

# Department of Livestock

Economic Affairs Committee - Horse Racing Update

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Prepared By:

George H. Harris

**MONTANA DEPARTMENT OF LIVESTOCK  
BOARD OF HORSE RACING - UNFUNDED LIABILITY  
14-Dec-11**

<b>CASH (as of 12-14-11 report)</b>	<b>(\$194,945)</b>
<b>ACCOUNTS PAYABLE</b>	<b>(\$319,139)</b>
<b>GENERAL FUND LOAN FYE 2011</b>	<b>(\$29,130)</b>
<b>Total</b>	<b><u>(\$543,214)</u></b>

NOTES: Received a large unexpected bill from Roberts Communication 12-7-11 for \$100,866.68 Also, recived an unexpected bill of \$82,594.54 from Churchill Downs for the Kentucky Derby. The outstanding accounts receivable are \$97,068. This includes \$50,239 from Belgrade Lounge that has been turned over to the Department of Revenue for collections. The general fund loan is \$29,130 and payable June 30, 2012. The cash includes lottery proceeds of \$21,530 to date.

**MONTANA DEPARTMENT OF LIVESTOCK  
BOARD OF HORSE RACING - SIMULCAST BACKGROUND/TIMELINE  
14-Dec-11**

<u>Time Period</u>	<u>Events/Activity</u>
1988-March 2009	Mt. Simulcast Partners- Consortium of tracks - Board of Directors - Tom Tucker Executive Officer
Mar. 2009 - Oct. 2010	Montana Entertainment-Parent Co./Montana OTB (off track betting) Eric Spector - Exclusive License
2011 Legislative Session	SB 16 Passed the Legislature - Authorized thte Board of Horse Racing (BOHR) to license a contractor or take it over themselves
October 2010 to Present	Board of Horse Racing took over Simulcast operations.

Comments: During the 1988 - 2009 period the Simulcast Partners operated with Six or less signals and made a profit, but a decline in simulcast started in mid 2000's. From 2009 - 2010 Montana OTB increased signals to the 11-15 range and was not profitable. OTB settled with BOHR and paid \$20,000 to end services October 16, 2010. BOHR was repeatedly advised by MDOL officials to first generate revenue then run live races. BOHR ran live races in 2010 and 2011 against this advise. Simulcast has not been profitable for BOHR since it took over.