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# **IOWA STATE RACING COMMISSION**

## **1985 ANNUAL REPORT**



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## INTRODUCTION

### IOWA STATE RACING COMMISSION

Wallace State Office Building  
Des Moines, Iowa 50319

The Honorable Terry E. Branstad  
Governor of the State of Iowa  
State House  
Des Moines, Iowa 50319

Dear Governor Branstad:

In compliance with Chapter 99D, Iowa Code, the Iowa State Racing Commission submits herewith its Second Annual Report, covering the period of January 1, 1985 through December 31, 1985.

Respectfully yours,



JACK P. KETTERER  
Executive Secretary

### IOWA STATE RACING COMMISSION

Lawrence F. Scalise, Chairman  
L. C. "Bud" Pike, Vice Chairman  
Lavonne Mydland, Member

Dr. Sally Brown Prickett, Member  
Steve Sovern, Member  
Jack P. Ketterer, Executive Secretary



## LETTER TO THE GOVERNOR

December 31, 1985

The Honorable Terry E. Branstad  
Governor of Iowa  
State House  
Des Moines, Iowa 50319

Dear Governor Branstad:

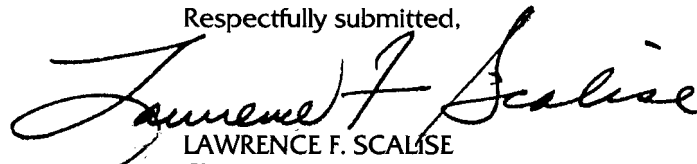
It is with distinct pleasure that I submit to you the Annual Report of the Iowa Racing Commission for the calendar year 1985.

This report entails commission activities, progress and results from operations for a twelve month period from January 1, 1985 to December 31, 1985.

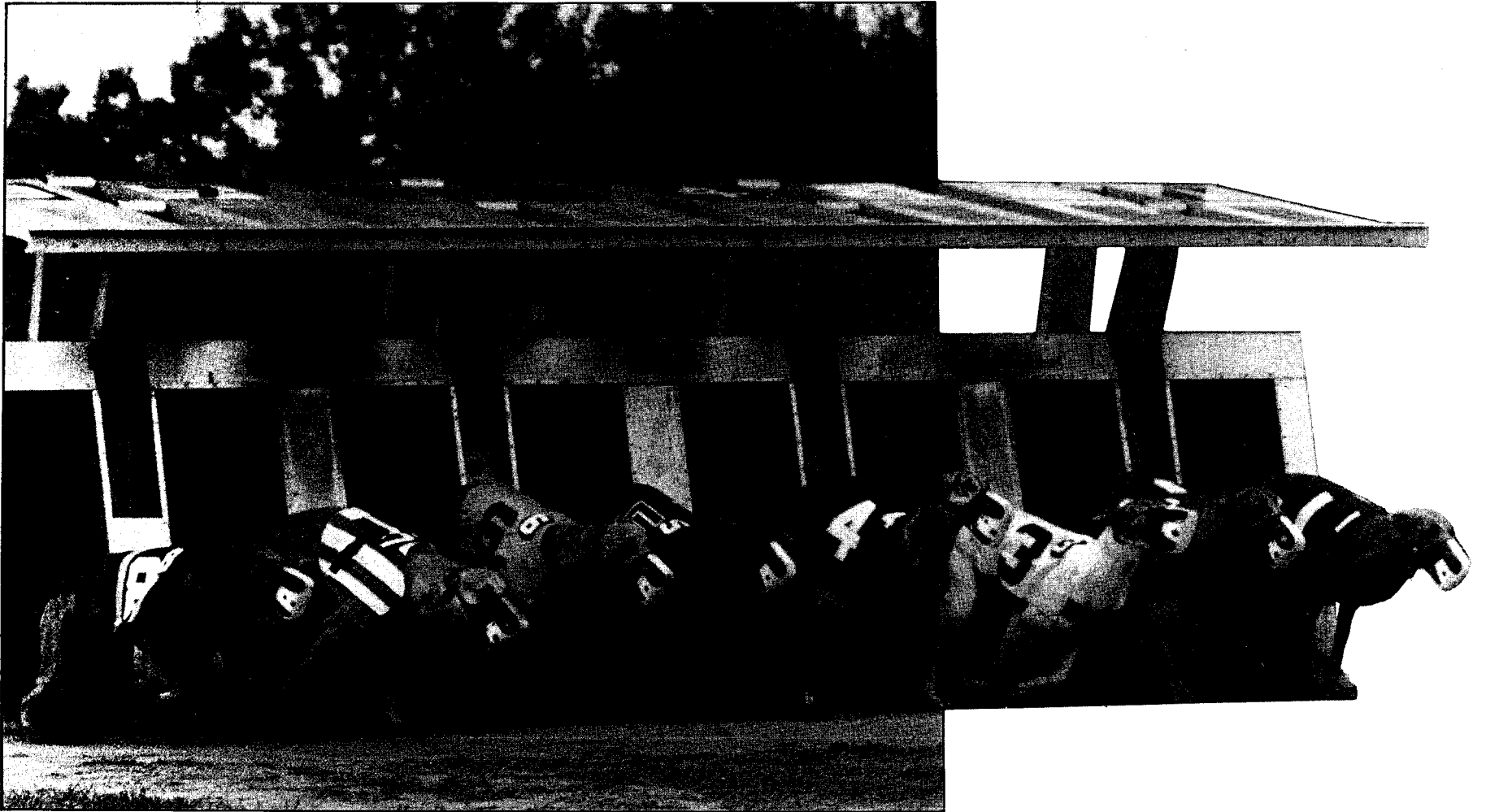
The past year was an innovative year in Iowa racing as this report clearly outlines. With 1985 came the first pari-mutuel harness racing and the opening of the first greyhound track in Iowa. Next year promises to be an even greater success with the opening of two additional greyhound facilities.

