Average Rating</u>
Fun Offered By Races. . . . .	41.2
Courtesy & Friendliness Of Race Staff . . . . .	41.2
Way Races Were Handled. . . . .	37.8
How Interesting Races Are . . . . .	37.5
Overall Quality Of Race Environment . . . . .	37.4
Wholesomeness Of People Attending Race Meet . . . . .	37.0
Cleanliness Of Spectator Areas. . . . .	35.5
How Good The Food Was . . . . .	<u>28.2</u>
 OVERALL (MEAN) AVERAGE RATING:	 37.0
<hr/>	
Sample Size:	(301)
<hr/>	

It is gratifying to find that the "fun offered by the races" is singled out for the highest praise. This is consistent with the finding in the next table, that horse racing is primarily viewed as a form of entertainment rather than a sport. . . . .

ATTITUDE TOWARD HORSE RACING:

	<u>8</u>
Entertainment. . . . .	.52%
Sport. . . . .	.29
Both . . . . .	.18
Undecided. . . . .	<u>.1</u>
 TOTAL:	 100%

---

Sample Size: (301)

---

Note that other areas also crucial to the success of a racing meet do not come in for as much praise. Although "cleanliness of spectators areas," and "how good the food was" are perceived to be important factors in a racing facility, these are two areas scored lowest on the scale (please see p. 7).

Paradoxically, food and cleanliness at the State Fair, right next door, have consistently been rated favorably by Fair customers.

WAGERING AT THE RACES

Not everyone who attends the races places a bet. The incidence of wagering varies from about 58% at the State Fair Meet to 83% at the Kennel Club.

Patterns of wagering at the races parallel trends in attendance. In other words, pari-mutuel players tend to be those who frequent the races most often. For example, men attend in greater numbers than women, and also wager more bets.

The most notable exception to this is in the Willamette Valley, where wagering is almost always out of proportion to attendance, as highlighted by the arrows in the table below. . . . .

PARI-MUTUEL WAGERING-ATTENDANCE DIFFERENTIAL:

(Please Read Across, Compare Down)

State Fair Meet

<u>Residence:</u>	<u>Wagered</u>	-	<u>Attended</u>	=	<u>DIFFERENTIAL</u>	
Tri-County . . . . .	.29%	-	39	-	-10%	
Willamette Valley. . . . .	.53%		43		+10%	<---
Coast. . . . .	.12%		7		+ 5%	
Southern Oregon. . . . .	3%		6		- 3%	
Eastern Oregon . . . . .	3%		5		- 2%	

Multnomah Kennel Club

<u>Residence:</u>	<u>Wagered</u>	-	<u>Attended</u>	=	<u>DIFFERENTIAL</u>	
Tri-County . . . . .	.64%	-	65	-	- 1%	
Willamette Valley. . . . .	.20%		18		+ 2%	
Coast. . . . .	5%		6		- 1%	
Southern Oregon. . . . .	1%		2		- 1%	
Eastern Oregon . . . . .	.10%		9		+ 1%	

Portland Meadows

<u>Residence:</u>	<u>Wagered</u>	-	<u>Attended</u>	=	<u>DIFFERENTIAL</u>	
Tri-County . . . . .	.52%	-	60	-	- 8%	
Willamette Valley. . . . .	.26%		17		+ 9%	<---
Coast. . . . .	.15%		13		+ 2%	
Southern Oregon. . . . .	-8%		5		- 5%	
Eastern Oregon . . . . .	7%		5		+ 2%	

PARI-MUTUEL WAGERING-ATTENDANCE DIFFERENTIAL: (CON'T)

Lone Oak Meet

<u>Residence:</u>	<u>Wagered</u>	<u>-</u>	<u>Attended</u>	<u>=</u>	<u>DIFFERENTIAL</u>
Tri-County . . . . .	.24%	-	27	-	- 3%
Willamette Valley. . . . .	.71%		55		+16% <---
Coast. . . . .	5%		10		- 5%
Southern Oregon. . . . .	-%		4		- 4%
Eastern Oregon . . . . .	-%		4		- 4%

Age tends to be associated with betting, as well. Betterers are slightly older than attenders, on (median) average. This can be seen by reviewing the differentials in the table below. . . . .

PARI-MUTUEL ATTENDANCE-WAGERING DIFFERENTIAL BY AVERAGE AGE:

	<u>State Fair Horse Racing</u>	<u>Multnomah Kennel Club</u>	<u>Portland Meadows</u>	<u>Lone Oak Horse Racing</u>
Wagered. . .	49 Yrs.	42 Yrs.	48 Yrs.	51 Yrs.
Attended . .	<u>42</u>	<u>40</u>	<u>43</u>	<u>49</u>
<u>DIFFERENCE:</u>	+7 Yrs.	+2 Yrs.	+5 Yrs.	+2 Yrs.

With a relatively older clientele wagering, it follows they should be more affluent, which is evident at the State Fair and Kennel Club, but not apparent at Portland Meadows or Lone Oak Meets, as seen in the next table. . . . .

PARI-MUTUEL ATTENDANCE-WAGERING DIFFERENTIAL BY (MEDIAN) AVERAGE INCOME:

<u>(Median) Average Income:</u>	<u>State Fair Racing</u>	<u>Multnomah Kennel Club</u>	<u>Portland Meadows</u>	<u>Lone Oak Racing Meet</u>
Wagered. . . . .	\$27,500	\$30,000	\$28,750	\$22,500
Attended . . . . .	<u>\$25,652</u>	<u>\$28,478</u>	<u>\$28,333</u>	<u>\$23,333</u>
<u>DIFFERENCE:</u>	\$ 1,848	\$ 1,522	\$ 417	-\$ 833

State Fair/Lone Oak Spending

Not surprisingly, there is about three times as much spending at the Lone Oak Meet than at the State Fair races.

Wagering is pervasive across all demographic groups. Among those who might be considered least able to afford it -- less than \$15,000 annual income -- three out of every four indicate they generally bet on the races.

On the other hand, understanding how to wager on different types of races is less widespread.

The (median) average amount spent at the races by State Fair Meet patrons is \$20.94, but considerably more is paid out by the Lone Oak fan -- \$37.10, on average.

Attitudes toward horse racing have some impact on wagering behavior. . . . .

- Among those who feel racing is entertainment, there is a stronger tendency to wager;
- But, fans believing horse racing is a sport tend to spend about \$10 more, on average, than those who feel it is primarily entertainment; and,
- Attitude toward racing -- sport or entertainment -- has little impact on understanding of how to bet.

These additional findings emerge. . . . .

- Men wager more, on average, than women;
- The older the patron, the more likely to spend more at the Meet, up to age 59. After that, spending trends down;
- Retirees tend to spend the most at the races, followed by professionals, and those in craft-operative-service-labor jobs;

-- The higher the annual income, the more spent at the races, up to \$34,000. After that, the trend levels off; and,

-- Fans from the Tri-County who visit the races in Salem spend substantially more compared to attendees from the Willamette Valley.

Findings illustrating these conclusions are shown in the table below . . . . .

SPENDING PATTERNS AT STATE FAIR HORSE RACING FACILITY:

	<u>% Who</u>	<u>(Median) Average</u>	<u>% Who</u>
	<u>Wager</u>	<u>Amount Spent</u>	<u>Understand</u>
			<u>How To Bet</u>
<u>Sex:</u>			
Men. . . . .	.84%	\$31.25	68%
Women. . . . .	.73%	\$25.82	49%
<u>Age:</u>			
18 to 29 Years Old . . . . .	.78%	\$20.81	57%
30 To 44 . . . . .	.80%	\$23.50	64%
45 To 59 . . . . .	.82%	\$35.50	71%
60 Years Old Or More . . . . .	.83%	\$33.00	61%
<u>Occupation:</u>			
Professional-Managerial. . . . .	.82%	\$31.25	
Clerical/Sales . . . . .	.88%	\$16.25	66%
Craft/Operative/Service/Labor. . . . .	.84%	\$30.75	63%
Housewife. . . . .	.57%	\$20.00	65%
Retired. . . . .	.86%	\$33.33	50%
Unemployed/Student . . . . .	.64%	\$18.75	62%
<u>Income:</u>			
Less Than \$15,000 Income . . . . .	.75%	\$20.20	57%
\$15,000 To \$24,000 . . . . .	.86%	\$25.50	58%
\$25,000 To \$34,000 . . . . .	.30%	\$34.64	65%
\$35,000 Or More. . . . .	.82%	\$32.14	71%
<u>Residence:</u>			
Tri-County Patron. . . . .	.81%	\$38.00	60%
Willamette Valley Patron . . . . .	.84%	\$24.81	63%

HORSE RACING AT THE FAIRGROUNDS

Attendance Patterns

Patrons of the 1985 meets at the Fairgrounds -- State Fair or Lone Oak -- are not "green horns" when it comes to the races.

- By a 93% to 7% margin, those in the grandstands attended a professional horse race in the past;
- In total, 37% at the State Fair Meet on a given day attended previously, and 58% planned to return again during the 1985 Meet. These percentages are even higher for Lone Oak -- 74% and 89%, respectively;
- Well over the majority at the 1985 State Fair and Lone Oak Meets attended in 1984.

Awareness Of Salem Meets

To determine the level of awareness of the Lone Oak Meet among State Fair patrons, respondents interviewed during the Fair were asked. . . . .

"On another subject, have you happened to have heard of any other horse racing meets in the Salem area, or not?"

This test of spontaneous awareness yielded a 10% identity quotient -- which is lamentably low.

To elicit the full awareness, an additional probe was put to patrons who previously replied incorrectly . . . . .

"Have you happened to have heard of the Lone Oak Meet held here in September and October, or not?"

A total of 54% replied affirmatively to this question, for a total awareness level of 64%. This is shown in tabular form on the following page, along with the same information about the State Fair Meet for Lone Oak patrons. . . . .

AWARENESS OF SALEM HORSE RACING MEETS:

(Please Read Across)

	<u>Spontaneous Awareness</u>	+	<u>Aided Awareness</u>	=	<u>Total Awareness</u>
State Fair Patron Awareness Of Lone Oak Meet. . . . .	10%	+	54%	=	64%
Lone Oak Customer Awareness Of State Fair Meet. . . . .	16%	+	78%	=	94%

Horse Racing Meet Impressions/Interest

Among State Fair and Lone Oak Meet patrons there has been considerable crossover. About three out of every four (76%) race fans at the Fair Meet have also been customers at Lone Oak. The comparable figure for fans at Lone Oak is 94%.

