

**IHHA Legislative Update**  
May , 2006  
Analysis of House Bill 1918

The following is an analysis of House Bill 1918, sponsored by Representative Bob Molaro, which passed out of the General Assembly on May 5. We are optimistic that the governor will soon sign it into law.

The bill provides for the horse racing industry to receive 3% of the adjusted gross revenues from the four riverboats that have an AGR of over \$200 million. This will produce approximately \$37.5 million for the industry. The law provides for horsemen to receive 60% of these proceeds and for harness purses to receive 43% of the 60%, with the balance going to thoroughbred purses. The horsemen's purse allocation is based on each track's percentage of purses earned from the previous year.

The IHHA entered into a separate agreement with Balmoral, Maywood and Hawthorne. The agreement calls for the IHHA and the tracks to pool all revenues they receive under the law; the entities will then split the revenues according to the agreement and the tracks will forgo any future recapture.

This side agreement comes closest to what the IHHA had been demanding ever since Rep. Molaro first proposed this bill: that the horsemen were willing to split 50/50 with the tracks and the tracks would have to give up future recapture. Because of the relationship between the thoroughbred horsemen and tracks, the thoroughbred horsemen were not willing to put these provisions into law, and the IHHA was forced to work out this separate side agreement. The agreement calls for determining the amount that the harness horsemen would have received if there was a 50/50 deal, deducting \$1,068,000 and, in return the tracks will forgo future recapture.

The IHHA estimates that if the horseracing industry is scheduled to receive \$37.5 million from the riverboats, the harness horse purses will see an infusion of approximately \$7 million. From previous contracts, the tracks have deferred \$9.5 million in past recapture which will now be due and payable. Provisions in the contracts called for these monies to be repaid over a period of time in order to minimize their impact.

This law also has a two year sunset provision, which will allow us to receive these funds for only two years. But the law also called for the horseracing industry to give up any claim to the 15% of the tenth riverboat license that we are entitled to under the current law. This provision will also sunset after two years and the 15% of the tenth riverboat license from the 1999 law will revert back to the horseracing industry.

This law and our side agreement will allow harness purses to benefit for a short period, while at the same time the tracks will forgo recapture and will allow us to pay back deferred money owed to the tracks. The IHHA worked diligently to get the best deal possible for the horsemen, even while dealing with many obstacles, such as having to negotiate a side deal without the support of any of the other horsemen groups and thoroughbred tracks.

When the bill was first introduced it would have provided for all of the riverboats except one to pay the 3% of AGR. This was estimated to have produced \$55 million for the industry. The following shows the scenarios of what was offered, hoped for and negotiated during the past few months that the IHHA worked on this legislation.



**IHHA Legislative Update  
May 5, 2006**

**House Bill 1918 passed both the House and Senate yesterday, May 4th. This bill provides for the Horse Racing Industry to receive 3% of the adjusted gross revenues of the four largest Illinois riverboats. It is estimated that the proceeds will input between 7 to 8 million dollars annually into the harness purse accounts. And because of a separate agreement between the IHHA and the tracks, recapture will be waived while this bill is in effect.**

**This final bill had an amendment attached to it that calls for the bill to sunset within two years after the governor signs the bill, which we are optimistic about. The IHHA will immediately start working again in Springfield on a comprehensive bill to make sure the racing industry is provided with alternative revenue streams after this bill sunsets.**

**The IHHA would like to thank all horsemen and women, along with their families, friends and vendors who took the time to lobby their legislators on this issue. Also our lobbying team in Springfield, who did a tremendous job. (make sure to thank Brenda Watson for all her hard work when you see her in the paddock)**

**THANK YOU FOR YOUR SUPPORT!!!!**

**Details and analysis on the bill and side agreement will be available as sometime this weekend.**

**Jack Kelly  
Executive Director**

**IHHA LEGISLATIVE UPDATE  
April 26, 2006**

**House Bill 1918 passed the House of Representatives this afternoon. This bill gives the horse racing industry 3% of the riverboats adjusted gross revenues. The IHHA wants to thank all horsemen and women who helped by contacting their representatives. The bill now needs to pass the Senate and we need your help again. Please contact your State Senator and urge them to vote for House Bill 1918. The senate reconvenes on Tuesday, May 2<sup>nd</sup>; so contact your Senator in their district offices in person or by phone. To find out who your Senator is call the IHHA office at 630-323-0808 or check the website at [www.harnessillinois.com](http://www.harnessillinois.com) . Your efforts are the reason this bill passed the House so please continue to fight to save our industry. If you have any questions please contact either Jack Kelly at 630-738-0808 or Brenda Watson at 217-416-3973. Thank You For Your Support!!!!**

**IHHA LEGISLATIVE UPDATE  
March 29, 2006**

HB 1917 is expected to be called today Wednesday, March 29th. We need all horsemen & women to continue to call their state representatives and urge them to vote for House Bill 1917. We need our legislators to realize the importance of their support for this bill.

Thank you to all our members who have already called their state representatives.

With HB 1917 Representative Molaro is attempting to rectify the inequities of the 1999 bill that allowed the riverboats to stay dockside. In return for the support of the horseracing industry back then, horseracing was suppose to be receiving 15% of the 10th riverboat license, which as we all know, has never been issued. The riverboats have received windfall profits from that bill (over \$4 billion dollars in additional AGR has been collected by the boats ) while the working families of the horseracing industry have waited in vain for their fair share of a bill that was only passed because of their support. It is not fair that only half of the law took effect. The bill was suppose to benefit both the riverboat and horseracing industries but only the riverboat half has reaped the benefits. **CALL YOUR REPRESENTATIVES IN THE HOUSE TODAY!!!** Tell them your own personal story. Talk about how much you spend, how many people you employ, the outside services you use and what is going to happen to your business unless the horsemen receive some relief.