The Commission is dedicated to working cooperatively with horse and greyhound breeders, owners and track management to facilitate a greater understanding of the industry. In 1986, the Commission will implement informational and educational projects in Iowa and neighboring states designed to promote public awareness of racing in Iowa. The Commission pledges to continue working to develop understanding and integrity for this growth-oriented industry which are vital to the success of this sport.

Respectfully submitted,



LAWRENCE F. SCALISE  
Chairman



## COMMISSION MEETINGS

During 1985 the Iowa Racing Commission met 10 times. In addition, one telephonic meeting and one worksession meeting was held, along with two contested hearings on occupational licenses. Minutes of each meeting are kept on file in the Commission office and are available to the public upon request. Highlights of the meetings follow:

**January 11, 1985** — Worksession meeting was held prior to the regular commission meeting. Discussed were various proposed rules, commission chemist, and occupational licensing procedure.

**January 11, 1985** — Updates were heard from all licensees working toward conducting race meetings in 1985 and 1986. Marketing, laboratory, budget and rules subcommittee members were appointed. Adopted Chapter 8 "Mutuel Rules" and filed notice of intended action.

**February 8, 1985** — Telephonic meeting was held. Laboratory contract was awarded to Harris Laboratories. Staff was instructed to formulate rules and regulations for standardbred racing at county fairs.

**March 15, 1985** — Fair racing neighborhood impact study was presented to the Commission. The Iowa Fair Racing Association, Ltd., application for harness racing was discussed. Tom Ruxlow of the Division of Criminal Investigation was present to discuss security matters involved with fair harness racing. No action was taken on the application at this meeting.

**April 4, 1985** — Updates were heard from track licensees. Chapters 4, 7, 8 and an amendment to Chapter 5 were adopted. Approved performance bonds for Dubuque Greyhound Park.

**April 30, 1985** — Approved Chapter 9 "Harness Rules" as a notice of intended action. An update was heard from Iowa Fair Racing Association, Ltd., and conditions were discussed such as officials, photo finish and totalisator contracts. Closed session in accordance with 28A.5, Iowa Code to discuss background investigations for state vet, state steward, Dubuque officials, and Iowa Fair Racing Association, Ltd.



**June 1, 1985** — Tom Whitney, representing the LaVine Corporation, submitted an amended application for a license to construct a greyhound facility in Ankeny, Iowa. Updates were given by all licensees. The Racing Association of Central Iowa (Altoona) and the National Cattle Congress (Waterloo) were advised that proceedings would begin at the July meeting to rescind their licenses if sufficient progress had not been shown on financing. Closed session in accordance with 28A.5, Iowa Code to discuss background investigations.

**July 11, 1985** — A three year conditional license was issued to Cedar Rapids Horse Racing, Inc. and race dates were set. Hearings were held to determine if the Racing Association of Central Iowa (Altoona) and the National Cattle Congress (Waterloo) should have their licenses rescinded. A hearing was also held on the occupational licenses of Robert Benda and Robert Liles due to positive test results for phenylbutazone. Re-elected chair and vice chair.