Both groups have strong compliments for the Meet they attended, as indicated in the next table. . . . .

OVERALL IMPRESSION OF RACE MEET:

	<u>Fair Meet Patron's Impression Of Lone Oak</u>	<u>Lone Oak Patron's Impression Of Fair</u>
Very Favorable. . . . .	31%	27
Somewhat Favorable. . . . .	51	53
<b>TOTAL FAVORABLE:</b>	<b>82%</b>	<b>80%</b>
Not Too Favorable . . . . .	7	11
Not Favorable At All. . . . .	5	7
<b>TOTAL UNFAVORABLE:</b>	<b>12%</b>	<b>18%</b>
Undecided . . . . .	6	2
<b>TOTAL:</b>	<b>100%</b>	<b>100%</b>

State Fair patrons and Lone Oak fans that do not crossover between the two Meets -- relatively few in number -- claim the main reason is the location of the other Meet.

Here are some pertinent comments from questionnaires. . . . .

"Don't live in Salem so it isn't that convenient for us." "We live too far away." "It's a long drive from Portland." "Was not here at the time -- from Utah."

For State Fair Meet customers, there is also some sentiment that the "sport of kings" is not an avid source of interest.

Nonetheless, about half those who have never crossed over from the State Fair to Lone Oak, or vice versa would be interested in attending the companion meet.

Keep in mind when reviewing results in the next table that most race fans have at one time or another crossed over to the other meet, and the remainder, represented below, constitute a relatively small group . . . . .

INTEREST OF STATE FAIR OR LONE OAK PATRON IN ATTENDING COMPANION MEET:

	<u>Fair Meet Patron's Interest In Lone Oak</u>	<u>Lone Oak Patron's Interest In Fair Meet</u>
Very Interested. . . . .	10%	38%
Somewhat Interested. . . . .	34	10
<hr/>		
<b>TOTAL INTERESTED:</b>	<b>44%</b>	<b>48</b>
<hr/>		
Not Too Interested . . . . .	16	9
Not Interested At All. . . . .	38	33
<hr/>		
<b>TOTAL UNINTERESTED:</b>	<b>54%</b>	<b>42%</b>
<hr/>		
Undecided . . . . .	2	10
<hr/>		
<b><u>TOTAL:</u></b>	<b>100%</b>	<b>100%</b>

Spring Racing Meet

Come next year, there is to be a Thursday through Sunday meet at the State Fairgrounds, during April and May.

Interest in such a meet is strong, with almost three quarters (72%) of those already attending either the State Fair or Lone Oak Meets opting for the Spring event.

Looking at the statewide picture, on the other hand, just 6% of households express a likelihood of attending.

Here is the full picture. . . . .

INTEREST IN ATTENDING SPRING RACING MEET AT FAIRGROUNDS:

	<u>Oregon Households</u>	<u>State Fair/Lone Oak Attendees</u>
Definitely Attend. . . . .	1%	43%
Probably Attend. . . . .	5	29
<hr/>		
TOTAL LIKELY TO ATTEND:	6%	72%
<hr/>		
Probably Not Attend. . . . .	.25	10
Definitely Not Attend. . . . .	.55	11
<hr/>		
TOTAL UNLIKELY TO ATTEND:	80%	21%
<hr/>		
Undecided. . . . .	.14	10
<hr/>		
TOTALS:	100%	100%
<hr/>		
Sample Sizes:	(804)	(301)
<hr/>		

Statewide Market

There are two markets for the Spring Racing Meet. The first is the statewide market, while the second is the market among those already attending either the State Fair or Lone Oaks Meets.

The statewide market can be categorized into the . . . . .

- Primary Segment, which includes those who definitely or probably will attend in the Spring (6%); and,
- Potential Segment, constituting those who might or might not attend (14%).

Keep in mind that eight of every ten households express no intention of patronizing the event at the Fairgrounds.

Here are some observations on these market segments. . . . .

- About an equal number of men and women can be found in each;
- (Median) average age in the primary segment is 45 years, in the potential it is 41, while for those not in the market the average age is 48 years;
- A relatively large proportion in the primary segment have gone no further than high school, while in the potential segment there is a relatively larger percentage with some college;
- Those in the primary segment are among the least affluent, with an average annual income of \$21,250; and,
- In the primary segment, about twice as many are from the Willamette Valley, and a non-negligible percentage live at the Coast, while in the potential segment the gap between the Valley and Tri-County is not as large.

These findings are shown in the table on the next page. . . . .

COMPOSITION OF STATEWIDE MARKET SEGMENTS FOR SPRING HORSE RACING MEET:  
(Please Read Down, Compare Across)

	<u>Primary Segment</u>	<u>Potential Segment</u>	<u>Not In Market</u>
<u>Size Of Market Segment.</u> . . . . .	.6%	14%	80%
<u>Location:</u>			
Tri-County . . . . .	26%	32%	43%
Willamette Valley . . . . .	46	39	24
Coast . . . . .	16	9	7
Southern Oregon . . . . .	6	6	15
Eastern Oregon . . . . .	6	14	11
TOTALS:	100%	100%	100%
<u>(Median) Average Age.</u> . . . . .	.45 Years	41 Years	48 Yrs.
<u>(Median) Average Income</u> . . . . .	\$21,250	\$23,035	\$22,987
<u>Sex:</u>			
Male . . . . .	50%	53%	48%
Female . . . . .	50	47	52
TOTALS:	100%	100%	100%
<u>Occupation:</u>			
Professional/Managerial . . . . .	20%	23%	23%
Clerical/Sales . . . . .	10	12	15
Craft/Oper/Sales/Labor . . . . .	22	23	20
Housewife . . . . .	14	7	16
Retired . . . . .	24	24	19
Unemployed/Student . . . . .	10	11	7
TOTALS:	100%	100%	100%
<u>Education:</u>			
College Complete . . . . .	24%	28%	29%
College Partial . . . . .	24	35	28
High School Or Less . . . . .	52	37	43
TOTALS:	100%	100%	100%
<u>Residence Status:</u>			
Home Owner . . . . .	50%	67%	72%
Renter/Other . . . . .	50	33	28
TOTALS:	100%	100%	100%
<u>Sample Sizes:</u>	(50)	(113)	(641)

These two segments present the following marketing challenges. . . . .

- Primary Segment: Maintain the likelihood of attending the Spring Meet; and,
- Potential Segment: Strengthen the likelihood among those who might or might not attend.

Promoting the Spring Meet to the 80% who would probably or definitely not attend would be a costly endeavor and unlikely to produce results.

To sum up, if the strong intentions of the 6% in the primary segment to attend the Spring Meet can be maintained, and uncertain intentions of the 14% in the potential segment can be strengthened, the grandstand would probably be filled to capacity!

Market Among Current Race Patrons

A similar question was asked of patrons at the 1985 State Fair and Lone Oak Meets. . . . .

"There are plans for a meet here at the Fairgrounds in April and May of next year, on Thursdays through Sundays. How likely would you be to attend this meet -- definitely attend, probably attend, might or might not attend, probably not attend, or definitely not attend?"

Not surprisingly, there is much stronger interest in the Meet among patrons who are already in the grandstand -- in total 43% would definitely attend, 29% probably, 7% might or might not, and 21% would probably or definitely not attend.

Lone Oak patrons are much more disposed to "sign up" than Fair Meet customers -- 56% definitely and 28% probably would attend -- but a hefty percentage from the Fair Meet also express an interest -- 21% definitely and 29% probably.

There are three important market segments for the Spring Meet among those the races in Salem have already managed to attract. . . .

- Primary Segment, which is comprised of the 43% who would definitely attend;
- Secondary Segment, constituting an additional 29% who would probably attend; and, the
- Potential Segment that is made up of those (7%) who might or might not take in the Spring race meet.

Keep in mind, also, that 21% would be unlikely to attend, but this group is primarily composed of State Fair patrons who drifted over to the races during their day at the Fair.

The tasks with respect to each segment are similar to those previously described -- please see page 20.

Now, here are some observations on the composition of the market among current race patrons. . . . .

- The market segments differ only modestly with respect to the percentage of men and women;
- The younger the customer, the less likely to attend the Spring Meet. Average age in each segment is 43 years in the primary segment, 39 for the secondary segment, and 29 years in the potential segment;

From a marketing point of view, this means that ways have to be found to make the Spring Meet appealing to the younger race fan. This task is of special importance, because the younger patron is the race fan of the future;

- There is a direct relationship between yearly annual income and intentions to attend the Spring Meet. The larger the annual income, the more likely to attend; and,
- Entertainment value weighs more heavily with the secondary segment, while in the primary segment, entertainment and sports are more evenly mixed.

Here are the tabulations showing the composition of each market segment. . . . .

COMPOSITION OF MARKET AMONG CURRENT RACE PATRONS:

(Please Read Down, Compare Across)

	<u>Primary Segment</u>	<u>Secondary Segment</u>	<u>Potential Segment</u>	<u>Not In Market</u>
<u>Size Of Market Segment.</u> . . . . .	43%	29%	7%	21%
<u>Residence:</u>				
Tri-County . . . . .	17%	12%	30%	62%
Willamette Valley . . . . .	83	88	70	38
TOTALS:	100%	100%	100%	100%
<u>Interviewed At:</u>				
State Fair Meet . . . . .	18%	38%	57%	64%
Lone Oak Meet . . . . .	82	62	43	36
TOTALS:	100%	100%	100%	100%
<u>Attitude Toward Races:</u>				
Sports . . . . .	33%	21%	33%	29%
Entertainment . . . . .	44	63	48	65
Both . . . . .	23	16	19	6
TOTALS:	100%	100%	100%	100%
<u>(Median) Average Age:</u>	43 Yrs.	39 Yrs.	29 Yrs.	41 Yrs.
<u>(Median) Average Annual Income:</u>	\$29,000	\$22,930	\$20,000	\$28,683
<u>Sex:</u>				
Male . . . . .	75%	70%	76%	72%
Female . . . . .	25	30	24	28
TOTALS:	100%	100%	100%	100%
<u>Occupation:</u>				
Professional/Managerial . . . . .	22%	21%	19%	23%
Clerical/Sales . . . . .	13	13	14	14
Craft/Oper/Serv/Labor . . . . .	33	36	29	25
Housewife . . . . .	5	3	-	8
Retired . . . . .	18	18	5	16
Unemployed/Student . . . . .	9	9	33	14
TOTALS:	100%	100%	100%	100%

Rationale For Not Attending

Those unlikely to attend the Spring Meet have four rationales, as illustrated in this selection of replies, taken at random from major comment categories. . . . .