To find out who your representative is, call the IHHA office at 800-572-0213. Or click here to visit the Legislative Locator <<http://www.elections.il.gov/DistrictLocator/SelectSearchType.aspx>> .

For questions about the bill and its status keep checking our website at [www.harnessillinois.com](http://www.harnessillinois.com) <<http://www.harnessillinois.com/>> , call the IHHA office at 800-572-0213 or contact either Brenda Watson at 217-416-3973 or Jack Kelly at 630-738-0808.

Thank You For Your Support !!!!

### IHHA LEGISLATIVE UPDATE March 27, 2006

**THANK YOU TO ALL OUR MEMBERS WHO HAVE CALLED THEIR STATE REPRESENTATIVES.** We need all horsemen & women to continue to call their state representatives and urge them to vote for House Bill 1917 **WITHOUT** amendment #7. We need our legislators to realize the importance of their support for this bill without amendment #7 first being adopted. If we can show the bill's sponsor, Representative Bob Molaro, that there is enough support for his bill in its current format, he has told us he will run the bill without the amendment. The amendment would decrease the amount of money that the horseracing industry would receive from the riverboat industry by 33%. With HB 1917 Representative Molaro is attempting to rectify the inequities of the 1999 bill that allowed the riverboats to stay dockside. In return for the support of the horseracing industry back then, horseracing was suppose to be receiving 15% of the 10<sup>th</sup> riverboat license, which as we all know, has never been issued. The riverboats have received windfall profits from that bill (over \$4 billion dollars in additional AGR has been collected by the boats ) while the working families of the horseracing industry have waited in vain for their fair share of a bill that was only passed because of their support. It is not fair that only half of the law took effect. The bill was suppose to benefit both the riverboat and horseracing industries but only the riverboat half has reaped the benefits. Call your representatives in the house today. Tell them your own personal story. Talk about how much you spend, how many people you employ, the outside services you use and what is going to happen to your business unless the horsemen receive some relief.

The legislators are scheduled to return to Springfield on Tuesday afternoon (3/28) and HB 1917 could be called for a vote in the House as early Wednesday, March 29th.

To find out who your representative is, call the IHHA office at 800-572-0213. Or click here to visit the Legislative Locator.

For questions about the bill and its status keep checking our website at www.harnessillinois.com, call the IHHA office at 800-572-0213 or contact either Brenda Watson at 217-416-3973 or Jack Kelly at 630-738-0808. Thank You For Your Support !!!!!

### **IHHA LEGISLATIVE UPDATE**

March 3, 2006

On Friday, March 3rd, House Bill 1917 was pulled by its sponsor because it would have fallen two (2) votes shy of passing. However, Representative Molaro is attempting to put it back onto the calendar for reconsideration at a later date.

### **IHHA LEGISLATIVE UPDATE**

#### **IHHA Endorses House Bill 1917**

The IHHA has endorsed Representative Molaro's H.B. 1917 and its amendments, which passed out of committee, Wednesday March 1st.

The IHHA needs all horsemen and women to keep calling their representatives in Springfield and urge them to vote YES on HB 1917. This bill is due to be called Friday, March 3rd, so we need you to call now!!

The bill calls for the horseracing industry to receive 3% of the riverboats adjusted gross revenues. These proceeds will be split with the tracks and horsemen. Under a separate agreement negotiated between the IHHA, Balmoral/Maywood and Suburban Downs the harness horsemen will receive half of the proceeds and ALL future recapture will be WAIVED!!!!. But, first we need this bill to pass. So immediately call your state representative and ask for their yes vote on HB 1917.

If you do not know who your representative is please call the IHHA office. If you have any questions you can call Jack Kelly at 630-738-0808 or Brenda Watson at 217-416-3973.

Thank You For Your Support !!!

### **IHHA LEGISLATIVE UPDATE**

February 26, 2006

The IHHA has been meeting with track management (Hawthorne & Balmoral/Maywood) over the past few days in an attempt to work out an agreement over Representative Bob Molaro's proposal to have 3% of the riverboat's adjusted gross receipts directed to the horse racing industry. The IHHA has also been in contact with Representative Molaro and other legislators to voice our position on this proposal. Rep. Molaro has offered various options for consideration and the IHHA is reviewing these. Representative Molaro plans to have his bill (which we have not seen as of today) in a committee hearing this week. The IHHA grassroots team will be looking for horsemen to either help pass or help defeat this upcoming bill. The

**IHHA is fighting for a bill that will grow our purses and force the tracks to market and promote our sport.**

## **IHHA LEGISLATIVE UPDATE**

**February 24, 2006**

**Representative Molaro is proposing a bill that would take 3% of the adjusted gross revenues of the riverboats and give it to the horseracing industry. At this time there is not a bill number, nor has the IHHA seen the exact language of the bill. The IHHA has taken a stance that the recapture issue needs to be addressed (along with breeder & backstretch issues) before we would support this bill. The IHHA has been fighting to get rid of recapture for years in Springfield. One of the primary reasons given by the legislators for not addressing the issue was that all gaming issues would be lumped together in a bigger bill in the future. That time is now and the IHHA is standing firm in its commitment to eliminate recapture. The IHHA is continuing to negotiate with the tracks and the legislators to come up with an agreement. Keep checking our website at [www.harnessillinois.com](http://www.harnessillinois.com) for updates on the status of this proposal. If you have any questions please contact us at the IHHA office 800-572-0213.**

**Thank you for your support.**

**Marty Engle  
President – IHHA**

**Additional Contact #'s  
Jack Kelly 630-738-0808  
Brenda Watson 217-416-3973**

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To read more about Sa-IL's Legislative Update  
[follow this link to the full story...](#)