**August 9, 1985** — In conjunction with the last meet of the 1985 harness race circuit, the commission met in Monticello. Updates were given from all licensees. The commission voted to dismiss the contested hearing of the National Cattle Congress. Hearing was held on the occupational license of Mark Bachmeier for positive test results. The possibility of trifecta wagering was discussed.

**August 27, 1985** — A check for one million dollars, symbolic of the first million dollars of revenue earned from pari-mutuel wagering in Iowa, was presented to William Krahl, State Comptroller. Adopted, on an emergency basis, amendment to Chapter 7 "Greyhound Rules" to allow trifecta wagering at Dubuque Greyhound Park. Closed session in accordance with 28A.5, Iowa Code to discuss findings of fact, conclusions of law on the occupational license of James Hovick.

**October 15, 1985** — Adopted amendment to Chapter 9 (harness rules) to allow for a tax credit by existing fair horse tracks on an emergency basis. Updates from all licensees. Dubuque Greyhound Park granted two additional racing dates.

**November 22, 1985** — Progress reports from all licensees. Commission approved harness racing schedule for Iowa Fair Horse Racing 1986 season. Subcommittee report of application for tax credit by Iowa Fair Horse Racing, Ltd. Iowa West (Council Bluffs) granted extension of 1986 season. Discussed Iowa West's management agreements and purse distribution.

## PROJECTIONS FOR 1986

The year 1985 marked the beginning of pari-mutuel racing in the state of Iowa. By all forms of analysis it has proved to be a success. Only partial racing was conducted in 1985 and we look forward to 1986 for a fully developed racing season at all licensed locations, with the exception of the horse racing licensee in Central Iowa.

Greyhound racing in Iowa should flourish in 1986 with the opening of a track at Council Bluffs, and later in the year at Waterloo, in addition to Dubuque Greyhound Park's first full racing season.

Bluffs Run at Council Bluffs is projected to open March 1, 1986, and continue running until December 1st. Bluffs Run was originally scheduled for a more abbreviated season to lessen competition with an expected horse racing facility in central Iowa. When it became apparent the horse racing facility would not be ready, the Commission granted additional racing dates to Bluffs Run.

Dubuque Greyhound Park had a very successful first season in 1985. Daily attendance was above the projected level by 9% with 569,407 attending 198 performances for an average of 2,876 per performance. The average mutuel handle was less than projected due to a very low per capita wager. The per capita wager was only \$56 during the month of June, roughly one half the national average. The final two weeks of the race meeting in November showed per capita wagering in excess of \$100. The per capita wager for the entire season was \$73. Now that racing fans have become better educated on pari-mutuel wagering and the sport of greyhound racing, a per capita wager of \$90 to \$100 is forecast for 1986.

Waterloo Greyhound Park is projected to open on October 15th, and run until April 15th. Waterloo Greyhound Park was originally scheduled to run from October 15th, until March 1st, to lessen competition with an expected horse racing facility in Central Iowa. When it became apparent the horse racing facility would not be ready, the Commission granted additional racing dates to Waterloo Greyhound Park.

In future years the Commission will eliminate overlapping dates between Dubuque Greyhound Park and Waterloo Greyhound Park in order to establish a continuous year round circuit for greyhound racing in Eastern Iowa. The future is bright for greyhound racing in Iowa. It is a goal of this Commission for Iowa to be a nationally recognized leader in greyhound racing.

Harness racing was conducted in 1985 at seven locations in Iowa, primarily at county fairgrounds. The license was granted to provide entertainment and familiarity with pari-mutuel betting to people across the state. In addition it provides a place for Iowa standardbreds to run for better purses than previously on a non-pari-mutuel circuit. In 1986, the fair circuit will travel to six locations. The locations at Nashua and Monticello will be dropped and a new location at Spencer will be added. The Iowa State Fairgrounds meet will add two additional weeks of racing in 1986.

The Racing Association of Central Iowa, licensee for thoroughbred racing in Central Iowa, is still seeking financing. Interest has been expressed in renovating the State Fairgrounds for horse racing and the possibility of a new greyhound facility in Polk County (greater Des Moines area). The Commission is committed to make every effort to establish a first class horse racing facility for Iowans. Iowans who have worked long and hard for the legislation of pari-mutuel wagering, particularly those in the horse industry, deserve no less than the best the state can support. To move closer to the realization of a horse track in Central Iowa is a major goal of this Commission for 1986.

