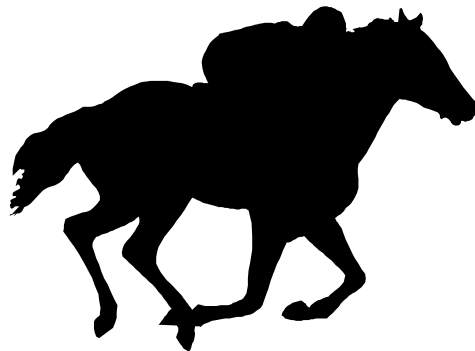


# ***Colorado Horse Breeder's Incentive Fund***

**An Economic Growth Plan for the  
Colorado Horse Industry, funded by  
the Colorado Horse Racing Industry**

**Prepared by:**

**Colorado Horsemen's Legislative Coalition**



**September 2008**

## **Colorado Horsemen's Legislative Coalition Legislative Agenda**

The Colorado Breeders Incentive Fund is part of proposed revisions to the Colorado Racing Statute in an effort to improve the economic climate for Colorado horse racing and the overall Colorado horse industry. Other changes to the racing statute include:

### **Revenue Opportunities**

- Day available to simulcast should be increased to 360 Days a Year
- Internet Simulcasting or Advance Deposit Account Wagering
- "Instant Racing"
- Off Track Simulcast Facilities

### **Revenue Distribution**

- Internet Wagering Source Market Fees
- Division of Net Revenue from Instant Racing

### **Racing Opportunities**

- Number Of Racing Days
- Authority to Simulcast Prior to Racing For New Race Tracks.

### **Colorado Breeders Incentives**

- Colorado Breeders Race Fund
- Colorado Horse Breeders Incentive Fund

**The Colorado Horsemen's Coalition was formed to address the current problems the Colorado horse industry faces. The Colorado Horsemen's Legislative Coalition mission is to develop and lobby for legislation that will promote the growth and success of all parts of the Colorado horse industry - which includes owners, trainers, breeders and others that work within the industry. The Colorado Horsemen's Coalition does not represent any breed or subset of the industry, but is supportive of all parts of the industry.**

**The Colorado Horsemen's Coalition is a voluntary group that does not accept funding from any for-profit organizations or companies. The coalition is entirely self-funded by member's donation of time and expense contributions.**

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## Colorado Horse Breeders Incentive Fund

The purpose of the Colorado Horse Breeders Incentive Fund (HBIF) is to attract, retain, promote and encourage the breeding, raising, training and exhibition of horses bred in Colorado. For the purposes of the HBIF, Colorado bred horses are defined as horses bred in Colorado and trained with the primary intent of recreational use, public competition and exhibition in activities other than pari-mutual racing.

Horse activities and events supported by the HBIF include, but are not necessarily limited to:

- Western riding competitions
- English riding competitions
- Cutting competitions
- Reining competitions
- Roping competitions
- Barrel Racing competitions
- Recreational riding activities
- Horses bred and trained for other equine events sponsored or produced by national equine breed registries or national performance horse associations with an approved Colorado affiliate.

Funding for the HBIF will come from 3% of the net revenue from Advance Deposit Account Wagering and 2% from the net revenue from Instant Racing. The Colorado Horse Development Authority will administer the Horse Breeders Incentive Fund. Allocation of the funding shall be as follows:

- 70% of the fund shall be allocated to approved Colorado affiliates of national equine breed registries. The amount allocated to the Colorado affiliate participating in the HBIF shall be calculated by dividing the number of horses registered as Colorado bred by the affiliate that are 25 years of age and younger and currently residing in Colorado, as certified by the state affiliate, by the total number of horses from all Colorado affiliates. Each affiliate shall establish and maintain a Colorado bred registry.
- 30% shall be allocated for the existing equine activities in Colorado, as well as the development of new equine industry activities and equine related economic development for Colorado excluding pari-mutual racing. Not for profit entities wishing to utilize funds under this section shall do so by application on the prescribed form to the Colorado Horse Development Authority. For profit entities will not be eligible for funds from the HBIF.

The organization administering the funds may utilize no more than 5% of the total fund for administration of the HBIF funds under its control. Not less than 95% of the funds allocated are to be distributed in the form of:

- Purse supplements for events conducted in Colorado
- Added money for events conducted in Colorado
- Breeders' awards for horses bred in Colorado
- Owners' awards for horses bred in Colorado
- Stallion owners' awards for horses conceived in Colorado
- Other financial awards or incentives as approved by the Colorado Horse Development Authority.

The organizations administering the funds shall submit to the Colorado Horse Development Authority on an annual basis a full accounting of the allocation of all funds from the HBIF under its control.

## Colorado Horse Breeders Incentive Fund Financial Potential

### Instant Racing\*

Monthly handle per instant racing terminals	\$75,000
Estimate number of terminals	600
Annual handle	\$540,000,000
Adjusted Gross Proceeds (10%)	\$54,000,000
(AGP = Handle less payment to winners)	
<b><i>Horse Breeders Incentive Fund (2% AGP)</i></b>	<b><i>\$1,080,000</i></b>

\* Based on Instant Racing website - figures for Oaklawn Park, Hot Springs, AR

### Advance Deposit Account Wagering\*

Estimated handle	\$12,500,000
Market Source Fee (15%)	\$1,875,000
<b><i>Horse Breeders Incentive Fund (3% SMF)</i></b>	<b><i>\$ 56,250</i></b>

\* Based on Idaho 2007 ADW Handle

***Total Horse Breeders Incentive Fund*** ***\$ 1,136,250***

### Distribution

<b>Breeds (70%)</b>	<b>\$795,375</b>
<b>Equine Economic Grants (30%)</b>	<b>\$340,875</b>

## INDUSTRY SUPPORT FOR BREEDER'S INCENTIVE FUND

- Rocky Mountain Quarter Horse Association
- Colorado Thoroughbred Breeders Association
- Colorado Horse Council
- Rocky Mountain Paint Horse Association
- Colorado Owners & Breeders of Racing Arabians
- American Quarter Horse Association
- Colorado Horse Racing Association

## WHAT YOU CAN DO

Volunteer to help in the grassroots effort with the state legislature that will be required to implement the Breeders Incentive Fund. Joining the coalition does not cost you anything but a little time contacting your state legislators.