



Pennsylvania Gaming Control Board

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Executive Summary

The Pennsylvania Race Horse Development and Gaming Act ("Act") states that the authorization of limited gaming is intended to positively assist the Commonwealth's horse racing industry, support programs intended to foster and promote horse breeding, and improve the living and working conditions of personnel who work and reside in and around the stable and backside areas of racetracks.

The Pennsylvania Gaming Control Board ("PGCB") is pleased to present this seventh annual Benchmark Report which provides an update on the impact that slot machine revenues are having on the horse racing industry and pari-mutuel wagering throughout the Commonwealth. This report examines trends in horse and harness racing and other indicators of pari-mutuel health over the past five years. All information has been updated to include slot machine gaming revenue, tax assessments, and horse racing statistics through the end of 2013.

In accordance with the Pennsylvania Race Horse Development and Gaming Act, approximately 11% of revenue generated from slot machine gaming was earmarked for the horse racing industry and agricultural initiatives in 2013. As a result, more than \$252 million in slot machine tax revenue was generated for the Pennsylvania Race Horse Development Fund. Of this amount, approximately \$209 million was earmarked specifically for the horse racing industry to enhance purses, assist breeding operations, provide health and pension benefits for horsemen, and provide a positive impact on the agricultural industry in Pennsylvania. Racetrack casino operators are also continuing to improve the infrastructure of their racetracks. The casinos

which host horse or harness racing invested over \$6 million in 2013 and approximately \$52 million since the casinos opened in 2006 to improve the stable and backside areas of their racetracks.

Also, while the racing industry has benefited tremendously due to slot machine gaming, the casino industry is benefiting from live horse racing. Casinos throughout the country benefit from offering additional amenities beyond gaming such as retail shopping, restaurants, hotels, concerts, and conventions. Horse racing provides an additional entertainment option for patrons who frequent the casinos. These amenities drive patrons to the casinos who may not otherwise attend just to play slot machines or table games. In fact, average daily gross terminal revenue generated from slot machine gaming by the six casinos which host horse racing was 16% higher on race days when compared to non-race days in 2013.

Overall gross terminal revenue generated from slot machine gaming at the 12 casinos was over \$2.3 billion in 2013. However, the amount of tax revenue generated for the Pennsylvania Race Horse Development Fund decreased by approximately 7% in 2013 compared to the same period in 2012 due to a decrease in gross terminal revenue generated by the casinos which host horse racing. This had led to a decrease in funding to support horse and harness racing within Pennsylvania.

Finally, total dollars wagered on Pennsylvania races, or live racing handle, was approximately 4% higher in 2013 compared to the same time period in 2012. This can be attributed solely on an increase in wagering on Pennsylvania races by patrons outside of the Commonwealth. At the same time, while live racing handle has increased, taxable handle continues to steadily decrease creating significant challenges for the industry. Taxable handle decreased by approximately 8% in 2013 compared to the same time period in 2012 and 50% when compared to the same time period before gaming commenced in 2006. This decrease is mainly due to a decrease in demand for wagering on races held outside of Pennsylvania.

However, revenue generated from slot machine gaming has provided an overall positive impact on live racing in Pennsylvania and continues to benefit the agricultural community.

Benefits for Pennsylvanians

Pennsylvania Race Horse Development and Gaming Act

The success of legalized casino gaming has enabled Pennsylvania to create a significant new tax base that is generating millions of dollars a day to lower school property taxes, help the horse/harness racing and agricultural industries, fund economic development throughout the state, and provide financial help to local communities that host casinos. Just as important, casinos are employing thousands of persons and spending hundreds of millions of dollars with other Pennsylvania businesses for goods and services.

While overseeing this growth, the PGCB must watch casino operations closely to protect the interests of all Pennsylvanians. That is the job of the dedicated staff of the PGCB who establish and administer a strong but fair regulatory framework to ensure the gaming industry in the Commonwealth is held to the highest ethical standards.



Distribution of Slot Machine Gross Terminal Revenue in 2013



Pennsylvania law mandates the following split of revenue from each dollar generated by slot machine gaming:

- Licensee Retained Earnings - 46¢
- Gaming Fund Property Tax Reduction - 34¢
- Race Horse Development Fund - 11¢*
 - 80% - Purses
 - 4% - Health Insurance & Pension Benefits
 - 8% - PA Breeders Fund
 - 4% - PA Sire Stakes Fund
 - 4% - PA Standardbred Breeders Development Fund
- Economic Development & Tourism Fund - 5¢
- Local Government Share - 4¢

*In fiscal year 2013/2014, the Pennsylvania Race Horse Development Restricted Receipt Account was created within the Race Horse Development Fund. This account provides funding for agricultural initiatives which are not utilized to assist the racing industry.