## FINANCIAL POSITION

### SOURCE OF REVENUE

During the reporting period the State Racing Commission operated with general fund appropriations for the first half of the calendar year and self funding from racing revenues the second half of the year. In the first half of the year the State Racing Commission was appropriated \$151,533 for operations and had \$62,372.00 carried over for a total of \$213,905.00 available. Of that \$185,851 was spent, and the remainder was reverted to the state treasury.

Beginning on July 1, 1985, the Racing Commission became self funded, operating out of a revolving fund of revenues generated from admission tax, track license fees, occupational license fees, and fines. It should be noted that these revenues are separate and distinct from the pari-mutuel tax of 6% that goes to state and local general funds.

During 1985, the Racing Commission collected from those sources \$364,957 as follows:

Track license fees	\$ 35,460.00
Admission taxes	308,929.00
Occupational license fees	18,368.00
Fines	<u>2,200.00</u>
Total	\$364,957.00



## IOWA BREEDER'S FUND

### IOWA SUPPLEMENTS

The Department of Agriculture maintains a data base of thoroughbred, standardbred and quarterhorses who have qualified to be Iowa-foaled horses, as well as greyhounds that have qualified as Iowa-whelped dogs according to Iowa Code Chapter 99D.22 and Administrative Rules of the Department of Agriculture.

An amount equal to 12% of the winner's share of any purse won by an Iowa-foaled horse or Iowa-whelped dog is withheld by the licensee from the breakage and paid at the end of the race meeting to the Department of Agriculture. The Department of Agriculture in turn pays the breeder of the winning Iowa-foaled horse or breeder of the Iowa-whelped dog on December 31 of each year. The amounts created from the total breakage are paid out as follows:

#### STANDARDBREDS

Breeder's Awards .....\$ 567.42  
Supplements .....\$23,511.02

#### GREYHOUNDS

Breeder's Awards .....\$ 4,404.44  
Supplements .....\$24,511.55  
First Iowa Stakes .....\$58,400.00  
Carry-over .....\$150,654.41

The remainder of the breakage at horse tracks is distributed as purse supplements to the owners of winning Iowa-bred horses.

The remainder of the breakage at greyhound tracks is divided, with 25% funding a stakes race restricted to registered Iowa-whelped greyhounds, and 75% distributed as purse supplements to the owners of winning Iowa-whelped greyhounds. Due to the large fund created by the breakage at Dubuque Greyhound Park in 1985, and the infancy of the states' breeding industry, a major portion of the owners' supplements was carried over to 1986. This will enable the supplementary payments to continue at an attractive level for future years when the industry matures in Iowa. The carry-over funds are deposited by the track in an escrow account and all interest earned shall be applied to supplementary purses. Even with the carry-over amount, owners of winning Iowa-whelped greyhounds earned purses equal to those offered anywhere in the U.S.