- Location (28%): "I live in Seattle."  
"We wouldn't come that far." "Might not be in the area in the Spring." "Live in Portland, go to races there." "If I were visiting, I would. If not, I wouldn't."
  
- Other Meets Better (18%): "I like the Meadows better." "Races at Meadows are still better." "Races at Meadows are still running through April." "I like Portland dog races best." "Not a good idea to run them at the same time as Portland Meadows."
  
- Not A Racing Fan (16%): "We're not that big a racing fan." "I don't particularly care for races." "Just don't like the horses."
  
- Time Conflicts (12%): "Too busy then with other things I do." "I don't go often to the races, and don't know what I'll be doing." "Because of school, I may be working or something."
  
- Other Rationales Individually Constitute Less Than 10%.

COMMUNICATING WITH FANS

Statewide Communications

Information about racing events in the state is diffused through relatively few channels -- primarily newspapers and word-of-mouth.

The problem this presents for promotion of a racing meet is that newspapers cover the entire demographic spectrum, and are not an efficient means to communicate with a highly targeted group, like race fans.

Communications via word-of-mouth also present challenges to marketing because it is difficult, costly, and time consuming to intervene in the "system" that spreads information about horse racing via word-of-mouth.

Television, radio, and other channels to consumers play a very modest role, as seen in the next table . . . . .

SOURCES OF INFORMATION ABOUT PARI-MUTUEL EVENTS:

	<u>Portland Meadows</u>	<u>Multnomah Kennel Club</u>	<u>State Fair Meet</u>	<u>Lone Oak Meet</u>
Newspapers. . . . .	.43%	39%	49%	41%
Word-Of-Mouth . . . . .	.43	38	28	41
Television. . . . .	.5	7	11	9
Publications. . . . .	.5	4	6	9
Personal Knowledge. . . . .	.5	5	2	5
Radio . . . . .	.3	6	4	5
Billboards. . . . .	-	4	5	-
Other . . . . .	.8	9	11	5
Undecided . . . . .	<u>.3</u>	<u>2</u>	<u>4</u>	<u>5</u>
<u>TOTALS:</u> 1/	-- 115%	114%	120%	120%

1/ Adds to more than 100% due to multiple comments.

Sources Of Information For State Fair/Lone Oak Patrons

Two communications questions were asked of patrons at the 1985 Salem racing events. First, . . . . .

"Where did you first hear about the State Fair/Lone Oak Meet?"

Next, . . . . .

"Where do you get most of your information about horse racing meets and races?"

The table shows that at the initial stage of attracting respondents, word-of-mouth and newspapers are most important, but once at the track, not surprisingly, the racing form adds an additional informational input. . . . .

SOURCES OF INFORMATION ABOUT RACES AMONG CURRENT PATRONS AT SALEM MEETS:

	<u>Where First Heard About Races</u>	<u>Source Of Current Information</u>
Word-Of-Mouth. . . . .	43%	32%
Newspapers . . . . .	21	29
Personal Knowledge . . . . .	20	14
Radio. . . . .	7	2
Billboards . . . . .	7	1
Television . . . . .	5	3
State Fair . . . . .	2	-
Racing Forms . . . . .	2	23
Publications . . . . .	-	8 <sup>1/</sup>
Some Other Source. . . . .	12	1
Undecided . . . . .	<u>1</u>	<u>-</u>
<u>TOTALS:</u>	120%	113%

<sup>1/</sup> This refers mostly to the program, and other miscellaneous publications where race meet information appears.

Horse Racing Messages

Beyond sources of information is the question of message content.

Statewide, among those who attended a pari-mutuel event there are four messages that would create the most favorable impression. . .

- "Chance To Win Money"
- "There Is Excitement In The Fast Action Of The Horse Races"
- "The Beauty Of Animals Bred For High Performance"
- "The Enjoyment & Entertainment Of The Horse Races"

The table below shows where these key messages would work best. . . . .

FIT BETWEEN HORSE RACING MESSAGES & POTENTIAL ATTENDEES:

<u>"Chance To Win Money"</u>	<u>"There's Excitement In The Fast Action Of The Horse Races"</u>
Men	Men & Women
25 To 34 Year Olds	25 To 34 Year Olds
Potential Fans With A High School Education, or Less	In All Educational Groups
Attendees In Craft, Operative, Service, And Labor Occupations	Among Professional & Blue Collar Workers
Middle Income Households	Middle To Middle-Upper Income Households
Tri-County	In Both The Tri-County & Willamette Valley

FIT BETWEEN HORSE RACING MESSAGES & POTENTIAL ATTENDEES: (CONT)

"The Beauty Of Animals  
Bred For High Performance"

"The Enjoyment & Entertainment  
Of The Horse Races"

Females  
  
24 To 44 Year Olds &  
Senior Citizens  
  
Fans With A High School  
Education Or Less  
  
Housewives and The Retired  
  
Among Less Affluent  
  
In The Tri-County &  
Willamette Valley

Both Men & Women  
  
25 To 54 Year Olds  
  
Those With A College Degree &  
Potential Fans With A High  
School Education Or Less  
  
In All Occupational Groups  
  
Among The More Affluent  
  
In Both The Tri-County &  
Willamette Valley

Message Content For Primary & Potential Market Segments

The most important messages to send to primary and potential market segments in the state would stress the "entertainment" value of the Spring Meet, followed by the "excitement" and "beauty" of the horses.

"Wagering" is down on the list. However, this must be evaluated with care because it may be considered a socially undesirable answer for some.

Specifically, the "entertainment value" means . . . . .

- Generalized, Unspecified Entertainment Value At Low Cost;
- "People Watching" Opportunities;
- Colorful Competition;
- How Jockeys Handle The Horses;
- Opportunities For Family Enjoyment Of The Sport;
- Horse Racing Takes Place Outdoors; And,
- The Chance To See Horse Riding Skills.

Full picture can be seen on the following page. . . . .

MESSAGES CREATING CLIMATE FAVORABLE TO ATTENDING HORSE RACING MEET:

	<u>Statewide</u>	
	<u>Primary Segment Messages</u>	<u>Potential Segment Messages</u>
<u>Entertainment Value</u> . . . . .	<u>64%</u>	<u>62%</u>
Unspecified Entertainment Value. . . . .	34%	27%
Chance For People Watching . . . . .	8	12
Colorful Competition . . . . .	6	10
Inexpensive Entertainment. . . . .	4	2
Outdoor Sport. . . . .	4	4
Good Showmanship . . . . .	4	4
Entertainment Of Meeting Jockeys . . . . .	2	2
Family Sport . . . . .	2	1
 <u>Horses.</u> . . . . .	 <u>56%</u>	 <u>47%</u>
Excitement Of Horse Races. . . . .	32%	28%
Beauty Of Horses . . . . .	24	19
 <u>Wagering.</u> . . . . .	 <u>30%</u>	 <u>26%</u>
Chance Of Winning Some Money . . . . .	24%	26%
Different Ways To Place Bets . . . . .	4	-
Can Learn To Be Good Loser . . . . .	2	-
 <u>Miscellaneous</u> . . . . .	 <u>4%</u>	 <u>4%</u>
 <u>Undecided</u> . . . . .	 <u>6</u>	 <u>13</u>
 <u>TOTAL:</u>	 <u>160%</u>	 <u>152%</u>

Horse Racing Format

Beyond the issue of what racing fans want to hear is what they want to see and do.

The best insight into this question comes from actual attendees at the State Fair and Lone Oak Meets.

-- In line with previous survey probing, the suggestion most frequently offered involves making the facilities more inviting. Patrons want:

- \* Better facilities;
- \* Better food and drink;
- \* More cleanlines ;
- \* A better atmosphere; and,
- \* An improved P.A. system.

Here are some illustrative comments. . . . .

"Enclose the stadium." "Enclose in glass to keep warmer." "Betting windows upstairs."  
 "Get bigger board like one at P.M."  
 "Improve stands." "Indoor seating." "Paint building and fix up inside." "Add clubhouse."  
 "Improve restrooms."

"Lower prices of beer." "Get OLCC to sell hard liquor." "Better food with more variety." "Improve food." "Put in nice restaurant." "Lower cost of food."  
 "More variety." "Set up more diversified snacks."

"Clean the place up." "Eliminate the trash, the drunks, etc." "Cleaner more attractive atmosphere." "More garbage cans." "Keep seats cleaner."

"Plants, flowers -- pomp and circumstance -- dress up the pace horses." "More of a family deal -- allow kids under 12." "Have music between races." "Get uniforms for staff like Portland Meadows." "Have racing club."

"P.A. system all garbled." "Get a better speaker system." "Improve loud speaker system."

Another area pegged for improvement is wagering . . . . .

"Go back to \$2 bets." "Lower wagers, others are cheaper." "Restore \$2 bets. We leave in the 7th because we can't spend more money."

"Some races are fixed." "Racing secretary should be heavy on honesty." "Think the jockeys hold back the horses."

"More payback on money put up for race."  
 "Higher money, higher payoff."

"Offer more money to owners." "Increase the purses." "Bigger purse for the horseman."

Finally, the horses and races cannot be overlooked, as indicated by suggestions of fans. . . . .

"The quality of ponies." "Improve the quality of horses and jockeys." Get rid of quarter horses and get more thoroughbreds." "Bring in a better quality horse." "Get more familiar horses and jockeys."

"More variety in the quarter horse races." "More thoroughbred races." "More horses in races for better odds." "A longer race is more interesting." "I would offer full fields." "Starting gates moved too much."

"Make races closer together." "Speed up length of time between races and run longer races." "Speed up post time." "Faster means to expedite bets. Lines are too long." "Get competent stewards to get race off on time."

"Enlarge the track." "Track is full of rocks." "Lengthen the straightaway." "Keep track in good condition." "Make a one mile track."

