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Report of

GOVERNOR'S COMMISSION ON GREYHOUND RACING

Submitted to Governor Rudy Perpich

GOVERNOR'S COMMISSION ON GREYHOUND RACING

December 30, 1983

Governor Rudy Perpich
State of Minnesota
Office of the Governor
St. Paul, Minnesota 55155

Dear Sir:

We respectfully submit the report of our commission, appointed by you to investigate the feasibility of greyhound racing in Minnesota.

We hope the information contained herein will be helpful to you, to the Legislature and to the citizens of Minnesota.

Sincerely,

Bob McNamara

Bob McNamara
Chairman

PURPOSE OF THE COMMISSION

The Governor's Commission on Greyhound Racing was appointed on August 17, 1983, to provide a forum for public discussion about a possible greyhound racing industry in Minnesota.

The commission is composed of a wide variety of citizens interested in the sport, including businesspersons, veterinarians, dog owners and trainers, and lay persons.

In appointing the commission, Governor Rudy Perpich asked that the group explore the feasibility of a constitutional amendment to allow pari-mutuel betting on greyhound racing. Underlying the governor's interest was the possibility of establishing a new industry in Minnesota.

Members of the commission served as unpaid volunteers. Public meetings were held to afford opportunity for comment by anyone interested in the subject.

The commission determined that a public policy discussion could best be served by collecting information in four areas. These facts and conclusions can be used to generate opinions on how the greyhound racing industry might pertain to the state of Minnesota.

Information in this report, accordingly, covers these three general areas:

1. The financial impact of the industry in states with active tracks.
2. Greyhound racing techniques, training techniques and the broad area of humane treatment of racing greyhounds.
3. Population dynamics as they relate to possible greyhound track sites.
4. Use of state revenues generated by racing.

FINANCIAL IMPACT

Based on information supplied by a greyhound track association and other sources, the commission obtained these estimates for the greyhound industry in the United States in 1982:

- a. Employed more than 100,000 people.
- b. Contributed more than \$158,000,000 to the tax funds of 14 states.
- c. Donated more than \$1,500,000 to charity.

The most direct information on operation of a greyhound track was obtained from South Dakota, which hosts the track nearest to Minnesota.

This track is known as Sodrac Park, and is located in North Sioux City, South Dakota. Sodrac employs about 160 persons during each racing season. Mr. Larry Eliason, Director of Racing at Sodrac, estimates that greyhound racing contributes from \$15 million to \$17.9 million to the South Dakota economy.

Mr. Eliason estimates that licensed dog and horse track workers in South Dakota spent \$11.9 million during 1982 on goods and services related to racing.

In 1982, Sodrac Park had a "handle" of \$25.4 million. (The term "handle" refers to the amount of money spent by track patrons at the betting window.)

Sodrac Park generally holds races at night, but also schedules matinees, or afternoon performances, on Saturdays, Sundays and some holidays.

SODRAC PARK 1982 TOTALS

Racing Days	Matinees	Total Performances	Attendance	Revenue State & Schools	Pari-mutuel Handle
131	24	155	283,244	\$2,146,406	\$25,487,836

Sodrac Park ended its 1983 season with an increase in its pari-mutuel handle of \$245,940, and increased attendance of 12,208, compared with 1982.

On September 4, 1983, during the Labor Day weekend, Sodrac Park handled \$243,928 with 4,392 persons in attendance. A two-day record was broken during the weekend with a Saturday-Sunday handle of \$1,130,972.

Thirteen states now permit greyhound racing and have active track operations.

The following summary of racing days, matinees, total performances, attendance, revenue and pari-mutuel handle was provided by the American Greyhound Track Operators Association. *