## LABORATORY TESTING

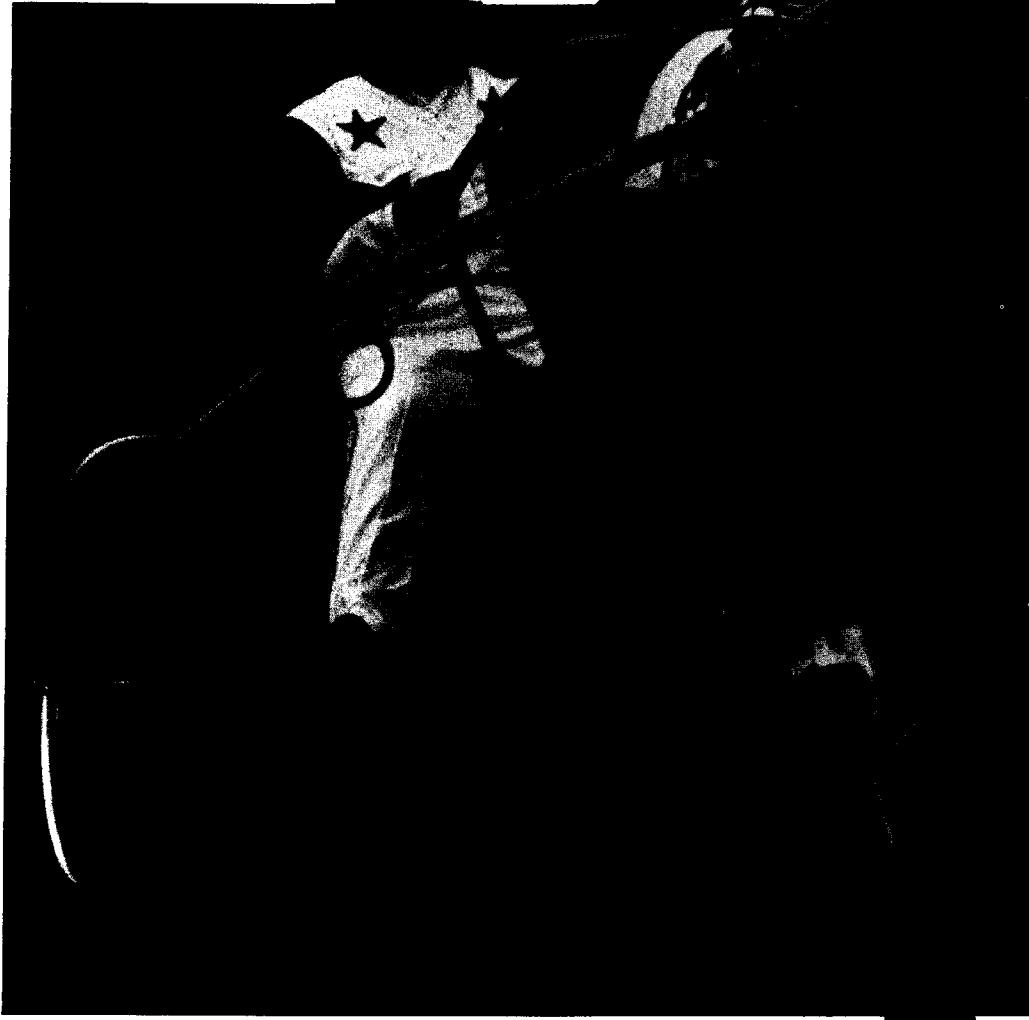
The Iowa State Racing Commission's blood/urine testing program is the backbone of the agency's policing functions. This program, which was conducted by Harris Laboratories, Incorporated, of Lincoln, Nebraska, in 1985, is vital to the integrity of Iowa's racing industry.

It is the duty of the Iowa Racing Commission, and its racing chemist, through chemical analysis of blood and urine samples collected from racing animals at the tracks, to insure that foreign substances are not being administered to racing animals pursuant to Iowa Code Chapter 99D.25 of the Iowa Pari-Mutuel Wagering Act. This section of the Act prohibits the administration of any foreign substance that may affect the outcome of a race or interfere with the testing procedures.

Following is a summary of chemical tests conducted by Harris Laboratories, Incorporated in 1985 for the Iowa Racing Commission.

	<b>URINE</b>	<b>BLOOD</b>
Horse	208	97
Greyhound	3,837	
		<b>POSITIVE TESTS</b>
Horse		
Phenylbutazone		2
Greyhound		
Dimethylsulfoxide		11
Oxyphenbutazone		1