Gross Gaming Revenue

Gross Terminal Revenue

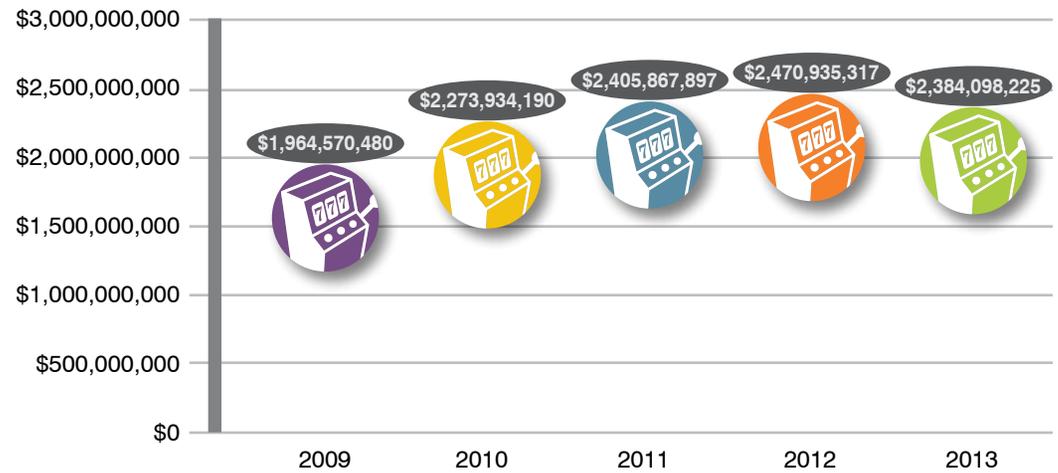
Gross Terminal Revenue (GTR) is the amount of slot machine revenue generated by a Pennsylvania casino that is taxable. GTR can be defined as wagers minus payouts and does not include the promotional play given out by the casino. In 2013, GTR was taxed at approximately 54% or approximately 54 cents of every taxable dollar.

Race Days vs. Non-Race Days

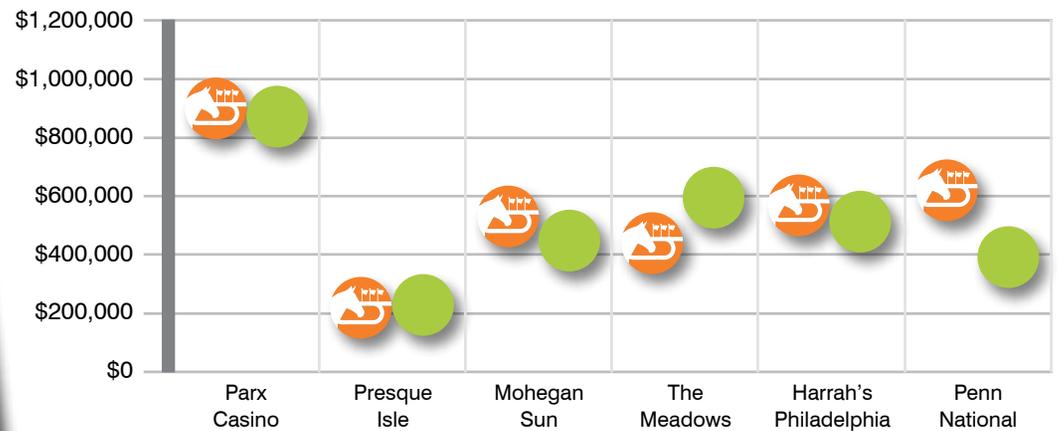
While the racing industry benefits tremendously due to slot machine gaming, the casino industry also benefits from live horse racing. Casinos throughout the country benefit from offering additional amenities and events beyond gaming such as retail shopping, restaurants, hotels, concerts, and conventions. Horse racing provides an additional entertainment option for patrons who frequent the facilities. These amenities drive patrons to the facility who may not otherwise attend just to play slot machines or table games. In fact, average daily gross terminal revenue generated from slot machine gaming by the six casinos which host horse racing was 16% higher on race days when compared to non-race days in 2013. This does not take other factors into consideration such as peak times when racing is scheduled or casino related promotions that may be taking place at the same time.



Gross Terminal Revenue



Average Daily Gross Terminal Revenue



	Parx Casino	Presque Isle	Mohegan Sun	The Meadows	Harrah's Philadelphia	Penn National
Race Days	\$1,035,566	\$335,438	\$643,911	\$570,247	\$678,054	\$744,917
Non-Race Days	\$979,341	\$368,142	\$575,034	\$708,038	\$614,733	\$497,536

Slots Tax Revenue

What is Slots Tax Revenue?