"Better access to see the horses before the race." "A little more time to see the horses on the run through." "Enlarge the barn areas." "If going to be scratched, not in paddocks during posting."

Please see the table on the next page for tabulation of these comments, and the full compendium of suggestions of racing fans in the appendix to this report. . . . .

SUGGESTIONS OF RACE FANS TO IMPROVE THE SALEM RACING MEETS:

	<u>8</u>
<u>Improve Facilities.</u> . . . . .	<u>45%</u>
Better Facilities . . . . .	19%
Better Food And Drink . . . . .	12
More Cleanliness. . . . .	7
Better Atmosphere . . . . .	6
Better P.A. System. . . . .	1
	↓
<u>Improve Wagering.</u> . . . . .	<u>37%</u>
Have \$2 Bets. . . . .	25%
More Winnings . . . . .	5
More Honesty. . . . .	4
Offer More To Owners. . . . .	3
 <u>Improve Horses &amp; Races.</u> . . . . .	 <u>33%</u>
Better Horses . . . . .	11%
More Variety In Races . . . . .	8
Speed Up The Time Between Races . . . . .	6
Improve Track . . . . .	6
Provide Access To Stable. . . . .	2
 <u>Races Are Okay As Is.</u> . . . . .	 <u>10%</u>
 <u>Do A Better Job Of Promoting Races.</u> . . . . .	 <u>8%</u>
 <u>Lower Admission Price</u> . . . . .	 <u>6%</u>
 <u>Miscellaneous</u> . . . . .	 <u>8%</u>
 <u>Undecided</u> . . . . .	 <u>10%</u>
 <u>TOTAL:</u>	 157% <u>1/</u>

1/ Adds to more than 100% due to multiple suggestions.

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RESPONDENT COMMENTS

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REASONS FOR PREFERRING STATE FAIR MEET  
(Keyed by age and occupation)

It's a better atmosphere and not as muddy. There's a better type of crowd.  
(30-44, Radio Station Manager)

You can't see the race at Portland Meadows -- just the finish line is all  
you can see. It's better here. (45-59, Housewife)

We live here and it's just easier to attend this race. (30-44, College  
Teacher)

I like to combine the race with seeing the exhibits. Also, they have a bar  
that's restricted to the race area and I like that. (45-59, Core Layer  
at Plywood Mill)

They have a few more quarter horse races here than at Portland. Usually  
there are more local people racing here than from far away. Smaller meets  
aren't as competitive so there are no horses from out of the area. (45-59,  
Driver/salesman for Beer Company)

I like the track better. It's easier on the horses. (30-44, Banquet Manager)

It's a more wholesome atmosphere overall. There's a real cross section of  
people here. (30-44, Steamfitter)

To me, this is the last stop for the horses. They have to perform here or  
retire. (45-59, Brick layer)

I like the people and the races are more fun. (18-29, Plywood Manufacture)

We live here, and the social possibilities are better, like meeting girls.  
Girls like horses better than they like dogs. (18-29, Mechanic)

They have less posts and better payoff. They don't try to rip you off with  
long shots. (30-44, Automobile Detailer)

REASONS FOR PREFERRING MULTNOMAH KENNEL CLUB  
(Keyed by age and occupation)

I like the dogs. (18-29, Reception Clerk)

The dogs are cleaner and cheaper. Also, we live in Portland. (60 or over, Retired Teacher)

The odds are better there. (60 or over, Retired Nuclear Technician)

I like them all, but the dogs are my favorite and it's close to home. (45-59, Unemployed)

Dogs move a lot faster and they seem to pay more when you win. (30-44, Grocery Clerk)

I prefer dogs to horses any day. (30-44, Pest Control)

Tickets are only \$2 at Multnomah Kennel Club and they're \$3 at the fair. It's a bull ring track at the fair, and I don't care for that. (30-44, State Social Worker)

We like dog racing best because we are more familiar with dogs, but we do enjoy horses, too. (45-59, Car Dealer)

It's so much cleaner than at the fair and the people are much nicer. The dog races feel like some place you would take your family. (30-44, Housewife)

I just like the faster races. (30-44, School Teacher)

The people are eager to bet and the time between races is faster. (30-44, Grocery Checker)

There's just more excitement, overall. (18-29, Grocery Checker)

We are dog owners and like to see dogs compete in a racing situation. (18-29, Dog Trainer)

You can win more money, plus it's nicer and it's warmer. (30-44, Salesman)

It's more of an event. There are more people, more show and more color. Also, it pays better. I think you need all of this -- it helps get the people going. (18-29, Student)

I like the fact that there are no jockies involved. (18-29, Student)

There are more races, \$2 bets and the time between races is shorter. (18-29, Deputy Sheriff)

I like the betting part of the dog races better, although I prefer watching horses run. I like the free passes to dog races. I wish they would do that with horses. (30-44, Mill Worker)

MORE REASONS FOR PREFERRING MULTNOMAH KENNEL CLUB

The payoffs are higher. (18-29, Unemployed)

The facility is clean, post time is on time, the food is more varied and it isn't as costly. (45-59, Teacher)

I prefer the dog races because there's less time between races and there's no jockey involved. (45-59, Retired U.S. Government Worker)

They don't have jockeys who stand up and pull the horse back, so he doesn't win. (18-29, Unemployed)

You don't have the human element so much -- no jockey to alter the race. (45-59, Truck Driver)

They don't play games at the dog races like they do here and at all horse races. (45-59, Employment Officer)

They have newer facilities. They've spruced them up and made it nicer. (30-44, Teacher)

I enjoy watching the dogs run and they pay better. (18-29, Student)

It's cleaner, nicer, warmer and they have a better payoff. (30-44, Phone Repairman)

The payoff is higher and I feel there's less control of the dogs because they don't have jockeys. (18-29, Advertising Display)

The payoff is better and it's a better crowd. (60 or over, Retired Grain Inspector)

The jockeys are crooked at Lone Oak. They have electrical shockers under their saddles. (30-44, Payroll Accountant)

They have \$2 bets and cheaper admission. Their payoff is better. (30-44, Cannery Worker)

The payoff is better (Trifecta betting) and more people attend. (45-59, Upholsterer)

It's cleaner and the races are held at a better time of the year. (45-59, Retired Army)

REASONS FOR PREFERRING LONE OAK MEET

(Keyed by age and occupation)

I like it because it goes on after the fair, when I'm enthused about seeing more of the horse races. (30-44, Administrative Assistant)

I like the smaller track. (45-59, Housewife)

I like it because my horses don't like to run on sand. (30-44, Horse Trainer)

We live in Corvallis, and it's closer to Salem than Portland. (45-59, Retired Maintenance)

It has free parking and admission. (30-44, Retired Navy)

It's closer to home -- just a 10 minute drive. (30-44, Post Office Clerk)

You get in free and the parking is free. (30-44, Gambler)

You are allowed to get to where the horses are and you can take anything in with you. (60 or over, Technician)

I like it because I win more often and it doesn't try to be "big time". (18-29, Salesman)

The ventilation is bad at Portland Meadows. It's too smokey and we're closer to home here at the fairgrounds. (45-59, Homemaker)

It's closer to home so I can come more often. (18-29, Office Manager)

It's cleaner and in the summer, it's even better. You can get to the horses. (30-44, Dentist)

It's closer to my home and the people are nicer. (60 or over, Retired)

We've won here, and we haven't won at the others. (18-29, Administrative Technician)

Portland Meadows is run so poorly and Lone Oak is run more professionally. (18-29, Bartender)

At Lone Oak, you can see what is going on. (60 or over, Retired Banker)

REASONS FOR PREFERRING PORTLAND MEADOWS

(Keyed by age and occupation)

The quality of horse and rider is a little better at Portland Meadows, plus it's closer to my home. (45-59, Parts Counter Sales)

It's a nicer, glassed-in grandstand. (45-59, Retired)

There's more money available to win, and there's a \$2 window. (30-44, Sales - Entertainment)

I don't like the fair crowd and the type of people that come during the fair, although it's improved during the Lone Oak Meet. (45-59, Custodian)

It's a better meet -- better quality of horses. (30-44, Logger)

I win more there than at Lone Oak. (18-29, Cannery Worker)

I race horses there, but mainly it's closer to where I live. (30-44, Division Manager in Private Industry)

Lone Oak is a "cowboy" track. They are more professional in Portland. (60 or over, Retired Professional)

It's a better run outfit and the quality of horses is better. (45-59, Farmer)

Competition of the horses is the big difference. They need more horses for better odds. (45-59, Housewife)

The facilities are nicer -- a better eating area, enclosed watching area and better food. (60 or over, Retired Bookkeeper)

I made money there, and the hospitality is great. People couldn't do enough for you. (18-29, Horse Trainer)

I've worked there for 25 years and I like horses better than dogs. (60 or over, Retired)

It's better and more exciting than Salem. It has more people. (30-44, Audio-visual Technician)

Facilities are better, the spectator area is enclosed and you don't get so cold as here at the fairgrounds. (45-59, Cook)

I like the way they run it. I like the \$2 bets and quenellas. (45-59, Pressman)

There's just a lot of action. Everybody really gets involved and there's a lot more betting. (18-29, Jockey)

It's closer to where I live and it's really easy to get in and out of. (65 or over, Mower Operator for City of Portland)

MORE REASONS FOR PREFERRING PORTLAND MEADOWS

Portland has more professional and larger events. (30-44, Truck Driver)

My father owns it. The state takes out less money, so you can make more money at Meadows. (18-29, Housewife)

It's bigger, nicer, roomier and there are more people. (18-29, Horse Groomer)

I like the drinks and it's enclosed in glass. (30-44, Housewife)

They run the races better and they have \$2 bets. (30-44, Newspaper Writer)

You can be indoors. (30-44, Building Inspector)

You can get in where it's warm. (18-29, Technician)

They have bigger races for higher stakes with better quality horses and grounds. (30-44, General Manager of Steel Company)

They have inside seating and tables and chairs. It's a more relaxed atmosphere and a much better setup. (45-59, Industrial Maintenance)

There are more people. It's a better environment with tables and chairs to sit down in and work your bets. (18-29, Groom)

I've never been to the dog races, but Portland Meadows is better and that's why I like it. (60 or over, Retired)

They have a better track. I like quarter horses. (45-59, Construction)