## 1985 COUNTY FAIRS — HARNESS

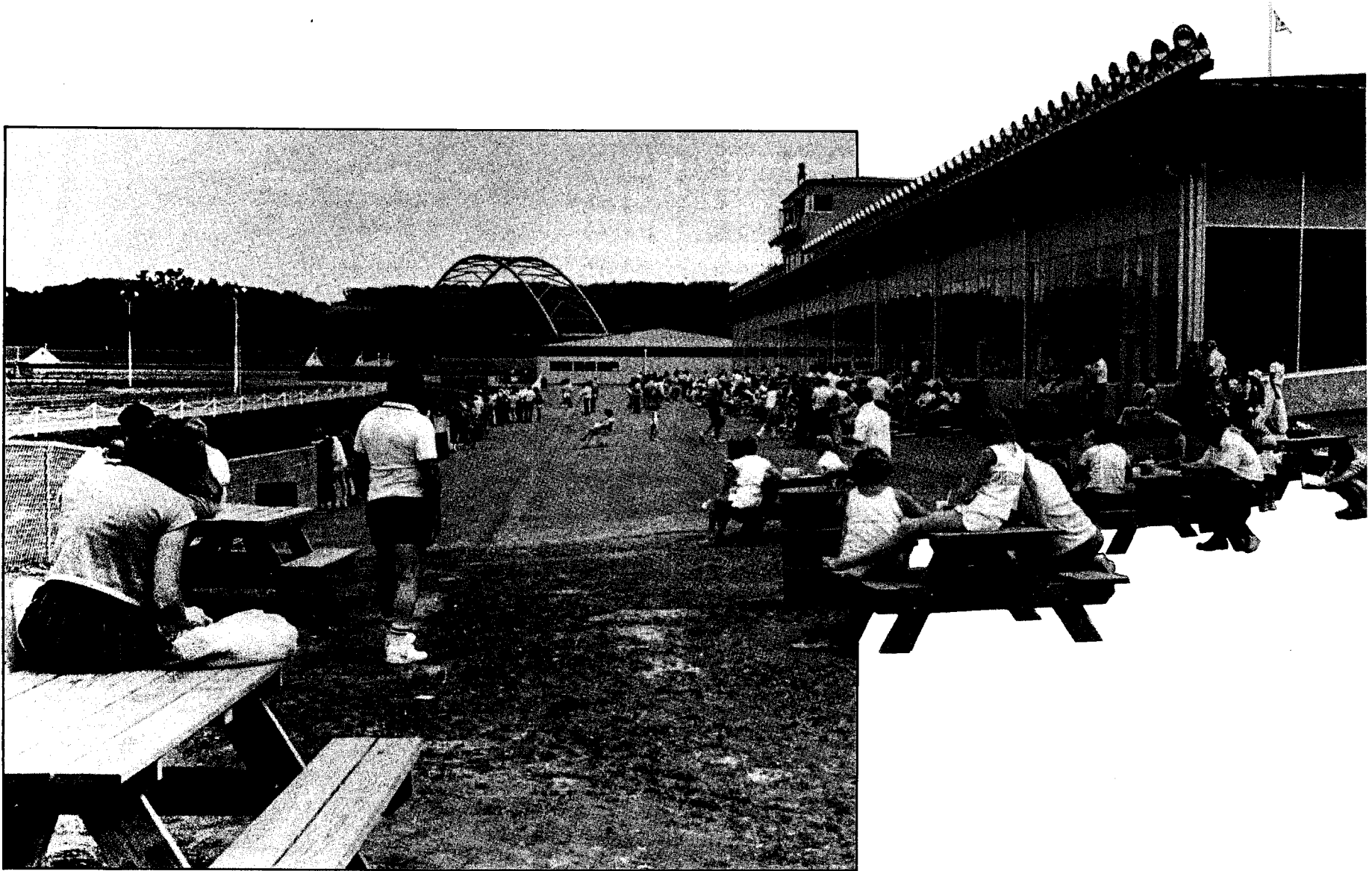
	Des Moines	Cedar Rapids	Humboldt	What Cheer	Denison	Nashua	Monticello
Dates of Meets	6-13/6-16 *7-13/8-4	6-22/6-27	7-4/7-7	7-12/7-14	7-19/7-21	7-26/7-28	8-6/8-9
Number of Days	8	6	4	3	3	3	4
Total Mutuel Handle	1,272,955	248,089	183,073	88,412	80,843	68,073	110,961
Total Exotic	748,823	101,076	75,800	34,639	41,364	28,555	45,453
Net Track Commission	142,271.96	26,830.42	19,823.30	9,533.98	8,911.58	7,378.40	12,005.16
State Tax	63,647.75	12,404.45	9,153.65	4,420.60	4,042.15	3,403.65	5,548.05
City/County Tax	12,729.55	2,480.89	1,830.73	884.12	808.43	680.73	1,109.61
Breakage	13,342.64	3,476.84	2,466.62	1,204.50	956.24	942.82	1,688.78
Return to Public	1,040,963.10	202,896.40	149,798.70	72,368.80	66,124.60	55,667.40	90,609.40
Purse	47,200	22,300	14,900	14,550	9,500	9,400	13,050
Attendance	24,485	6,795	6,145	2,648	2,719	2,641	4,201

TOTAL MEETS .....	8	TOTAL CITY/COUNTY TAX .....	20,524.06***
TOTAL NUMBER RACE DAYS .....	31	TOTAL CREDIT FOR NEW CONSTRUCTION ON FACILITIES .....	102,620.30
TOTAL MUTUEL HANDLE .....	2,052,406	TOTAL BREAKAGE .....	24,078.44
TOTAL EXOTIC .....	1,075,710	TOTAL RETURNED TO PUBLIC .....	1,678,428.40
TOTAL TRACK COMMISSION .....	226,754.80	TOTAL PURSE .....	130,900
TOTAL STATE TAX .....	102,620.30**	TOTAL ATTENDANCE .....	49,634

\*Actual racing dates shown, total of 1 cancelled.