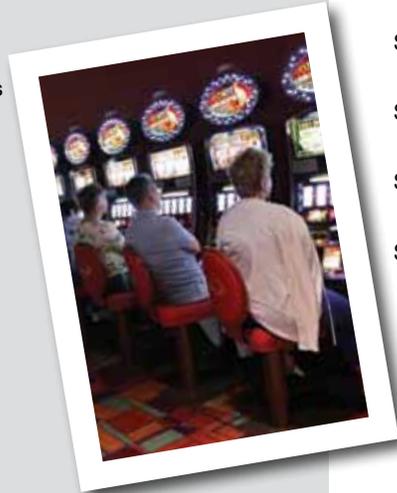
Slots Tax Revenue for this report is the amount of tax money generated by the play of slot machines and does not include additional revenue generated from table games. It can be broken down into four broad categories that equaled roughly a 54% tax on slots gaming revenue in 2013.

1. State Tax which equals 34% of gross terminal revenue. This revenue is mainly used for property tax reduction.
2. Local Share Tax which equaled 4% of gross terminal revenue. This revenue is distributed in the counties and municipalities that have casinos in their area.
3. Race Horse Development Fund which equaled roughly 11% of gross terminal revenue in 2013. This revenue is used for race horse development and other agricultural initiatives. The Pennsylvania Race Horse Development Fund tax assessment is variable and capped at 12%.
4. Economic Development Fund which equals 5% of gross terminal revenue. This revenue is used for economic development projects across Pennsylvania.

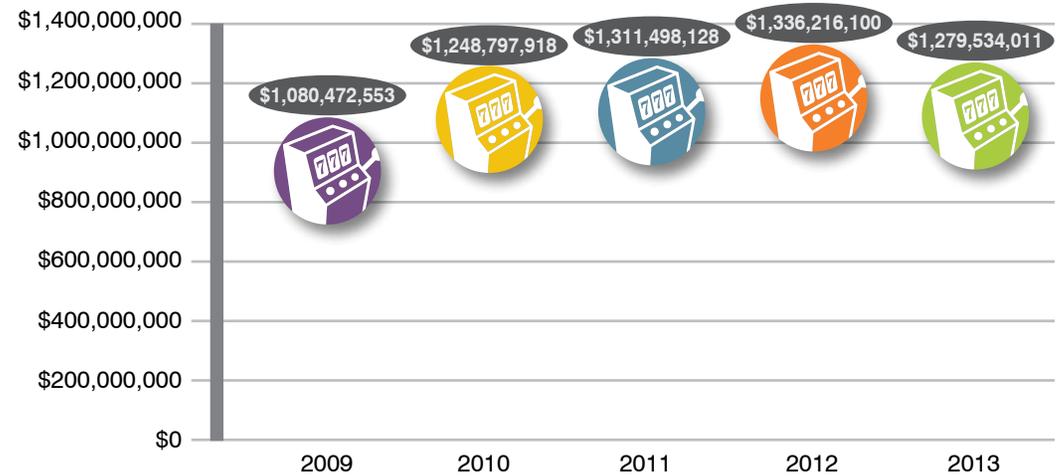
This report focuses mainly on the PA Race Horse Development Fund and its effects on the racing industry in Pennsylvania.

Why is this important?

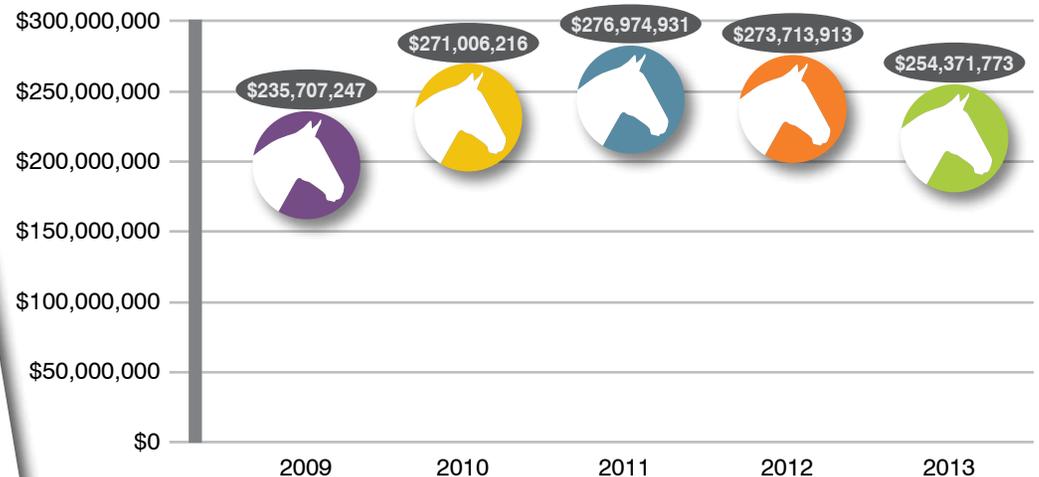
Pennsylvania's gaming industry generates more tax revenue on an annual basis than any other state in the country. Total tax revenue since the opening of the first casino in November 2006 through December 2013 reached \$9 billion. This new tax base continues to provide the resources necessary to accomplish the intent of the 2004 Race Horse Development and Gaming Act.