My dad owns horses, and it pays more at Meadows. (30-44, Shell Oil Purchasing Agent)

They operate faster. They don't spend as much time between races. (60 or over, Retired)

They have better facilities for the night races. The quality of the horses is better. (30-44, Carpenter)

They have better facilities -- cleaner restrooms and better lighting. It's a bigger track with better horses. (45-59, Printer)

It is the best track and I like the \$2 betting better. (60 or over, Retired Restaurant Operator)

The service people and cashiers are nicer. I like the layout of the track and the enclosed setting. (18-29, Housewife)

You can win more money. More people give me better odds. There is a larger variety of bets. (30-44, Farm Worker)

REASONS FOR NOT HAVING ATTENDED (LONE OAK) (STATE FAIR) MEET  
(Keyed by age and occupation)

I didn't know it was here. (18-29, Engineer)

I work so much of the time, I just didn't have the time to come. (60 or over, Truck Driver)

We don't bet and are not that interested in racing. (60 or over, Retired)

We don't live in Salem, so it isn't that convenient for us. (60 or over, Retired)

It's the busy time of the year for me. I wouldn't have time for horse racing. (30-44, Stage Hand for Entertainers)

I'm not a bettor. I just stopped in to watch. (30-44, Cabinetmaker)

I haven't been in town or had the opportunity before. (18-29, Student)

I'm not that interested. I mainly came because of the fair. (30-44, Accountant)

I haven't had a chance. I just moved here from Ohio. (18-29, Waitress)

It costs money. (30-44, Office Manager)

I didn't know it was here and it's a long drive from Portland. (30-44, School Teacher - Kindergarten)

You have to pay to get into the fairgrounds just to see the races, and I don't like that. (45-59, Retired Navy)

I won't go because you have to pay to get in. (60 or over, Technician)

I didn't know when it was held. (30-44, Farmer)

Our home base is Oklahoma, but we race horses all over the country and now that we have a winning horse, will probably race him at Lone Oak again. (18-29, Horse Trainer)

We live quite a way away from here and I'm not that great a race fan. (30-44, Saw Filer)

REASONS NOT INTERESTED IN ATTENDING (LONE OAK) (STATE FAIR) MEET  
(Keyed by age and occupation)

I live on the other side of the Cascades and the weather is a problem at that time of the year. (45-59, Logger)

We're not big racing fans. For us, it's just entertainment but we know so little about it. (30-44, Sales Manager for General Mills)

I won't attend because of the low payback on quenellas. (60 or over, Retired)

I have three kids and I couldn't bring them. I'd like to, and they want to come. (45-59, Unemployed Core Layer in Plywood Mill)

I don't bet on races, so I don't know much about them. We only go to the races because they're part of the fair. (60 or over, Retired)

We would be interested if our friend races. We don't know any of the horses or persons racing so don't find it that interesting. (45-59, Rancher)

I gave up horse racing years ago. Betting in general makes me nervous and up tight. I just wanted to show the family today. (30-44, Tree Service)

We don't come just for the horse race. They're not that entertaining and we don't bet anyway. Races are not our kind of entertainment. (45-59, TV Technician)

I won't come because it's outdoors. There is no inside seating and no heaters outdoors. It's cold out there. (60 or over, Retired School Teacher)

It was convenient while we were at the fair, but I would not come especially to see the races. (30-44, Accountant)

I like the fair along with it. If I get tired of the race, I can go see the fair. (30-44, School Teacher)

It costs too much money to get parked and into the races. (60 or over, Retired)

I won't go if I have to pay to get in. (60 or over, Technician)

It's too far to drive, plus, my wife wouldn't let me. (45-59, Pressman)

REASONS WOULD NOT ATTEND APRIL AND MAY RACING MEET

(Keyed by age and occupation)

I probably won't be in the area then. (30-44, Psychologist)

I live in Seattle. (45-59, Printer)

We're too involved in baseball at that time of the year. (45-59, Housewife)

I'll be too busy at that time with other things. (18-29, Woodworker)

I spend all my time fishing at that time of year. (30-44, Auto Parts Salesman)

I have no money to bet with. (18-29, Laundry Worker)

I'm not that interested in racing. I only do it at the fair. (30-44, Railroad Signalman)

It'll be too cold at that time of the year. (60 or over, Insurance Agent)

I only come because of the fair and everything combined with it. I would not come for the races alone. (30-44, Steam Fitter)

I probably won't remember it by then. I don't get a paper. (18-29, Insurance Clerk)

That's the same time horses are running at Portland Meadows. I don't think that's a good idea. (30-44, Self-employed)

The dog races are on that that time and I like them the best. (45-59, Unemployed)

The tickets cost \$3 and that's too much. (30-44, State Social Worker)

That's the time of year that I go fishing. (30-44, Salesman)

I'm fed up with horse racing--the poor payout. (45-59, State Employment Officer)

Longacres is open at that time. (30-44, Gambler)

I will be working at Longacres then. I would attend here before Portland Meadows, however. (18-29, Bartender)

Portland Meadows is running then and I like it better. Also, it's closer to home. (45-59, Auto Parts Salesman)

That's Portland's time and I'll be at the Meadows. (30-44, Division Manager)

SUGGESTED CHANGES TO IMPROVE THE MEET AT THE FAIRGROUNDS

(Keyed by age and occupation)

Offer more variety in the quarterhorse races -- not just 220 and 770.  
Enlarge the track. (30-44, Radio Station Manager)

Give us better access to see the horses before the race, other than just  
as they are posted. (30-44, Psychologist)

Improve the loudspeaker system -- you can't hear a thing. (45-59, Housewife)

Have it a little fancier by planting flowers. Dress up the pace horses  
like they do in Canada. (30-44, Registered Nurse)

Lower the minimum bet to \$2. (30-44, Farmer)

Publish something that explains the betting so everyone would have a  
chance to win. (18-29, Engineer)

Enclose the grandstand in glass to keep it warmer in winter. Bring back  
the \$2 bet. (30-44, Teacher)

Get more garbage cans so people don't have to throw everything on the  
ground. (18-29, Woodworker)

Get rid of the quarterhorses and get more thoroughbreds in here. (30-44,  
Salesman)

Raise the purse for the horseman. The people that have the horses and do  
all the work get the least money. (45-59, Horse Trainer)

Make the races longer. I think a longer race is more interesting and  
more fun to watch. (30-44, Salesman)

I'd lengthen the straightaway to make the track longer or make it for  
quarterhorses. That's more their normal distance. (45-59, Driver/Salesman  
for Beer Company)

Clean the place up and lower the cost of the food. (18-29, Auto Rebuilder)

A more pleasant atmosphere for watching the races would be great. How  
about a nice bar and restaurant? (18-29, Food Clerk)

I would like to see indoor seating with heat. We were cold. We wanted  
to see the races, but it was too cold by the track. We need more  
instructions to help me understand the race. (18-29, Therapy Aide)

I would have a commentary for fans to hear on what is happening. They  
should give out racing guides free. You can't always see what is happening.  
(18-29, Student)

MORE SUGGESTED CHANGES TO IMPROVE THE MEET AT THE FAIRGROUNDS

I would bring in a better quality of horse. (30-44, Student)

Don't have so much time between races and have some music while we wait. (60 or over, Insurance Agent)

Have more horses in each race. (30-44, Mill Worker)

Provide a better spectator area. Enclose it and dress it up a bit. (30-44, Woodworker/cabinetmaker)

I'd like to be given more information on the way they work the races. I don't know much about racing. (18-29, Chemical Cleaner)

Offer bigger purses to horse owners to get more horses in. Clean it up. Provide more trash containers and maybe enclose the clubhouse. (30-44, Banquet Manager)

I'd enclose the grandstands -- at least on the ends. Make the environment in the stands more comfortable for the betting public regarding seating and the like. Offer better food with more variety. (45-59, Housewife)

If the wager was dropped to \$2, I think there would be more bets. We would lose less money and it would be more fun. (18-29, Mechanic)

Start the races a little bit later -- like about 8:00. I don't get off work until 6:00. (18-29, Pharmacy Supply Salesman)

If it were up to me, I'd go back to the \$2 races. Separate the races from the fair so that we could afford to see the races every day. Keep the parking separate for the races. (45-59, Produce Merchandiser)

They're too tight with their passes. Give more of them out to get a better attendance. (60 or over, Horse Trainer)

Lower food prices. The track could be a little bit better. Add buggy races and make a bigger parking area. (18-29, Unemployed)

I like more mile races and fewer baby (2-year-old) races. (30-44, Cannery Worker)

Eliminate the kids on week nights. Serve better quality food and more variety. Provide softer benches and lower the bets to \$2. (30-44, Cook)

There should be more information on general betting, especially Trifectas and Exactas. (18-29, Waitress)

It seems to be more of a jockey race than a horse race. The jockey seems to hold a good horse back. I would like to see that change. (18-29, Insurance Clerk)

Explain what horse racing is to people that are unfamiliar. Give more information for people that don't know how to bet. (45-59, Housewife)

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APPENDIX

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The Questionnaires

Hello, my name is \_\_\_\_\_ from the Bardsley & Haslacher Research Center. I'm conducting a public opinion survey and would like to ask you a few interesting questions. Everything you say is strictly confidential, there will be no callbacks, and I PROMISE I'M NOT SELLING A THING.

1 - 1 Own First, may I ask if you own or rent the place  
 2 Rent or other in which you are now living?