(from NASRC Statistical Summary) **

State	Racing Days	Number of Races	Attendance	Daily Average Attendance	Pari-Mutuel Turnover	Daily Average Turnover (\$)
Arizona	572	8,504	1,192,528	2,085	121,024,021	211,580
Arkansas	116	1,702	1,119,037	9,647	121,173,887	1,044,602
Colorado	354	5,672	1,437,014	4,059	165,116,384	466,430
Connecticut	451	5,718	912,977	2,024	109,210,216	242,151
Florida	1,872	2,667	8,867,509	4,737	880,621,829	470,418
Massachusetts	770	9,240	2,376,532	3,086	247,430,127	321,338
New Hampshire	651	11,067	970,197	1,490	82,301,083	126,423
Oregon	95	1,046	611,745	6,439	48,511,002	510,642
Rhode Island	297	5,346	1,190,828	4,010	110,519,418	372,119
South Dakota	290	3,579	411,602	1,419	33,262,119	114,697
Vermont	161	2,034	183,239	1,138	12,500,436	77,642
West Virginia	305	5,431	916,706	3,006	103,578,412	339,601
Green County, Ala.	283	3,962	535,669	1,893	68,992,477	243,790
Mobile County, Ala.	282	4,667	649,055	2,302	74,720,585	264,967
Totals	6,499	70,635	21,374,638	3,289	2,178,961,996	335,277

REVENUE TO GOVERNMENT AND STAKES AND PURSE DISTRIBUTION

State	Total Revenue (\$)	% Increase Decrease	Track Licenses (\$)	Occupational Licenses (\$)	Pari-Mutuel Taxes (\$)	Breakage (\$)	Admission Taxes (\$)	Misc. (\$)	Total Money Distributed (\$)
Arizona	6,928,433	+25%	-	12,399	6,916,034	-	-	-	3,455,546
Arkansas	7,955,079	-37%	34,800	10,556	7,270,433	465,723	54,209	119,358	2,621,055
Colorado	7,922,062	-1%	-	11,235	7,909,672	-	-	1,155	4,946,559
Connecticut	9,334,974	+6%	20	13,996	8,880,289	152,594	101,158	186,917	2,627,086
Florida	69,443,423	+3%	2,576,720	207,927	61,860,130	2,472,996	1,032,728	1,292,922	24,894,531
Massachusetts	20,952,766	+29%	268,921	9,935	19,732,186	448,907	-	492,817	8,660,054
New Hampshire	7,338,720	-12%	200,350	22,045	6,763,119	181,303	-	171,903	3,140,791
Oregon	3,773,412	+9%	8,550	8,175	3,634,734	-	-	121,953	1,435,069
Rhode Island	7,505,383	+2%	-	-	7,172,165	204,342	-	128,876	3,594,068
South Dakota	2,564,992	-1%	8,092	9,011	2,476,231	69,738	-	1,920	27,260,224
Vermont	856,460	-23%	550	5,209	829,173	-	-	21,528	381,992
West Virginia	6,634,367	+12%	45,730	14,048	6,422,157	-	-	152,412	2,930,552
Green County, Ala.	2,930,627	+10%	1,000	8,116	2,775,975	-	82,551	62,985	1,864,297
Mobile County, Ala.	6,222,089	+5%	100	5,608	5,977,647	138,617	62,626	37,491	2,030,228
Totals	160,362,787	+6%	3,144,853	338,260	148,619,945	4,134,220	1,333,272	2,792,237	89,842,052

*Satelite

** National Association of State Racing Commissioners

P.O. Box 4216

Lexington, Kentucky 40504

(606) 278-5460

The figures used below are from the summary of state pari-mutuel tax structures provided by the American Greyhound Track Operators Association. *

1982 RECAPITULATION

STATE	DAYS	MATS	TOTAL PERF.	ATTENDANCE	REVENUE TO STATE/COUNTY	P/M HANDLE
ALABAMA	567	258	825	1,184,724	\$ 9,083,814.70	\$ 143,713,062
ARIZONA	603	164	767	1,166,261	6,980,442.17	121,830,945
ARKANSAS	116	31	147	1,119,037	7,525,543.82	121,173,887
COLORADO	354	94	448	1,437,014	7,328,886.81	165,116,384
CONNECTICUT	233	218	451	911,197	9,032,923.41	109,210,216
FLORIDA	1,875	802	2,677	9,064,231	69,390,193.99	900,413,881
MASSACHUSETTS	475	295	770	2,329,971	21,174,851.00	247,430,127
NEW HAMPSHIRE	488	283	771	970,104	6,911,010.68	82,292,011
OREGON	95	-0-	95	613,078	3,634,733.99	48,511,002
RHODE ISLAND	249	195	444	1,190,828	7,376,506.91	119,519,418
SOUTH DAKOTA	265	25	290	411,602	2,705,272.56	33,262,119
VERMONT	114	47	161	183,239	829,172.67	12,500,436
WEST VIRGINIA	304	150	454	916,702	6,467,607.08	103,578,410
NATIONAL	5,738	2,562	8,300	21,497,988	\$158,440,959.79	\$2,208,551,898
TOTALS						