Slots Tax Revenue



Pennsylvania Race Horse Development Fund



The Pennsylvania Race Horse Development Fund



The Pennsylvania Race Horse Development Fund is an economic driver of pari-mutuel wagering and is derived from slot machine gaming revenue. The purpose of the Fund is to further stimulate the viability and quality of racing in Pennsylvania which enhances the equine industry and agriculture on a broad based economic level.

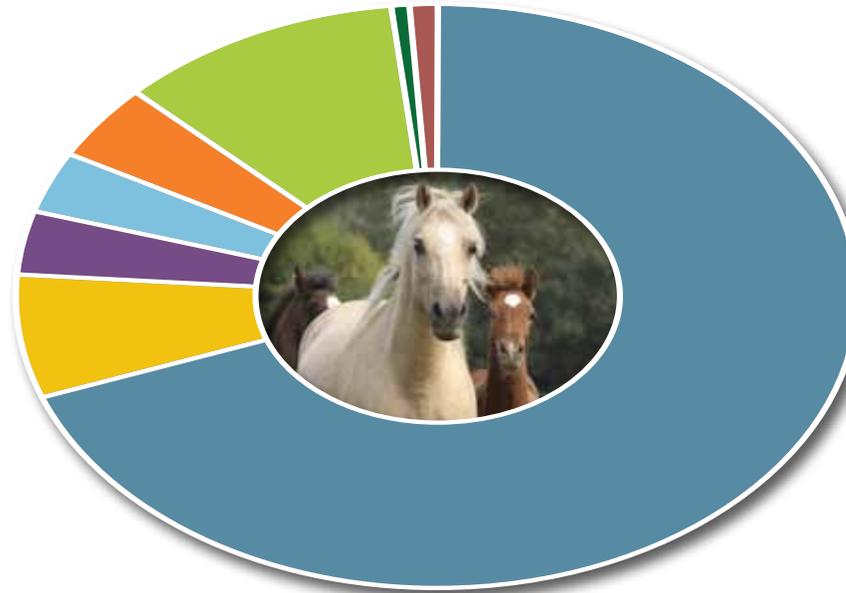
Funds within the Pennsylvania Race Horse Development Fund are appropriated to the Department of Revenue and distributed on a weekly basis as follows:

- Approximately 80% is distributed to each active racetrack operator conducting live racing. The racetrack operator, in turn, deposits this money into a restricted account established by and for the benefit of the horsemen to fund purses, or prize money, for live races. These funds are combined with revenues from existing purse agreements to fund purses for live races consistent with agreements with the horsemen.
- Approximately 4% is distributed to each active racetrack operator conducting live racing. The racetrack operator, in turn, deposits this money into an account established by and for the benefit of the horsemen to fund health insurance and pension benefits for members of the horsemen's organizations representing the owners and trainers at the racetrack at which the licensed racing entity operates for the benefit of the organization's members, their families, employees and other in accordance with the rules and eligibility requirements of the organization.
- For thoroughbred tracks, approximately 16% is distributed to the Pennsylvania Breeding Fund established by the Race Horse Industry Reform Act. The Pennsylvania Breeding Fund is designed to enhance the breeding industry of Pennsylvania thoroughbreds, offering monetary awards to breeders, stallion owners and owners of Pennsylvania bred horses.
- For standardbred tracks, approximately 8% is distributed to the Pennsylvania Sire Stakes Fund as defined by the Race Horse Industry Reform Act. The Pennsylvania Sire Stakes Program is designed to promote Pennsylvania agriculture by providing funding for a series of races that feature the top horses sired by a registered Pennsylvania stallion. The series has four preliminary legs per racing division, with the top divisional horses competing in a championship race at season's end. There are also a set of Sire Stakes conducted at 21 stops along the Pennsylvania fair circuit.
- For standardbred tracks, approximately 8% is distributed into a restricted account in the State Racing Fund known as the Pennsylvania Standardbred Breeders Development Fund. This fund is intended to benefit the breeders of trotters and pacers in the Commonwealth. The program provides incentives to the owners of stallions and broodmares residing in Pennsylvania.
- Beginning January 1, 2010, 34% of the Pennsylvania Race Horse Development Fund was allocated away from the racing industry and transferred into the General Fund. This percentage fell to 17% effective July 1, 2010 and continued at that rate through June 30, 2013 when the transfer expired.
- In fiscal year 2012/2013, \$5 million was transferred from the Pennsylvania Race Horse Development Fund to the Farm Products Show Fund. From the money transferred to the Farm Products Show Fund, \$2 million was subsequently distributed to county fairs.
- In fiscal year 2013/2014, approximately \$17.7 million was deposited into an account called the Pennsylvania Race Horse Development Restricted Receipts Account. This account was created within the Pennsylvania Race Horse Development Fund and is utilized to provide funding for the Animal Health Commission, the Pennsylvania Veterinary Laboratory System, the State Farm Products Show Fund, and for payments to Pennsylvania fairs.

