

Trends

No Data Available

## Legend:

↑ Increase, ↓ Decrease, ↔ Steady

Key Performance Areas

No Data Available

Productivity

No Data Available

## Legend:

↑ Improving, ↓ Worsening,  
 ↔ Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov/agencylevel/index.cfm](http://www.vaperforms.virginia.gov/agencylevel/index.cfm)

Background & History

The Virginia Racing Commission (VRC) regulates all aspects of pari-mutuel wagering and live horse racing that occur in the Commonwealth of Virginia. VRC conducts proceedings for the issuing of licenses to racetracks, satellite wagering facilities, and advanced deposit wagering providers. Additionally, VRC issues permits to all participants of live horse racing and employees of racetracks, satellite wagering facilities, and account wagering providers. VRC is also responsible for the oversight of the Virginia Breeders Fund, which provides financial incentives to the breeders and owners of Virginia-bred horses.

Primary Product & Services

VRC provides many important services related to horse racing with pari-mutuel wagering in Virginia. First, VRC is responsible for the issuance of licenses to own and operate a racetrack or satellite wagering facilities and conducts public hearings, facility inspections, and background investigations of all applicants. Second, VRC monitors deposits to the Breeders Fund and the license tax to the Commonwealth and certain localities to assure compliance with the Code of Virginia. VRC also issues permits to the participants of horse racing as well as to the employees of Colonial Downs and provides Stewards/Judges that officiate the races and enforce the regulations. In addition, VRC collects blood and urine samples from selected horses to test for any prohibited or foreign substances that may affect their performance or the outcome of a race. Lastly, VRC provides financial incentives to the owners and breeders of Virginia-bred horses in an effort to increase the horse breeding industry in Virginia.

Customer Base

Little change is anticipated in our customer base regarding racetrack ownership and operation. Colonial Downs is the only racetrack that functions with a 20-year unlimited license in the Commonwealth. VRC continues to encourage interested parties to open new racing facilities. The number of horsemen and other participants have decreased steadily since 2005 primarily due to a reduction in the number of live race days in Virginia. VRC anticipates the number of horsemen and other participants should remain constant going forward unless there is a further reduction in the number of live race days. Colonial Downs currently operates nine satellite wagering facilities in Virginia. The Code of Virginia currently limits the holder of an unlimited license to operate 10 satellite wagering facilities. Should the General Assembly decide to amend the limitation of satellite wagering facilities, a greater number could result in increased business opportunities. In recent years, advanced deposit account wagering has accounted for a larger percentage of the total dollars wagered on horse racing in Virginia. Advanced deposit wagering enables the citizens of Virginia the option of betting from home, by phone or through a computer. Advanced deposit wagering accounted for approximately 43% of the total amount wagered by Virginia residents in 2012 and should be even higher for 2013 (results measured on a calendar year basis and not yet available).

Customer Listing

No Data Available

Key Agency Statistics

The following statistics provide additional information of VRC operations and the horse industry in Virginia for the calendar year 2012.

## Agency Executive Progress Report

### Finances

Section 59-1-370.1, Code of Virginia, states that the total costs for the operation and administration of VRC shall be funded from the State Racing Operating Fund from the amounts provided for in the Appropriation Act. All funds are nongeneral and supported by revenue generated from pari-mutuel wagering.

Section 59.1-372, Code of Virginia, requires that one percent of pari-mutuel wagering be set aside in a separate fund to provide awards to breeders and owners of Thoroughbred and Standardbred horses that are bred in Virginia. These are nongeneral funds generated from pari-mutuel wagering. VRC has fiduciary responsibility of these funds. VRC awards contracts to the Virginia Thoroughbred Association (VTA) in Warrenton and the Virginia Harness Horse Association (VHHA) in New Kent to administer the funds on its behalf.

### Fund Sources

No Data Available

### Revenue Summary Statement

Miscellaneous Licenses, Permits, and Fees consists of fees paid by the unlimited licensee, Colonial Downs, for new satellite wagering facility applications and yearly renewal application fees paid by the licensed Advanced Deposit Wagering (ADW) providers. Also included are the application fees by permit holders to participate in horse racing with pari-mutuel wagering and any fines that are imposed on these permit holders. The fines collected by VRC are transferred to the Literary Fund at the end of each fiscal year.