4 - 1 Under 3 years Next, may I ask how long you have lived in the  
 2 3 - 9 years State of Oregon?  
 3 10 years or more

25 - On another subject, please answer "yes" or "no" according to whether you happened to attend any of the following events during the last three years. The first one is: (INT: READ EACH EVENT, STARTING WITH RED CHECKED ONE, AND CIRCLE ONE CODE NUMBER ON THE LEFT, BELOW)

ATTENDED			WAGERED	
YES	NO/DK		YES	NO/DK
1	2	(a) Portland Meadows Racing Meet	1	2
1	2	(b) State Fair Horse Racing Meet	1	2
1	2	(c) Lone Oak Horse Racing Meet	1	2
1	2	(d) Multnomah Kennel Club	1	2

25a- (IF ATTENDED ANY EVENT ABOVE ASK Q. 25a & 26 - ALL OTHERS SKIP TO Q. 27) Did you happen to wager any money on the race, or not? (CIRCLE CODE UNDER "WAGERED" ABOVE AT THE RIGHT)

26 - (IF ATTENDED ANY OF THE EVENTS ABOVE) Where do you get most of your information about (name event attended) -- from newspapers, TV, radio, word-of-mouth, billboards, publications, or someplace else? (INT: CIRCLE CODE FOR EACH EVENT LISTED BELOW THAT RESPONDENT HAS ATTENDED IN QUEX. 25)

<u>PORTLAND MEADOWS</u>	<u>STATE FAIR</u>	<u>LONE OAK</u>	<u>MULTNOMAH KENNEL</u>	
1	1	1	1	(a) Newspapers
2	2	2	2	(b) Television
3	3	3	3	(c) Radio
4	4	4	4	(d) Word-of-mouth
5	5	5	5	(e) Billboards
6	6	6	6	(f) Publications

Other (WRITE SOURCE IN SPACE(S) BELOW EVENT(S))

ASK OF EVERYONE

- 27 - 1 Sport  
2 Entertainment  
3 Equal/no difference  
12 DK
- Generally speaking, do you feel horse racing is more of a sport, or more entertainment?
- 

- 28 - Suppose you were talking to someone about horse racing. Regardless of whether you like horse racing, or not, what things could you tell them about horse racing that are FAVORABLE, and that might lead them to want to attend a horse race? Just the first one or two things that come to mind. (INT: PROBE TO DEVELOP A THOROUGH AND DETAILED ANSWER)

Anything else?

---

- 29 - 1 Definitely attend  
2 Probably attend  
3 Might or might not  
4 Probably not attend  
5 Definitely not attend  
12 DK
- There are plans for a horse racing meet at the State Fairgrounds in Salem in April and May of next year, on Thursdays and Sundays. Admission would be \$2.50. How likely would you be to attend the races on any of the days during this meet -- definitely attend, probably attend, might or might not attend, probably not attend, or definitely not attend?
- 

- 32 - 1 18 - 24  
2 25 - 34  
3 35 - 44  
4 45 - 54  
5 55 - 64  
6 65 or over
- Now, I have a list of age groups. As I read them off, will you please tell me which one best represents your age bracket?
- 

- 33 - 1 College - complete  
2 College - partial  
3 High school  
4 Grade or no schooling
- Would you mind telling me the last grade you completed in school?
- 

- 34 -
- May I ask your occupation, please? (INT: INCLUDE "HOUSEWIFE," "RETIRED," "STUDENT," ETC.)
- 

- 35 - 1 Yes  
2 No or DK
- Does any member of your immediate household belong to a labor union?
- 

- 36 - 1 Under \$12,500  
2 \$12,500 - \$14,999  
3 \$15,000 - \$19,999  
4 \$20,000 - \$24,999  
5 \$25,000 - \$34,999  
6 \$35,000 - \$59,999  
7 \$50,000 or over
- As I read some broad income groups, will you please stop me when I come to the one which closely represents your total household income for last year, before taxes? (Just your best estimate). (READ LIST)
-



OREGON STATE FAIR

LONE OAK MEET

- ① WEDNESDAY, 8-29-85 3 FRIDAY, 8-30-85 5 THURSDAY, 9-5-85 9 THURSDAY, 10-3-85  
 2 THURSDAY, 8-29-85 4 SATURDAY, 8-31-85 6 FRIDAY, 9-6-85 10 FRIDAY, 10-4-85  
 7 SATURDAY, 9-7-85 11 SATURDAY, 10-5-85  
 8 SUNDAY, 9-8-85

BH-52

BARDSLEY & HASLACHER, INC.

Time started:

082385

(INSTRUCTIONS: HELLO. MY NAME IS \_\_\_\_\_, AND I WONDER IF I COULD ASK YOU A FEW INTERESTING QUESTIONS ABOUT HORSE RACING AT THE FAIRGROUNDS? YOUR ANSWERS WILL BE KEPT STRICTLY CONFIDENTIAL AND WILL BE USED TO PLAN FUTURE MEETS HERE.)

- 1 - 1 First time Is this the first time you attended a professional horse race, or have you attended a professional horse race before?  
 2 Attended before  
 12 DK

(ASK THIS QUESTION FOR FAIR MEET ONLY, NOT LONE OAK MEET)

- 2 - 1 Attend the fair Was your main reason for coming to the fairgrounds today mostly to attend the fair, or mostly to attend the race meet? (INT: CIRCLE BOTH ONLY IF MENTIONED)  
 2 Attend the race meet  
 3 Both  
 12 DK

(ASK EVERYONE)

- 3 - 1 First day attended Is this the first day you attended this meet here in Salem, or have you attended on other days of this meet, as well?  
 2 Attended other days  
 12 DK

- 3a - 1 Yes Do you plan to return again to this meet on another day, or not?  
 2 No  
 12 DK

- 4 - On a scale of five, with five the highest rating, please rate each of the following items along the scale — 1,2,3,4 or 5? How about (INT: START WITH RED CHECK, READ ALL 8)?

5 4 3 2 1 DK

5 4 3 2 1 12 — (a) How good the food was (IF NECESSARY, SAY 1,2,3,4 or 5?)

5 4 3 2 1 12 — (b) Way they actually handled the races (IF NECESSARY, EXPLAIN THAT THIS REFERS TO POST-TIMES, CONDITION OF TRACK, TYPES OF WAGERS, ETC.)

5 4 3 2 1 12 — (c) Cleanliness of spectator areas

5 4 3 2 1 12 — (d) Courtesy and friendliness of race staff

5 4 3 2 1 12 — (e) Wholesomeness of people attending the meet

5 4 3 2 1 12 — (f) Fun offered by the races

5 4 3 2 1 12 — (g) Overall quality of the race environment

5 4 3 2 1 12 — (h) How interesting the races here are

- 5 - 1 Yes, attended Did you attend this horse racing meet at the fairgrounds last year, or not?  
 2 No, did not attend  
 12 DK

- 6 - 1 Yes, Portland Meadows (ASK Q. During the last three years, have you attended  
 2 Yes, Multnomah Kennel (6a, 6b) any of the racing meets at Portland Meadows  
 3 Both (ASK Q. 6a, 6b) or Multnomah Kennel Club in Portland, or not?  
 4 No (SKIP TO Q. 7)  
 12 DK (SKIP TO Q. 7)

6a - 1 (State Fair Meet)(Lone Oak Meet) (IF YES) Which of the meets do you like  
 2 Portland Meadows Meet the most — (State Fair Meet,) (Portland  
 3 Lone Oak Meet Meadows Meet,) (Lone Oak Meet), or  
 4 Multnomah Kennel Club (Multnomah Kennel Club?) [READ ONLY STATE  
 12 DK MEET OR LONE OAK MEET, AND OTHERS ATTENDED]

6b - Why do you like the (State Fair Meet) (Lone Oak Meet) (Portland Meadows Meet)  
 (Multnomah Kennel Club Meet) better? (PROBE TO DEVELOP A THOROUGH ANSWER)

NOW, GO TO Q. 7

7 - 1 Newspaper (WHICH?) Where did you get most of your information  
 2 TV (WHICH?) about horse racing meets and races? Where  
 3 Radio (WHICH?) else? Any other source?  
 4 Word-of-mouth  
 5 Billboards  
 6 Publications (WHICH?)  
 7 Someplace else (WHERE?)  
 12 DK

8 - 1 Sport Generally speaking, do you feel horse racing  
 2 Entertainment is more of a sport, or more entertainment?  
 3 Both (VOLUNTEERED) (CIRCLE BOTH IF VOLUNTEERED)  
 12 DK

9 - \$ \_\_\_\_\_ Amount Would you mind telling me about how much in  
 12 DK total you spent at the races today? (Please  
 exclude the amount you spent at other parts  
 of the fair.)

10 - 1 Yes, wager Do you generally wager on the races here, or  
 2 No, do not wager not?  
 12 DK

11 - 1 Excellent How would you rate your understanding of how  
 2 Good you wager for the different types of races —  
 3 Only fair excellent, good, only fair, or poor?  
 4 Poor  
 12 DK

12 - 1 Yes, correct (SKIP TO Q. 13) On another subject, have you happened to have  
 2 Yes, incorrect (ASK Q. 12a) heard of any other horse racing meets in the  
 3 No (ASK Q. 12a) Salem area, or not? (IF YES) What is the  
 12 DK (ASK Q. 12a) name of that meet?

12a- 1 Yes (ASK Q. 13) (IF DID NOT SAY LONE OAK OR STATE FAIR MEET)  
 2 No (SKIP TO Q. 16) Have you happened to have heard of the (Lone  
 12 DK (SKIP TO Q. 16) Oak Meet held here in September and October)  
 (state Fair Meet) or not?

- 13 - 1 Radio (IF YES ON Q. 12 or 12a, ASK) Where did you  
2 TV first hear about the (Lone Oak Meet) (State  
3 Newspaper Fair Meet)? From what source or sources —  
4 Word-of-mouth radio, TV, newspaper, word-of-mouth, bill-  
5 Billboard board, or some other source (SPECIFY?)  
6 Some other source (SPECIFY?) (CIRCLE AS MANY AS MENTIONED)

12 DK

NOW, GO TO Q. 14

- 14 - 1 Very favorable What is your overall impression of the (Lone  
2 Somewhat favorable Oak Meet) (State Fair Meet) — very favor-  
3 Not too favorable able, somewhat favorable, not too favorable,  
4 Not favorable at all or not favorable at all?  
12 DK

- 15 - 1 Yes, attended (SKIP TO Q. 17) Have you ever happened to have attended the  
2 No, not attended (ASK Q. 15a) races at the (Lone Oak Meet) (State Fair Meet)  
12 DK (SKIP TO Q. 16) or not?

15a- (IF NOT ATTENDED) Would you mind telling me why you haven't attended the (Lone  
Oak Meet)? (State Fair Meet)? (PROBE TO DEVELOP A THOROUGH & SPECIFIC ANSWER)

NOW, ASK Q. 16

- 1 Very interested (SKIP TO Well, how interested would you be in attending  
2 Somewhat interested (Q. 17) the (Lone Oak Meet) (State Fair Meet) held here  
3 Not too interested (ASK Q. 16a) at the Fairgrounds in (September and October)  
4 Not interested at all (ASK Q. 16a) (August and September). — very interested,  
12 DK (SKIP TO Q. 17) somewhat interested, not too interested, or not  
interested at all?