The Pennsylvania Race Horse Development Fund - Distributions

Pennsylvania Race Horse Development Fund Distributions

November 2006 - December 2013
\$1,628,850,388



Horse Racing Distributions

- Purses - \$1,127,726,391
- PA Breeding Fund \$111,665,350
- PA Sire Stakes Fund - \$56,939,964
- PA Standardbred Breeders Development Fund - \$56,939,964
- Health & Pension Benefits - \$68,513,799

Non-Horse Racing Distributions

- General Fund - \$184,405,921
- Farm Products Show Fund - \$5,000,000
- Restricted Receipts Account - \$17,659,000

	2009	2010	2011	2012	2013
Purses	\$ 188,565,798	\$ 157,089,030	\$ 181,321,256	\$ 177,269,965	\$ 165,608,544
PA Breeding Fund	\$ 18,235,972	\$ 16,213,108	\$ 18,634,739	\$ 18,184,986	\$ 17,125,771
PA Sire Stakes Fund	\$ 9,738,594	\$ 7,602,349	\$ 8,814,756	\$ 8,634,503	\$ 7,997,969
PA Standardbred Breeders Development Fund	\$ 9,738,594	\$ 7,602,349	\$ 8,814,756	\$ 8,634,503	\$ 7,997,969
Health & Pension Benefits	\$ 9,428,290	\$ 12,173,561	\$ 11,368,571	\$ 11,400,000	\$ 11,249,787
General Fund	\$ 0	\$ 68,808,016	\$ 46,894,209	\$ 45,904,907	\$ 22,798,789
Farm Products Show Fund	\$ 0	\$ 0	\$ 0	\$ 2,500,000	\$ 2,500,000
Restricted Receipts Account	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,659,000

All statistics have been provided from various sources and have not been audited by the Pennsylvania Gaming Control Board

Thoroughbred Breeding

What is Thoroughbred Breeding?

1. "Thoroughbred Breeders" are the number of thoroughbred horse breeders who have received awards from the Pennsylvania Breeding Fund.
2. "Thoroughbred Foals" are the number of Pennsylvania bred foals registered each year with the Pennsylvania Horse Breeders Association.

Why is this important?

Over 600 individuals or businesses received awards from the Pennsylvania Breeding Fund in 2013. Awards are paid to the breeder, the stallion owner and the owner of registered Pennsylvania bred horses. Awards are paid to registered Pennsylvania bred horses finishing first, second and third on every race run in the Commonwealth. The awards are an incentive to breed horses in the Commonwealth and drive demand for Pennsylvania horses. Additionally, the Pennsylvania Breeding Fund supports stakes races, restricted races and owner bonuses for registered Pennsylvania bred horses.

The breeding industry is a direct contributor to the agricultural economy and provides a steady stream of income to farmers and vendors who support the preservation of farmland.

Trends

2013 Thoroughbred Breeders - 619

- The number of thoroughbred breeders who have received awards from the Pennsylvania Breeding Fund increased by approximately 2% in 2013 compared to the same period in 2012.

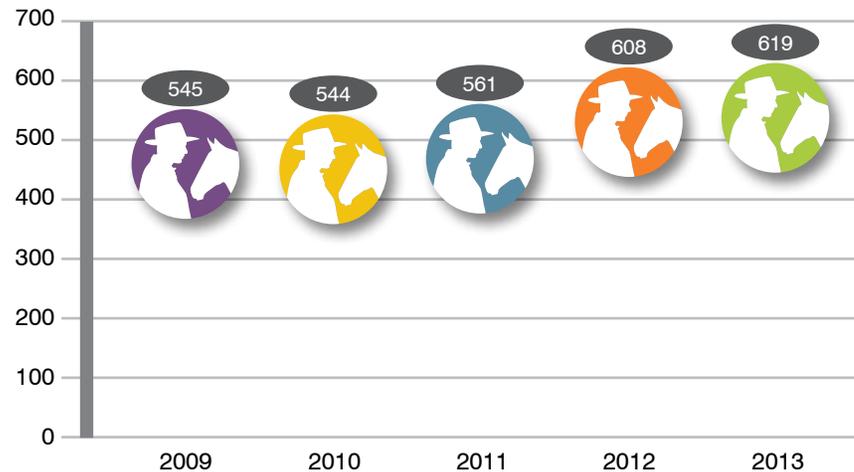
2012 Thoroughbred Foals - 900

- The number of thoroughbred foals registered with the Pennsylvania Horse Breeders Association decreased by approximately 13% in 2012 compared to the same period in 2011.