\*\*\$82,096.24 reverted to licensee for tax credit

\*\*\*Entire amount reverted to licensee for tax credit



**Dubuque Greyhound Park 1985 Season Summary Statement**

Racing Dates .....	6-1 - 11-17
Number of Dates .....	198
Average Attendance Per Performance .....	2,856
Total Taxable Attendance .....	569,407
Daily Average Handle Per Performance .....	218,273
Total Mutuel Handle .....	41,690,178
Exotic Wagering .....	2,143,463
Track Commission .....	4,785,181.22
Breakage .....	237,970.40
State Tax .....	2,084,508.90
City/County Tax .....	416,901.78
Returned to Public .....	34,332,505.34
Purse .....	1,332,505.34
Fees for Stakes Races .....	58,400.00

## RECEIPTS AND DISBURSEMENTS

State pari-mutuel tax .....	\$	2,105,032.96
Uncashed Pari-Mutuel tickets to state .....	\$	269,159.00
TOTAL REVENUE TO STATE .....	\$	2,374,191.96
TOTAL REVENUE TO LOCAL GOVERNMENT .....	\$	416,901.78

### Breeder's Program Fund from Breakage

#### Greyhound

Breeder's award payments .....	\$	4,404.44
Owner's purse supplements distributed .....	\$	24,078.44
Iowa Stakes .....	\$	58,400.00
Carry-over Fund .....	\$	150,654.41

#### Standardbred

Breeder's award payments .....	\$	567.42
Owner's purse supplement distributed. ....	\$	24,078.44
TOTAL REVENUE TO BREEDER'S FUND .....	\$	262,048.84

### Racing Commission Operating Fund

Occupational License Fees .....	\$	18,368.00
Track Daily License Fees .....	\$	35,460.00
Admission Tax .....	\$	308,929.00
Fines .....	\$	2,200.00
TOTAL REVENUE TO COMMISSION .....	\$	364,957.00

## STATEMENT OF EXPENDITURES

January 1 to December 31, 1986

<b>Payroll</b> .....	\$	230,748.00
Unemployment Compensation .....	\$	- 0 -
Medical (Veterinary) .....	\$	35,875.00
Legal Criminal History Checks .....	\$	25,345.00
Supportative - (Laboratory) .....	\$	79,045.00
Other Professional Services (Training and Consultant Fees) .....	\$	5,418.00
<b>TOTAL SERVICE EXPENDITURES</b> .....	\$	376,431.00
Office Supplies .....	\$	16,729.00
Equipment .....	\$	21,773.00
Travel .....	\$	31,476.00
Communications .....	\$	6,479.00
Office Equipment Repairs .....	\$	795.00
Office Equipment Rentals .....	\$	5,526.00
Printing .....	\$	4,519.00
General .....	\$	4,408.00
<b>TOTAL OFFICE EXPENSES</b> .....	\$	91,705.00
<b>TOTAL EXPENDITURES AND DISBURSEMENTS</b> .....	\$	468,136.00