16a- (IF NOT INTERESTED) Would you mind telling me why you would not be interested?  
(PROBE TO DEVELOP A THOROUGH AND SPECIFIC ANSWER)

NOW, GO TO Q. 17

- 17 - 1 Definitely attend (SKIP TO Q. 18) There are plans for a meet here at the  
2 Probably attend (SKIP TO Q. 18) Fairgrounds in April and May of next year,  
3 Might or might not (SKIP TO Q. 18) on Thursdays through Sundays. How likely  
4 Probably not attend (ASK Q. 17a) would you be to attend this meet — definitely  
5 Definitely not (ASK Q. 17a) attend, probably attend, might or might not  
12 DK attend, probably not attend, or definitely  
not attend?

17a- Would you mind telling me why you would not definitely or probably attend the April  
and May Racing meet? Any others? (PROBE TO DEVELOP A THOROUGH ANSWER) What other  
reasons?

18 - Last, if you could play armchair general and run the horse racing meet here for a while, what changes would you make to improve this meet and make it more inviting to race fans? (PROBE TO DEVELOP A THOROUGH ANSWER)

---

Last, I have just a few questions to help classify groups of people by common characteristics. No one's single answers will ever be singled out.

19 - \_\_\_\_\_ Number Including yourself, how many in total in your party are attending the races here today?

20 - \_\_\_\_\_ Occupation What is your occupation? (INT: INCLUDE "HOUSEWIFE", "RETIRED", "STUDENT", ETC.)

21 - \_\_\_\_\_ City \_\_\_\_\_ County In what city and county do you now reside? (IF OUTSIDE OREGON, GET STATE)  
\_\_\_\_\_(STATE)

22 - 1 18 - 29  
2 30 - 44  
3 45 - 59  
4 60 or over Are you between 18 and 29, 30 to 44, 45 to 59, or 60 or over?

23 - I have some broad income brackets and wonder if you would tell me whether your total family income before taxes last year was above or below \$25,000?

(IF BELOW \$25,000)  
Was it above or below \$15,000?  
1 Below \$15,000  
2 Above (\$15,000 - \$24,999)

(IF ABOVE \$25,000)  
Was it above or below \$35,000?  
3 Below (\$25,000 - \$34,999)  
4 Above (\$35,000 or more)

24 - 1 A lot  
2 Quite a bit  
3 Only a little  
4 Hardly any at all  
12 DK Finally, do you play the Washington or Oregon State Lotteries a lot, quite a bit, only a little, or hardly any at all?

25 - 1 Male  
2 Female  
26 - 1 White  
2 Black  
3 Oriental  
4 Hispanic  
5 Other  
27 - 1 State Fair  
2 Lone Oak

TIME ENDED:

# Parimutuel wagering

FIFTEEN QUESTIONS ABOUT HB 32 AND PARI-MUTUEL WAGERING  
by Representative Larson

1. What is Pari-mutuel wagering?

Pari-mutuel wagering is a system of betting, which dates back to the mid 1800's. This type of wagering differs from typical gambling by virtue of the fact that the odds are not arbitrary. Pari-mutuel wagering occurs when all collective bettors pool their money together. The odds are then calculated systematically. The total amount wagered versus the individual bets, determines the total amount, which is divided among the winners.

2. What local support has there been for Pari-mutuel Wagering?

Both the cities of Palmer and Wasilla had an advisory proposition placed on the ballot of the October 7, 1986 general election concerning pari-mutuel wagering on certain horse races. (attachments)

The results in Palmer were 58.2% in favor of the concept of local option pari-mutuel horse racing. (In addition the Palmer Municipal code--chapter 3.32--addresses pari-mutuel wagering by virtue of city ordinance #321, dated August 13, 1985.)

The results in Wasilla showed 62% of the voters approved the concept. (In addition the City of Wasilla has Resolution on the books (W85-J-6) which supports the local option for pari-mutuel gambling.)

The Matanuska-Susitna Borough passed a resolution of support for state controlled, local option, pari-mutuel betting on 3/3/87.

3. What type of benefits will Pari-mutuel racing provide?

The most obvious benefit, initially, would be the generation of the racing business itself by the private sector. Infrastructure, such as breeding, training, and racing facilities will be an incentive for the construction industry. Additionally, racing will create a destination and accompanying services for the tourism trade. This business is a natural spin-off of our historical and agricultural heritage.

Clearly an obvious benefit would be the added state revenue, after the racing commences. The income will come painlessly to the state without burdening the taxpayer. The amount of revenue depends on the frequency of the events authorized by the commission.

4. Is pari-mutuel racing legal elsewhere?  
Currently 36 states allow the pari-mutuel betting system for either horses, dogs or both.
5. What is the development scenario for Pari-mutuel racing?  
After the local endorsement of the voters, preparation time could be six months to several years, depending on the level of development. A racing season might be for approximately 10 weeks, with both the Alaska and Tanana Fairs as the more competitive exhibitions. As participation increases, so would the growth.

Pari-mutuel professionals tell us that an average scenario would include typically eight races a day, with eight entries per field. Estimates indicate that 270 animals would be required for a successful start-up.

The most important thing about this type of racing is the controlled conditions which will guarantee the integrity of the race. Sophisticated racing equipment would be rented from outside; this is very normal procedure elsewhere, where racing is on a similarly small scale.

6. What is the fiscal note for HB 32?  
Our expectation for the fiscal note is relatively small, based on the assumption that this is a 10 week season. The Commission will be providing the initial professional expertise. One and sometimes two staff persons will assist (part-time) in the preparation of regulations, public hearings, and paperwork. Based on the development of races and facilities, the employment requirements would follow the same growth curve.
7. Will team dog racing compete with existing dog races in Alaska?  
No. In fact, the Alaskan Musers feel it would be good for their sport as well. Dog team races would probably occur in the summer when similar training occurs anyway. A team of dogs would use the same racing facility, only under slightly different track conditions. Naturally horses and dogs would not race at the same time.
8. What is the role of the Racing Commission?  
The Commission will regulate racing and pari-mutuel racing. Their wide range of regulatory responsibilities are outlined clearly in the bill, including their specific enforcement powers regarding prohibited acts and penalties.

The Commission shall adopt regulations; appoint officials; supervise and distribute the pool; ascertain standards for veterinaries, equipment, audits, and other related matters; license races; inspect racetracks and animals; establish dates, durations, locations, fees; account for all records, collections and disbursements; hire staff; compel witnesses; and appoint hearing officers.

9. Has there been Pari-mutuel Legislation introduced in Alaska before?

Pari-mutuel legislation was introduced in the 10th, 11th, and 12th Legislative sessions. It passed the house in the 10th session, but died in the Senate. In both the 11th and 12th Legislative sessions the proposed legislation was never considered by the first committee of referral.

10. How is CSHB32 different from the earlier Pari-mutuel legislation?

Prior legislation did not require a majority municipal referendum nor did it require a municipal permit.

11. How is para-mutuel wagering different from other games of chance and contests of skill?

Oversight and regulation is much greater. The complexities of the wagering system and accompanying safeguards were built into it purposefully.

CSHB 32 legislates pari-mutuel guidelines which will disallow abuse. (A "totalisator" is used which is an especially designed electrical device which calculated the bets and determines the winnings--according to the odds.) The regulatory nature of the Commission coupled with the required, sophisticated equipment enhance the pari-mutuel system to offset tampering and to ensure security for the establishment and the bettor.

12. What is a "typical participant" in pari-mutuel wagering?

Studies have shown that participants are generally white collar workers with one or more years of higher education and an income of \$35,000 or more. Achievers (loosely defined as managers, administrators, business or government leaders, educators or politicians) are common participants in pari-mutuel racing.

13. How would this system affect the non-participants?  
It wouldn't, except by choice. First, it would have to be a local decision to allow pari-mutuel wagering within the municipality. Sec. 05.40.120 requires a municipality to have a majority referendum authorizing pari-mutuel racing. Sec. 05.40.120 requires a public hearing before issuance or renewal of a license.

Secondly, and more importantly, it would be an individual choice to partake in wagering. The vulnerability of an individual can not be regulated. Article 3 prohibits a person under the age of 18 to use the pari-mutuel system.

14. How have other states benefited from pari-mutuel wagering?  
Other states have benefited by revenues to the general fund, tourism potential, animal sales, construction and real estate purchases (some states constitutionally allow dedicated funds and many specific groups have benefited--such as capital improvement projects, school systems, or rehabilitation).

Texas, another state financially hurt from declining oil revenues, has just recently approved a pari-mutuel racing bill which will allow a statewide referendum regarding the issue. A co-sponsor estimates that if pari-mutuel wagering is approved, the state's general fund will benefit to the tune of \$110 million by 1991.

15. Who would be the monetary beneficiaries?  
The licensee (usually a privately owned track) makes money by taking 15% of the pool. This figure is set high at the beginning, so as to allow for a quicker return on the private investment.

The state, which establishes the Commission, also takes a percentage equalling 10% of the pool. In addition the state is the recipient of all licensing revenue and can collect up to \$1.00 of the admission tickets.

The entrants would receive 10% of the pool respectively in the form of purse money.

The participants who have the "winning tickets" share the remaining 65% of the pool.

The municipality would be able to tax the property and collect a portion of the admission and concession fees, resulting in local revenue.

# Horse Racing At The Fair



TRIPLE TUFF leads the field in one of last year's races at the new Alaska State Fair race track south of Palmer.

Riding is Bobby McCarthy Jr. Triple Tuff is now owned by Len and Marsha Melton.

## Photo Finish At State Fair

Nearly 1,000 people gathered at the Alaska State Fair race track in Palmer over the weekend to watch 22 horses charge across the finish line with one race so close only the photo finish camera could tell the winner. Great interest has generated among the crowd in racing.

Friday night the 220 winner was Pow Wow Gidget owned by Ellis Enterprises and ridden by Dana Richmond; second Thanks Doc, owner Jinx Coster, jockey Sissy Melton; third was Dungaree ridden by Steve Clark and owned by Dennis Clark. In the 350, Doc won over Pow Wow Gidget.