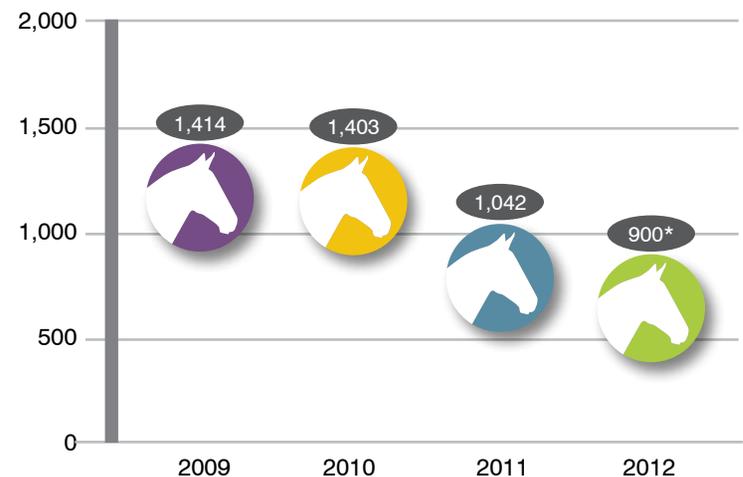


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Thoroughbred Breeders



Thoroughbred Foals



*Figure for 2012 is an estimate.

Standardbred Breeding

What is Standardbred Breeding?

1. "Standardbred Breeders" are the number of standardbred horse breeders who have received awards from the Pennsylvania Standardbred Breeders Development Fund.
2. "Standardbred Yearlings" are the number of standardbred yearlings whose nominating fee has been paid to participate in the Pennsylvania Sire Stakes program.

Why is this important?

The Pennsylvania Standardbred Breeders Development Fund is intended to benefit the breeders of trotters and pacers racing in the Commonwealth. The program provides incentives to the owners of stallions and broodmares residing in Pennsylvania. A change in the number of standardbred breeders indicates an increase or decrease of individuals or businesses who invest in standardbred horse breeding.

The Pennsylvania Sire Stakes Program is designed to promote Pennsylvania agriculture by providing funding for a series of races that feature the top horses sired by a registered Pennsylvania stallion. The series has four preliminary legs per racing division, with the top divisional horses competing in a championship race at season's end. There is also a set of Sire Stakes conducted at 21 stops along the Pennsylvania fair circuit.

Trends

2013 Standardbred Breeders - 589

- The number of standardbred breeders who have received awards from the Pennsylvania Standardbred Breeders Development Fund increased by over 5% in 2013 compared to the same period in 2012.

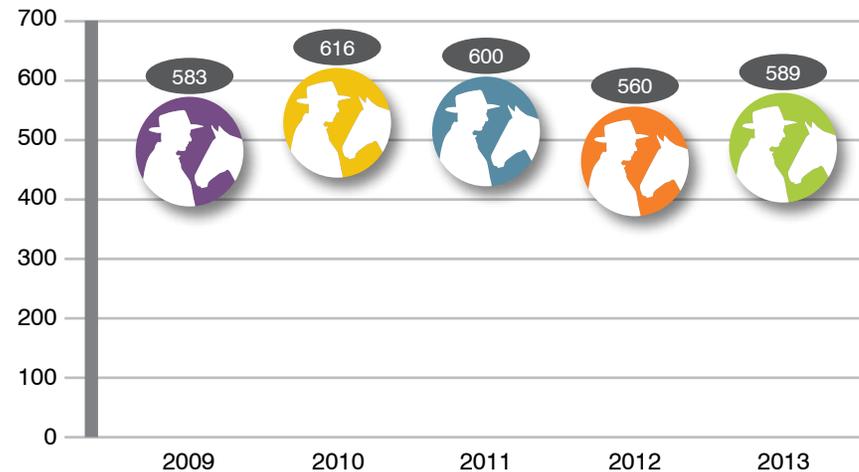
2013 Standardbred Yearlings - 1,500

- The number of standardbred yearlings whose nomination fee has been paid to participate in the Pennsylvania Sire Stakes program decreased by approximately 13% in 2013 compared to the same period in 2012.

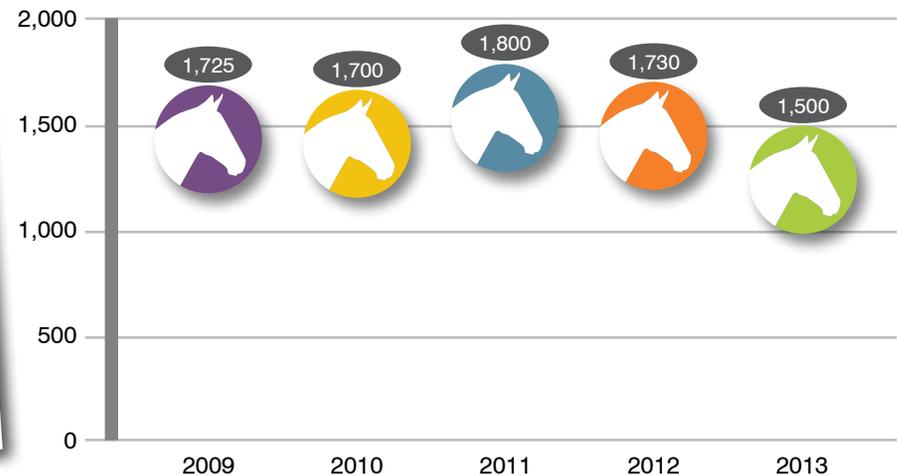


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Standardbred Breeders



Standardbred Yearlings



Purses

What are Purses?

