



JOHN J. VIOLA
STATE REPRESENTATIVE
26th District

HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Gaming & Parimutuels, Chair
Revenue and Finance, Chair
Telecommunication/Internet &
Technology

House Gaming and Parimutuels Committee Meeting Minutes

3.20.19

Chair Viola called the meeting to order at 3:40 p.m. Members present included Vice Chair Bennett and Reps. Morris, Dukes, and Short.

Executive Director Bessie Gruwell of the Delaware Thoroughbred Horsemen's Association (DTHA) stated the organization represents 2,500 owners and trainers that race at Delaware Park. She highlighted stories of their successful horses, jockeys, and trainers.

Ms. Gruwell explained how one horse supports many jobs at their facility. There are 600 to 700 people currently living on the grounds of Delaware Park to care for the horses housed there.

Ms. Gruwell said there are 82 farms in their Delaware certified program, preserving over 2,500 acres. She explained that the program was created by Delaware Park in 2002 and allows yearlings residing in Delaware for a minimum of 90 days to be eligible for bonus money from Delaware Park, if they finish between 1st and 5th place. Over 300 horses throughout the Mid-Atlantic and Southern regions participated in 2018.

Ms. Gruwell added that nearby restaurants and retailers thrive during Delaware Park's racing season. She noted how the restaurants are dependent on Delaware Park.

Rep. Dukes asked how many jobs are entailed with Thoroughbred horse racing across the state.

Executive Director Salvatore DiMario of the Delaware Standardbred Owner's Association (DSOA), answered that there are 2,700 full-time equivalent workers working with the horses and the spinoff.

Chair Viola then formally introduced Mr. DiMario.

Mr. DiMario explained the DSOA represents the Standardbred Horsemen Racing at Dover Downs and Harrington Raceway. The DSOA currently has 500 members.

Mr. DiMario stated that they race almost 150 days in the state between the two racetracks, amounting to 42 or 43 weeks out of the year. He added that the horsemen who race are primarily locals who live, train, race, and own farms in the state.

Mr. DiMario referenced a 2014 study by the Center for Applied Business and Economic Research at the University of Delaware, and sponsored by the Department of Agriculture, stating that the state preserved 27,000 acres of land for horses, 37 percent preserved for racing, or 10,000 acres at minimum. The study also measured the economic impact from horse racing at



JOHN J. VIOLA
STATE REPRESENTATIVE
26th District

HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Gaming & Parimutuels, Chair
Revenue and Finance, Chair
Telecommunication/Internet &
Technology

about \$182 million. Mr. DiMario then mentioned that there were 1,540 full-time positions in the Standardbred horse industry, plus 1,165 supporting jobs.

Mr. DiMario explained the Delaware Standardbred Breeders' Fund, a program for horses that run in restricted races and that breed with a stallion in Delaware. In 2018, 347 broodmares bred in this program. The resulting foals are eligible to run in those restricted races, and each has an estimated economic impact of \$60,000 to \$70,000, from the time the horse breeds until it finishes racing as a 3 year old.

Mr. DiMario added the Horse Racing Redevelopment Act accomplished its intended purpose.

Chair Viola asked if they race 7 days a week during their racing season.

Mr. DiMario responded that they race 4 days a week at Dover Downs and 3 days per week at Harrington Raceway. This amount satisfies the needs for the number of horses in the state. It limits the costs on the racetracks, while also providing enough opportunity for the horses.

Ms. Gruwell added there will be 85 racing days at Delaware Park in 2019.

Chair Viola asked if the committee could do anything to help.

Mr. DiMario replied that when the Delaware Standardbred Breeders' Fund was started almost 20 years ago, \$1 million was given to the fund from the state, and \$1 million was deposited by the DSOA. Both entities increased their contributions by \$500,000 under Governor Ruth Ann Minner. He said Delaware is still competitive, but falling behind Pennsylvania and New Jersey. The DSOA would like to again increase their own contribution to the fund by \$500,000 and have that matched by the state. There is currently \$3 million in the program, and expanding that to \$4 million or \$4.5 million would boost the program and provide economic development, as well as impact. He said he hopes this could happen this year, so it will be in effect for next year's breeding program.

Ms. Gruwell added that currently \$1 million goes towards the Delaware Certified Thoroughbred Program, and this amount has not changed since the program's inception in 2002. The DTHA and the state each provide \$500,000. In 2018, the program had its highest enrollment ever. The program currently brings horses to the state, which help farmers. Another \$500,000 from the state, matched by the DTHA, will help boost, and build the program.

Chair Viola asked what return on investment will they see if the state provides extra funds.

Mr. DiMario replied that when a horse is bred, there is the stud fee, and an 11 ½ month period of gestation, where the mare is housed in Delaware. The horse will need veterinary care, a blacksmith, and a pasture until the foal is born. The mare will probably breed again. By the time



JOHN J. VIOLA
STATE REPRESENTATIVE
26th District

HOUSE OF REPRESENTATIVES
STATE OF DELAWARE
411 LEGISLATIVE AVENUE
DOVER, DELAWARE 19901

COMMITTEES
Gaming & Parimutuels, Chair
Revenue and Finance, Chair
Telecommunication/Internet &
Technology

the first foal is through its first 3 years, the mare will give birth to 3 other foals. He said between \$70,000 and \$75,000 will be yielded from that crop.

Ms. Gruwell said if Delaware cannot keep their programs healthy, then horsemen could take their horses to any surrounding state. Delaware's programs are attractive enough that they still come to the state, but may not if the state falls behind the mark. She added that New Jersey gave horsemen \$20 million to add to their program in 2019.

Ms. Gruwell stated that the 2014 study estimated Delaware has more horses per capita than Kentucky. She added that horse racing is the second biggest agricultural business behind the poultry industry in the state.

Chair Viola thanked Ms. Gruwell and Mr. DiMario for their presentations.

Chair Viola adjourned the meeting at 4:18 p.m.

Respectfully submitted by:

Davis Braun

In attendance:

Salvatore DiMario, Delaware Standardbred Owners Association

Bessie Gruwell, Delaware Thoroughbred Horsemen's Association

Kim Willson, Ruggerio Willson & Associates

Bill Fasy, Delaware Park

Bill Oberle, Delaware State Troopers Association

Michael Scuse, Delaware Department of Agriculture

C. Scott Kidner, Delaware Thoroughbred Horsemen's Association

Roger Roy, Delaware Standardbred Owner's Association