The 440 saw Babe's Twig owned and ridden by Cecil Premus take the race with Triple Tuff owned by Len Melton, ridden by Hoot Melton, hot on his heels and Moon's Hotshot, Ellis Enterprises and jockey Dana Richmond taking third. Just a Bird and Mac's Little Kid also ran.

General Bars ridden by Bob McCarthy, owner Dennis Clark, won over Nile Queen ridden by Kris Koelman, owned by Emmett Roelman. Both are thoroughbreds.

An exciting cow pony race

with eight entries had only a third place winner, Danny owned and ridden by Kelly Wilson. The first and second place animals were disqualified for fouls.

Outstanding weather contributed to standing room only for Saturday afternoon racing. Pow Wow Gidget took Thanks Doc and Ragged Ann owned by Esther Erikson and ridden by Terry Erickson in the 220.

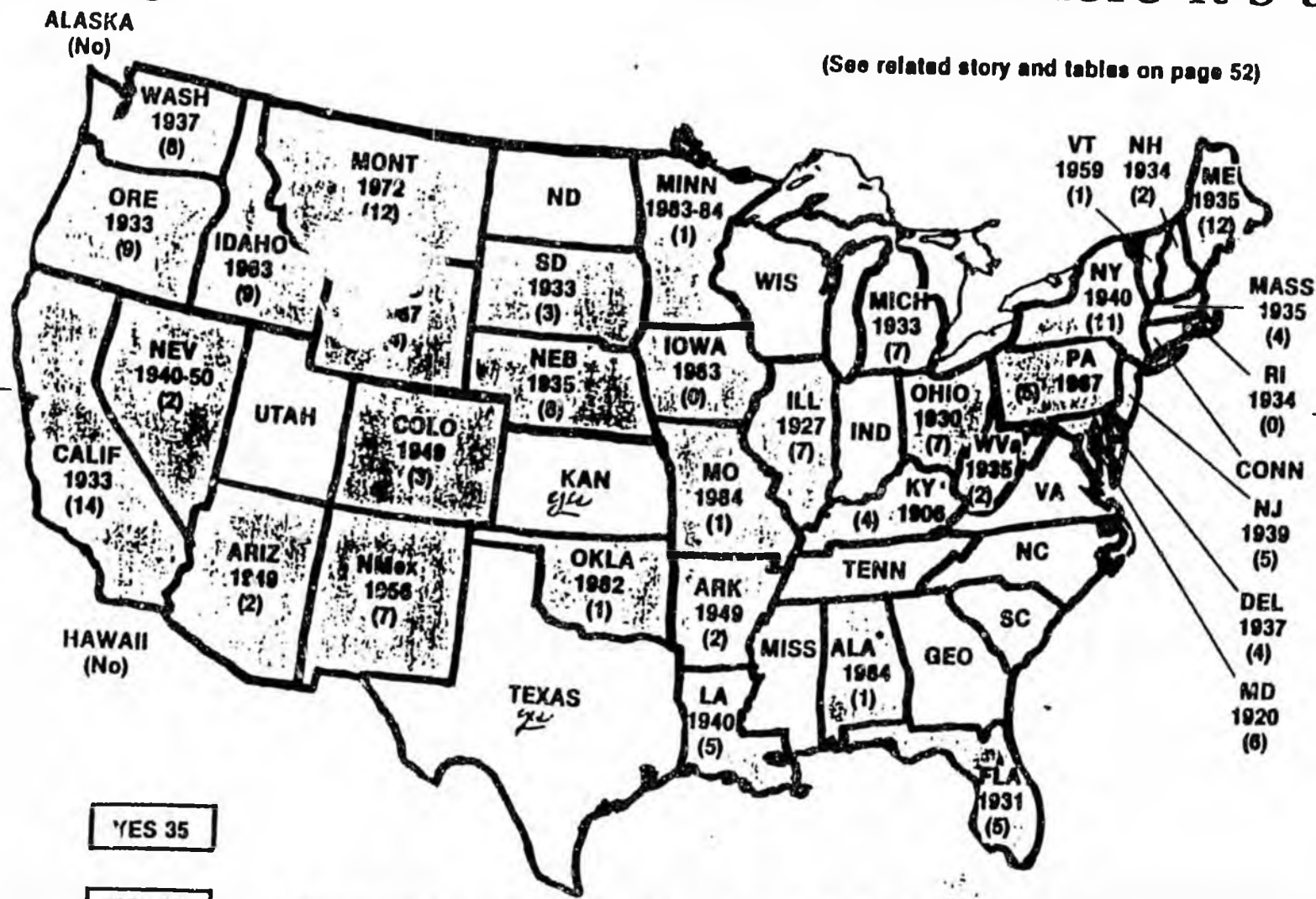
The next racing date will be Saturday and Sunday at 2 p.m. on July 6 and 7. Race horse owners may practice at the Alaska State Fair, Inc. race track one mile from Palmer on Tuesday and Thursday evenings, 7:30-9:30 p.m. and Sunday afternoon from 2-4 p.m. (except on racing days). Ed Premus will be the gate keeper while Vernon Frunce is on vacation.

# Performance horse

## racing

## Parimutuel wagering: A look at where it's at

(See related story and tables on page 52)



YES 35

NO 15

( ) number of licensed parimutuel horse tracks including fairs

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: 1/19/88  
 Title: Establishing the Alaska Racing Commission & authorizing parimutuel wagering  
 Sponsor: Larson and Menard  
 Requestor: State Affairs

Agency Affected: Revenue  
 BRU: Income and Excise Audit  
 Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES	78.4	118.6	123.3	128.2	133.3	-
TRAVEL	13.9	*a 6.0	6.2	6.4	-6.7	-
CONTRACTUAL	28.0	29.1	30.3	31.5	32.8	-
SUPPLIES	2.5	2.3	2.2	2.0	2.0	-
EQUIPMENT	33.4	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	<b>156.20</b>	<b>156.00</b>	<b>162.00</b>	<b>168.10</b>	<b>174.80</b>	<b>-</b>
<b>CAPITAL</b>						
	-	-	-	-	-	-
<b>REVENUE</b>						
	-	*b 96.3	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

POSITIONS:

FULL-TIME	2	3	3	3	3	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)  
 a. Does not include site inspections nor events from 89-92.  
 b. Does not include license fees.

Prepared By: Steven E. Kettel  
 Division: Income and Excise Audit

Phone: 465-2320  
 Date: 1/19/88

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Date: 1/19/88

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

REVISED FISCAL NOTE  
CS H B 32

Worksheet

Personal Services—only the Office Manager and the Clerk Typist would be on board for FY 88. An auditor would be added in FY 89 as activities commenced.

Travel—Six commission meetings at 2 days each in Anchorage in FY 88 to develop regulations. Assumed were 3 commissioners from Anchorage, 1 from Fairbanks and 1 from Juneau.

FAI/ANC	6 x \$220	=	\$1,320
JNU/ANC	6 x \$352	=	2,112
per diem	6 x 5 x 2 x \$80	=	4,800
claims for mileage		=	500
Sub Total			\$ 8,732

Public hearings held in Anchorage, Fairbanks, Nome and Juneau by the office manager at 1.5 days each.

Travel	=	\$ 998
Per diem	=	480
Sub Total		\$ 1,578

Site inspections are averaged per inspection as follows for the manager and one commissioner.

Airfare	=	\$ 600
per diem	2 x 2 x \$80	= 320
Sub Total		\$ 920

Events will be attended by the manager and one commissioner.

For 1 6-day event, 8 days are required on site.

Airfare	=	\$ 600
Per diem	2 x 8 x \$80	= 1,280
Compensation @ \$100 per day	=	800
Sub Total		2,680

FY 88 GRAND TOTAL \$13,910

In FY 89 there would be four commission meetings. No site inspections events or regulatory hearings have been included.

FAI/ANC	4 x \$220	=	\$ 880
JNU/ANC	4 x 352	=	1,408
per diem	4 x 5 x 2 x \$80	=	3,200
mileage		=	500

FY 89 GRAND TOTAL \$ 5,988

For FY 90 - 92 a .04% increase was added.

FISCAL NOTE  
CSHB 32

Assumptions for revenue figures

1. Effective date of July 1, 1987 and no races during FY '88.
2. Unknown number of races.
3. 34,400 players per 6-day event.
4. An average handle of \$963.2 based on an average wager of \$28.00 (Montana's average).
5. A takeout of 35% (\$337.1) with the state's share at 10% for state revenues of \$33.7 per event.

Assumptions for costs

1. Commission will be headquartered in Anchorage and meet 6 times in FY 88; quarterly thereafter. Each meeting will be 2 days.
2. Personal services will include an office manager to manage and oversee daily activities and to review and attend all events; an auditor I to follow-up all events; and a clerk typist III to process the paper.
3. Travel will include attendance by the office manager and one commissioner at each event plus the commission meetings.

FISCAL NOTE

REQUEST

Revision Date: 2/18/88  
Title: "An Act establishing the Alaska  
Racing Commission . . ."  
Sponsor: Reps. Larson and Menard  
Requestor: Senate HESS

Agency Affected: Public Safety  
BRU: Alaska State Troopers  
Components: Criminal Investigation  
Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Initially AST anticipated more activity than appears to be necessary. Accordingly, the original fiscal note requesting minimal funding is unnecessary and what costs remain can be absorbed within the current operating budget.

Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/18/88

Approved by Commissioner: *Walter A. H. ...*  
Agency: Public Safety

Date: 2-24-88

Distribution: (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

*JWR  
2/19/88*

FISCAL NOTE

REQUEST

Revision Date: 2/18/88  
Title: "An Act establishing the Alaska  
Racing Commission . . ."  
Sponsor: Reps. Larson and Menard  
Requestor: Senate HESS

Agency Affected: Public Safety  
BRU: Alaska State Troopers  
Components: Criminal Investigation  
Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Initially AST anticipated more activity than appears to be necessary. Accordingly, the original fiscal note requesting minimal funding is unnecessary and what costs remain can be absorbed within the current operating budget.

JWR  
2/19/88

Prepared by: Francis C. Allan *F.C.A.*  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 2/18/88

Approved by Commissioner: *George A. Hostetler*  
Agency: Public Safety *Dep. Comm.*

Date: 2-24-88

Distribution: (by preparer):  
Legislative Finance  
Legislative Sponsor  
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Office of Management and Budget  
Impacted Agency(ies)