



*Jt. Sub-Committee to Study the Feasibility of
Establishing the Virginia Gaming Commission*

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Virginia Equine Alliance

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Background - Virginia Equine Alliance

- The Virginia Equine Alliance (VEA) is a non-profit, 501 (c) 6 organization which is comprised of:
 - Virginia Harness Horse Association – *harness racing*
 - Virginia Horsemen's Benevolent & Protective Association – *flat racing*
 - Virginia Gold Cup Association – *steeplechase racing*
 - Virginia Thoroughbred Association – *thoroughbred breeding*
- The VEA is the “non-profit industry stakeholder organization...” as recognized by the VA Racing Commission (§ 59.1-392.1.)
- Established in 2015 - The purpose of the VEA is to *promote, sustain and advance* the horse racing and breeding industry in the Commonwealth

The VEA at Work

Role: Lead a cohesive group of four VA equine trade organizations with a unified voice from each corner of the equine industry

Operational: Established an OTB network and ADW framework, Brokered the purchase of Colonial Downs, Helped secure all HHR referendums most notably the Dumfries location

Legislative: Ushered HB 1609 legalizing *Historical Horse Racing (HHR) pari-mutuel wagering* resulting in the re-birth of Virginia's racing and breeding industry. Assured protections for the racing industry in the 2020 casino bill

Thoroughbreds: Progressively grew Colonial Downs into the premier elite race meet in the mid Atlantic recently dubbed home to several graded stakes as well as a KY-Derby prep race beginning in 2025

Breeders: Established the "certified - residency program" resulting in over 5,000 horses entering the state and bringing VA agricultural business demands to in-state equine farms as well as VA-bred races with purse bonuses.

Standardbreds: Built a new harness track in Woodstock at the Shenandoah County Fairgrounds for standardbred racing and operated live racing since 2015.

Steeplechase: Increased purse funding and distribution for steeplechase meets, including the Virginia Gold Cup, which has established VA as the center for American jump racing

Trailblazing Impact of HHR

1. HHR was passed in Virginia to revitalize and support the equine industry. VEA is delivering on the legislative promise of HB 1609 by revitalizing VA's \$2B equine industry
2. 180% increase in purses at Colonial Downs since HHR putting Colonial Downs on the map as a premier Mid-Atlantic track
 - ✓ Virginia's daily purses are second highest on east coast only behind New York
3. 5,000 horses have come to the state impacting over 200 farms through the 'VA Certified – Residency' program
 - ✓ The cumulative economic impact is over \$86.2 million to the Commonwealth
4. \$14.6 million since 2019 for purses for Harness and Steeplechase racing
 - ✓ Virginia has become the leader of jump racing in America, by purses and number of races
 - ✓ Harness racing has increased from 4 days in 2016 to 28 days in 2024
5. 81% increase in Breeders Fund with HHR funds, need continued growth to be competitive with Maryland, Pennsylvania, New York
6. Funding for the VA–MD College of Veterinary Medicine, VA Horse Center, VA Horse Industry Board, VA Breeders Fund
7. HHR has delivered on incremental source of jobs, state and local tax revenue at unprecedented levels

Overview of Operating Models

Decentralized (Current State)	Lottery		VDACS	VRC
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports Wagering Casinos 	<ul style="list-style-type: none"> Charitable gaming Fantasy contests 	<ul style="list-style-type: none"> HHR Live Horse racing Simulcast racing ADW
		New gaming types ¹		
Option A Consolidation	Lottery	Virginia Gaming Commission (VGC)		VRC
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy Contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast Racing ADW
Option B Consolidation	Lottery	VGC		
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy Contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast Racing ADW
Option C Consolidation	Lottery/VGC			VRC
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy Contests HHR New gaming types¹ 	<ul style="list-style-type: none"> Live horse racing Simulcast Racing ADW
Option D Consolidation	Lottery/VGC			
	<ul style="list-style-type: none"> Lottery iLottery 	<ul style="list-style-type: none"> Sports wagering Casinos Charitable gaming 	<ul style="list-style-type: none"> Fantasy Contests HHR New gaming types 	<ul style="list-style-type: none"> Live horse racing Simulcast Racing ADW
Additional Decision Point	Independent Agency vs. Executive Branch Agency ²			

¹ New gaming types that may be authorized in the future

² Executive branch agencies are subject to the requirement to receive budgetary funding from general fund appropriation;

the Procurement Act, the Personnel Act, must leverage VITA, and

VRC Regulatory Growth

VRC recognized the need to evolve in sophistication and staffing. Hired a national expert in HHR oversight as Executive Secretary and supported by nationally renowned Spectrum Gaming

VRC Action

1. Establish strategic, operating and budgetarily plans for HHR and live racing regulation with transparent review among industry stakeholders and the Department of Agriculture
2. Implement requirements of new Federal legislation - *The Horseracing Integrity and Safety Authority* (HISA)
3. Formalize oversight of track licensee accountability - to industry standards related to HHR and live racing
4. Assure the integrity and public confidence in day-to-day HHR systems, technology and pool integrity for pari-mutuel wagering
5. Implement and enforce Responsible Gaming Plans
6. Be accountable to designated Department of Agriculture audit provisions with timely resolution overseen by a defined audit committee

Why HHR Regulation remains with VRC?