* American Greyhound Track Operators Association
 1065 N.E. 125th Street
 Suite 219
 North Miami, Florida 33161
 (305) 893-2103

COMPARATIVE DATA

	DAYS	MATS	TOTAL PERF.	ATTENDANCE	REVENUE TO STATE/COUNTY	P/M HANDLE
1981	5,933	2,511	8,444	21,507,617	\$156,094,135.45	\$2,190,129,923
1982	5,738	2,562	8,300	21,497,988	158,440,959.79	2,208,551,898

AMOUNT
INCREASE/
DECREASE - 195 51 - 144 - 9,629 \$ 2,346,824.34 \$ 18,421,975

PERCENTAGE
INCREASE/
DECREASE - 3.3% .2% - 1.7% - .04% 1.5% .84%

	<u>1981</u>	<u>1982</u>
AVERAGE ATTENDANCE PER PERFORMANCE	2,547	2,590
AVERAGE REVENUE TO STATE/COUNTY PER PERFORMANCE	\$ 18,486	\$ 19,089
AVERAGE P/M HANDLE PER PERFORMANCE	\$259,371	\$266,090

RACING AND TRAINING TECHNIQUES

Greyhounds generally begin schooling for the track at about 11 months. Actual track competition does not begin before 18 months. Greyhounds may be raced until they are from five to seven years of age.

Two concerns raised before the commission were the use of live animals in training, and the care of greyhounds retired from track competition.

The commission makes the following recommendations:

- a. No greyhound dog should be trained on a live animal in the state of Minnesota. At the beginning of each racing season the owner or handler of a dog presented to a track must verify in writing that training complied with this requirement. Suitable enforcement and penalties should be adopted, including loss of track privileges for one season for any kennel or trainer failing to comply.
- b. A percentage of the handle at each track should be dedicated to the placement and care of dogs retired from racing. Some possibilities include placement as pets in private homes, placement as pets in nursing homes, rehabilitation centers and detention centers for juvenile offenders. The commission recommends that the Minnesota Humane Society be given supervision of the placement program and be given the funds dedicated to this purpose.

POPULATION DYNAMICS

The commission concluded that, given competition from other sports attractions, including horse racing, greyhound racing might best prosper if located outside the seven-county Twin Cities region.

Using national statistics, it appears that about .005 of the given population in an area would equal the average greyhound racing attendance.

Using a 50-mile radius, this would provide a base attendance estimate as follows for three possible racing sites in Minnesota.

1. Duluth area -- approximately 150,000
2. Moorhead area -- approximately 85,000
3. Mankato area -- approximately 200,000

These three areas are cited only as possibilities for track locations. The population figures do not reflect tourist business, or potential attendees from neighboring states and Canada.

The commission concludes that any of these three sites, or all of them, would benefit the state of Minnesota, along with the county and city where located.

Sodrac Park is situated in a relatively small community of North Sioux City, South Dakota. It draws patronage from neighboring Sioux City, Iowa, population 85,000, plus clientele from Sioux Falls, South Dakota, 95 miles away (population 76,000), and from Omaha-Council Bluffs, 100 miles away (population 370,000).

Benefits to the state of South Dakota have been cited previously in this report.

USE OF STATE REVENUES

In any program involving legalized gambling, questions arise as to the use of monies accruing to the state. Generally, it can be argued that there is stronger public support and better accountability when these revenues are dedicated for a particular public purpose.

The commission recommends that the state portion of revenue from greyhound racing be dedicated for these purposes:

- a. Wildlife habitat and management.
- b. Sport fishing management and fish propagation.

In each case, the money could be used by the Department of Natural Resources in programs for the long-range benefit of game and fish programs in Minnesota. Such uses will benefit the tourism industry, as well as the quality of life for residents of Minnesota.

CONCLUSION

It is fair to assume that a track in a suitable location in Minnesota would equal or surpass the attendance and betting totals of Sodrac Park.

It is the commission's view that a well-run, well-advertised track would draw patronage from the Twin Cities metropolitan area as well, and thus possibly exceed the success of Sodrac Park.

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