Pari-Mutuel Wagering License Tax represents the revenue collected by VRC from the unlimited licensee, Colonial Downs, and the licensed ADW providers, based on a percentage of the wagering that takes place at the race track, satellite wagering facilities, and through ADW. These funds are used to pay the operating expenses of VRC.

Pari-Mutuel Wagering Virginia Breeders Fund is the percentage of all forms of pari-mutuel wagering in Virginia collected by VRC for the Virginia Breeders Fund. These funds are then paid out in the form of financial incentives to the breeders and owners of Virginia-bred horses. These funds may only be used for this specific purpose.

### Key Risk Factors

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#### Limited Number of Employees

VRC currently has a staff of only 6 full-time employees. Cross-training opportunities exist; however, career advancement possibilities are limited within the agency given its size.

#### Agency Results Dependent on Performance of Licensee

Colonial Downs is currently the only licensed racetrack operating in Virginia. Their performance and management decisions can directly affect how successfully VRC accomplishes some of its goals and objectives.

#### Difficulty Securing Qualified Veterinarians

It may be difficult for VRC to secure sufficient Associate Commission Veterinarians for future live race seasons. The Equine Medical Director is responsible for recruiting an adequate number of associate veterinarians to work the live race season at Colonial Downs. It is difficult for the Equine Medical Director to find veterinarians with horse experience that are available to work nights and weekends for the brevity of the racing season. We have been very fortunate the last several years to employ veterinarians currently between other full-time assignments and hopefully we can continue this method.

## Performance Highlights

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Growing the breeding industry in Virginia is of critical importance to Virginia's horse racing industry. Financial incentives to owners and breeders of Virginia-bred horses are paid to encourage more horse owners and breeders to locate and remain in the Commonwealth. The amount distributed to the owners and breeders as well as the number of awards increased slightly in calendar year 2012. Public protection and safety of horses is a high priority. Those directly involved in racing who can affect the outcome of an event are tested randomly for alcohol and drugs. VRC also collects samples from selected horses for drug testing. The number of tests performed on horses increased in calendar year 2012. The Commonwealth and its localities hosting satellite wagering facilities and a racetrack currently share in the tax revenue derived from pari-mutuel wagering. By growing the industry, more revenue will be available to the Commonwealth and local governments. Unfortunately, the amount of tax revenue declined over the past five years mainly due to the economy. The cost of each permit issued decreased for fiscal year 2013 as VRC has made reductions to its full-time and part-time permitting staff with little or no negative affect on productivity.

## Performance Measures

## Management Discussion & Analysis

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### General Information about the Ongoing Status of the Agency

VRC's future direction is to continue performing the agency's services in an efficient and cost-effective manner. Currently, staff positions are sufficiently filled. With anticipation of Colonial Downs' growth, it may be necessary to hire additional employees to fill business needs demanded by an increased workload in the future.

### Information Technology

VRC began using a new licensing system developed by the Association of Racing Commissioners International (ARCI) in March of 2013. The ARCI licensing system is free for VRC to use as it is a member of ARCI and there is only a nominal monthly fee for data storage. The ARCI licensing system does not use social security numbers and should comply with the security standards of the Virginia Information Technologies Agency (VITA). The new system will allow VRC to obtain administrator rights, as well as permit citizen access to allow license holders to view their license status.

### Workforce Development

VRC currently has 6 full-time employees. There is minimal opportunity for cross-training and backup. Opportunities for career advancement are negligible. Also, because of its location in rural New Kent County, the labor pool is sparse and there are a limited number of individuals in the Commonwealth who possess any knowledge and/or experience in horse racing with pari-mutuel wagering.

### Physical Plant

VRC's office is located near the stable area on the backside of Colonial Downs racetrack in New Kent County. Areas dedicated to licensing, veterinarians, judges, and security are provided by the licensee, in accordance with VRC regulations. VRC pays rent for the offices of its other personnel and storage areas. Although it is convenient for VRC to have its offices based at the racetrack, its lease with Colonial Downs expires on December 31, 2013, and VRC is in the process of securing office space located near the Richmond Airport in Sandston with an anticipated move in date of September 1, 2013.