1. "Purses Earned" is the total amount of prize money available to be paid to winning horses before a race takes place.
2. "Purses Paid" is the subsequent distribution of prize money actually paid to winning horses after a race takes place.

Purses are funded mainly from slot machine revenue allocated to the Pennsylvania Race Horse Development Fund and a portion of total dollars wagered on horse and harness racing, also known as "handle".

Why is this important?

An increase in purses is intended to attract better quality horses to Pennsylvania, creating more competitive and exciting races. Purses also spur investment in Pennsylvania racing and equine related products and services, which benefits the agricultural industry in the Commonwealth. Horse owners rely on these purses in order to pay all expenses and employ trainers, veterinarians, grooms, exercise riders, hot walkers, blacksmiths, and jockeys.

Trends

2013 Purses Earned from Slots - \$166,920,822

- Approximately 84% of all purses earned in 2013 were generated by funding derived from slot machine gaming.

2013 Purses Earned from Handle - \$30,841,648

- Approximately 16% of all purses earned in 2013 were generated by funding derived from total dollars wagered on horse racing

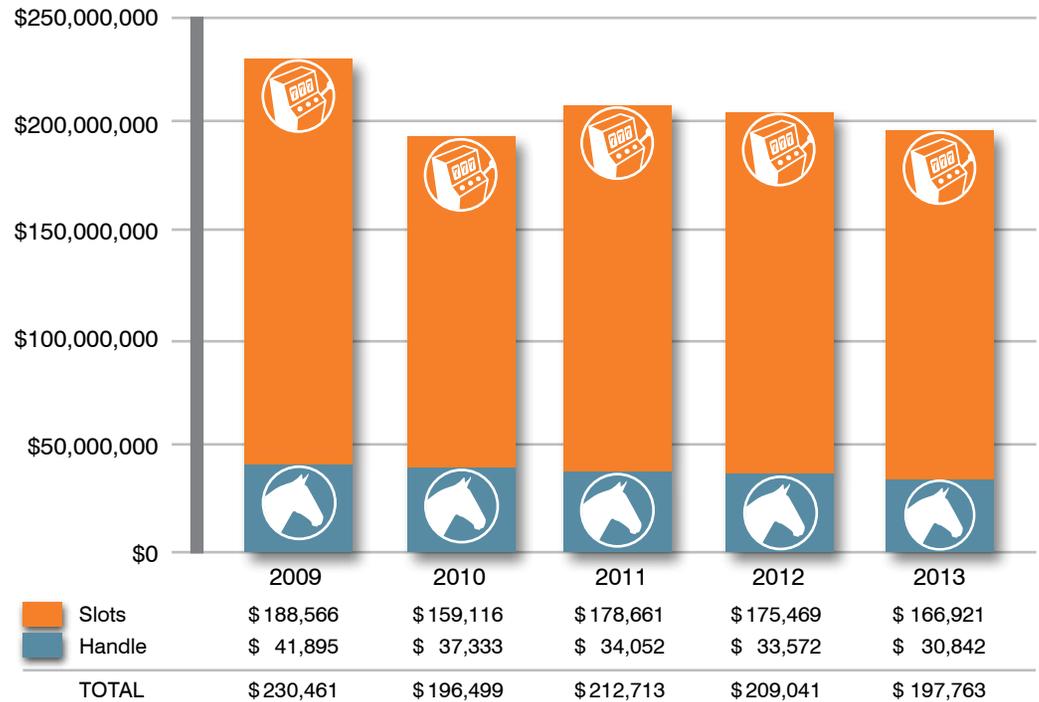
2013 Total Purses Paid - \$203,262,053

- Total purses paid decreased by over 7% in 2013 compared to the same period in 2012.



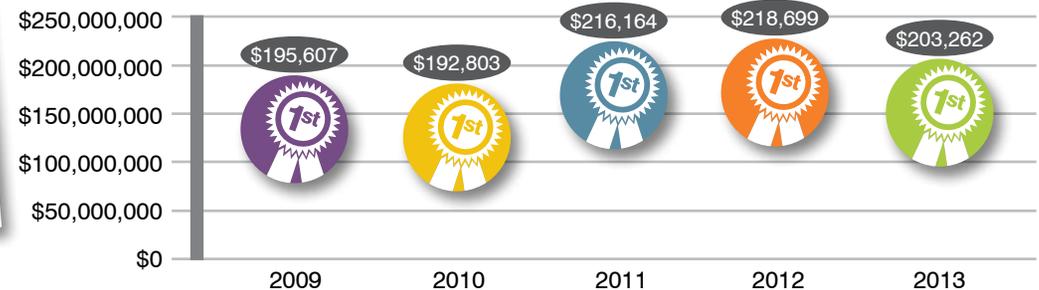
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Purses Earned



Dollar amounts are in thousands

Purses Paid



Dollar amounts are in thousands

Races

What are Race Days and Live Races?