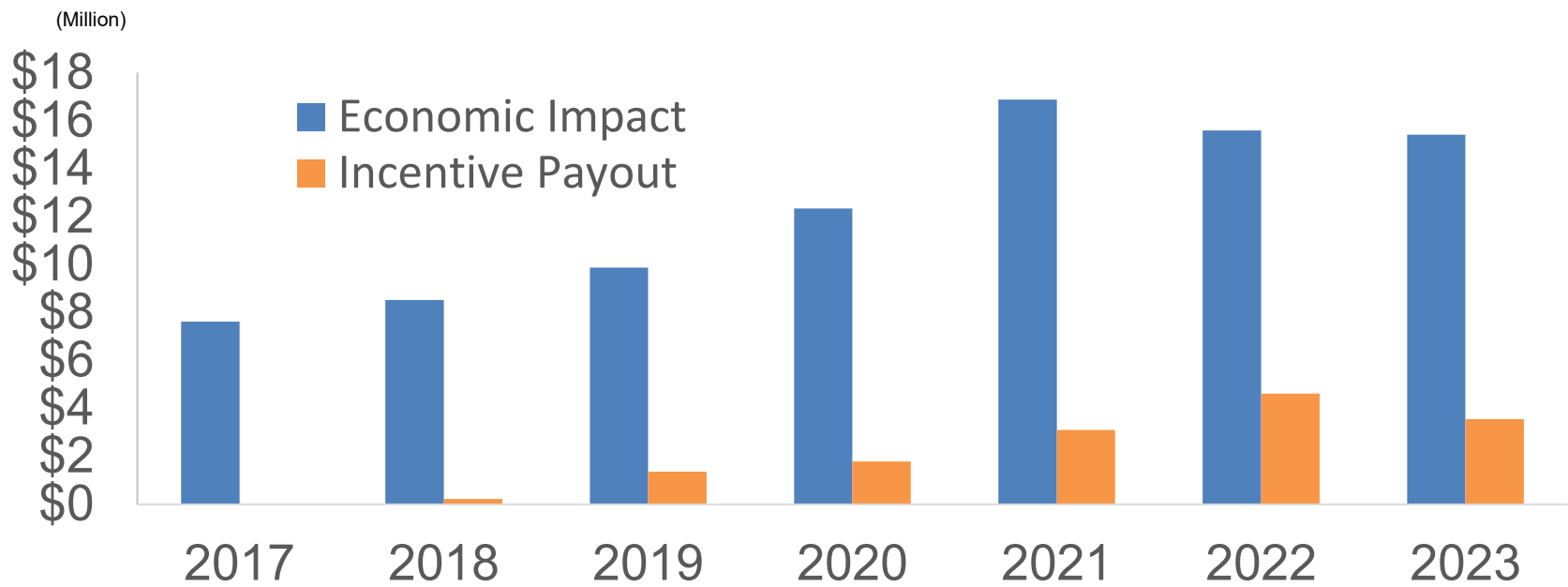
1. HHR is pari-mutuel wagering. The Federal Government through the Federal Wire & Interstate Horseracing acts has always separated pari-mutuel wagering from Casino, Lottery and Sports wagering
2. Magnitude of HHR's direct impact to VA's \$2B equine and agricultural industry
3. Track licensee accountability to industry stakeholders
4. The present VRC needs to be available and reactive 24 hours/7 days a week. It should be positioned to be a national leader in HHR regulation
5. HHR was passed to help revitalize the horse industry.

VDACS + VRC + HHR = Continued growth of racing and agriculture

APPENDIX

Duties of the VA Racing Commission

- **Enforce Safety Regulations:** Ensure the safety of horses, jockeys, riders, and drivers
- **Maintain Racing Integrity:** Protect the fairness of horse racing and pari-mutuel wagering
- **Drug Testing:** Conduct drug testing of horses to detect and prevent the use of performance-enhancing substances.
- **Licensing:** Issue and renew licenses for individuals and entities involved in racing and pari-mutuel wagering, including employees, vendors, and officers.
- **License totalizators,** advance deposit wagering providers, simulcast outlets, etc.
- **Historical Horse Racing (HHR) Regulation:** Oversee the operation and compliance of HHR facilities across the state.
- **Security and Surveillance:** Approve and monitor security and surveillance plans for HHR facilities and tracks
- **Compliance Monitoring:** Track wagering data, enforce regulations, and verify financial contributions
- **Incident Reporting:** Monitor and act on reports of incidents such as power outages, patron disputes, or security breaches at racing facilities.
- **Responsible Gaming:** Implement and enforce Responsible Gaming Plans



Economic Impact of VA-Certified Residency Program

	Direct	Indirect	Induced	Total
Spending (Million)	\$54.5	\$12.5	\$19.2	\$86.2
Employment	633	52	141	825
Tax Revenue (Million)	\$1.8			

Source: JobsEQ by Chmura