## STATEMENT OF OCCUPATIONAL STANDARD BRED LICENSE FEES

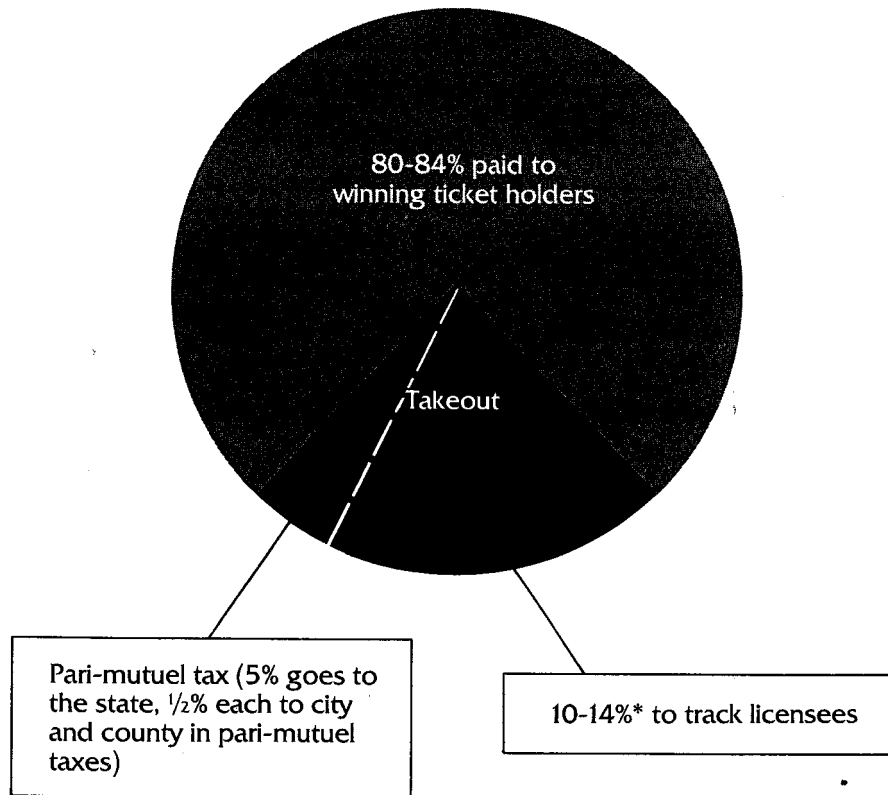
		Amount of License Fees	Total
453	Concession	@ 5.00	\$2,265.00
130	Grooms	@ 5.00	650.00
290	Mutuels	@ 5.00	1,450.00
39	Security	@ 5.00	195.00
31	Admissions	@ 5.00	155.00
64	Maintenance	@ 5.00	320.00
14	Outrider	@ 5.00	70.00
38	Miscellaneous	@ 5.00	190.00
2	Asst. Announcer	@ 5.00	10.00
3	First Aid	@ 5.00	15.00
5	Announcer	@ 10.00	50.00
2	Veterinarian	@ 10.00	20.00
93	Owners	@ 10.00	930.00
3	Authorized Agent	@ 10.00	30.00
69	Officials	@ 10.00	690.00
48	Fair Board Members	@ 10.00	480.00
17	Drivers	@ 10.00	170.00
5	Trainers	@ 10.00	50.00
1	Concession Operator	@ 20.00	20.00
16	Owner/Driver	@ 20.00	320.00
26	Trainer/Owner	@ 20.00	520.00
10	Trainer/Driver	@ 20.00	200.00
152	Owner/Trainer/Driver	@ 20.00	3,040.00
1	Mutuel Manager	@ 20.00	20.00
1	Racing Secretary	@ 20.00	20.00
	TOTAL LICENSED	1,513	\$11,880.00

## STATEMENT OF OCCUPATIONAL GREYHOUND LICENSE FEES

		Amount of License Fees	Total
250	Concession	@ 5.00	\$ 1,250.00
142	Mutuels	@ 5.00	710.00
42	Security	@ 5.00	210.00
47	Admissions	@ 5.00	235.00
36	Maintenance	@ 5.00	180.00
33	Parking	@ 5.00	165.00
6	Totalizator	@ 5.00	30.00
1	Asst. Starter	@ 5.00	5.00
60	Kennel Helper	@ 5.00	300.00
45	Lead Out	@ 5.00	225.00
45	Miscellaneous	@ 5.00	225.00
2	Announcer	@ 10.00	20.00
2	Veterinarian	@ 10.00	20.00
1	Asst. Veterinarian	@ 10.00	10.00
127	Owners	@ 10.00	1,270.00
52	Officials	@ 10.00	520.00
27	Trainers	@ 10.00	270.00
2	Asst. Trainers	@ 10.00	20.00
15	Trainer/Owner	@ 20.00	300.00
1	Mutuel Manager	@ 20.00	20.00
1	Asst. Manager	@ 20.00	20.00
1	Racing Secretary	@ 20.00	20.00
5	Concession Operator	@ 20.00	100.00
1	Judge	@ 20.00	20.00
17	Kennel Owners	@ 20.00	340.00
	<b>TOTAL LICENSED</b>	<b>961</b>	<b>\$6,485.00</b>



## IOWA'S WAGERING DOLLAR



\*Actual percentage depends on type of wager. The takeout is 16% on win, place and show wagers. The Racing Commission may authorize the licensee to take out 16-20% on other wagers. Six percent is paid out in pari-mutuel taxes, as shown. The remaining 10-14% goes to the track licensee for purses, operating expenses, debt retirement and distribution to local charities, community betterment projects, scholarships, etc.

## COMMISSION MEMBERSHIP

Membership on the Iowa Racing Commission remained unchanged during the period. The original five members of the commission were confirmed by the Senate in 1984.

## IOWA RACING COMMISSION

<b>NAME</b>	<b>RESIDENCE</b>	<b>TERM EXPIRES</b>
Lawrence F. Scalise Chair	Des Moines	April 30, 1986
L.C. "Bud" Pike	Grundy Center	April 30, 1988
Lavonne Mydland	Rock Rapids	April 30, 1987
Sally Prickett, DVM	Cumming	April 30, 1988
Steve Sovern	Marion	April 30, 1987