1. "Race days" are the total number of days that live racing takes place at Pennsylvania tracks.
2. "Live races" are the total number of races that take place at Pennsylvania tracks.

Why is this important?

The number of race days and live races are a strong indicator of total activity at tracks in Pennsylvania. By statute, each racetrack operator must schedule a minimum number of race days and live races per year. This provides stability for horsemen by providing assurance that a sufficient number of races are scheduled by the racetrack casino operator. In many respects, more race days or live races can be attributed to an increase in funding for purses which is derived from slot machine revenue. This leads to increased participation from horsemen and breeders, who invest directly into Pennsylvania's racing industry and agriculture.

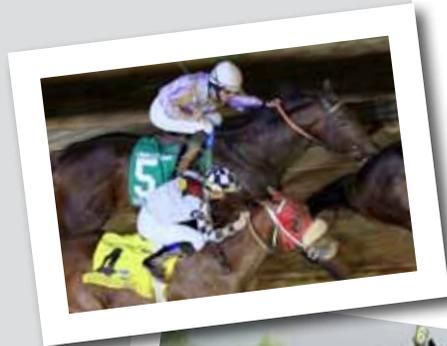
Trends

Race Days
2013 - 992

- The total number of race days decreased by less than 1% in 2013 compared to the same period in 2012.

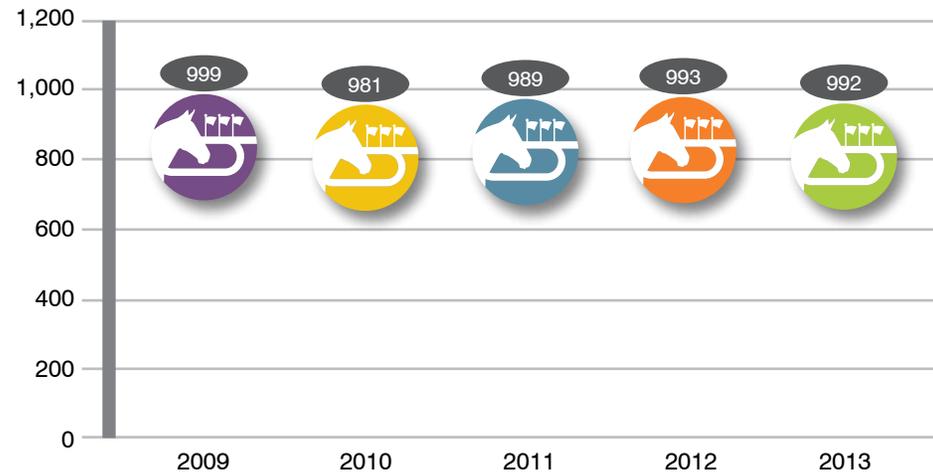
Live Races
2013 - 11,478

- The total number of live races decreased by approximately 2% in 2013 compared to the same period in 2012.

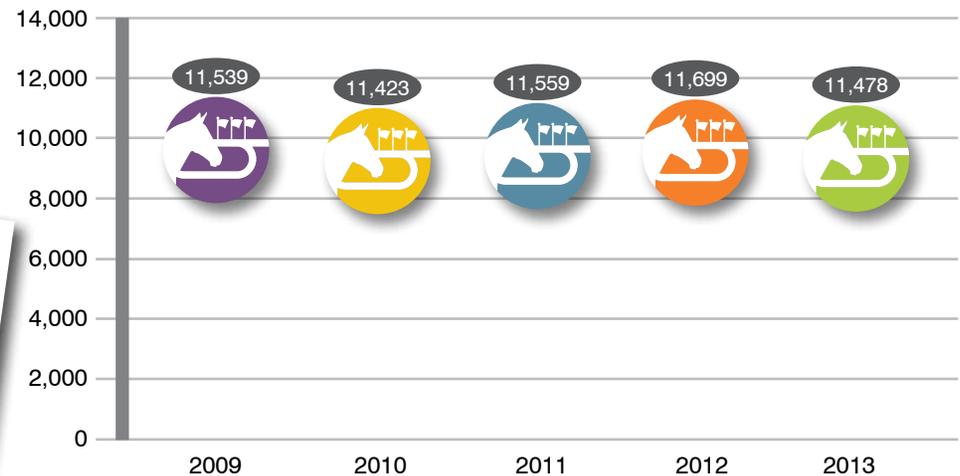


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Race Days



Live Races



What is Live Handle?

Live handle is broken down into several subcategories and includes total dollars wagered on races held in Pennsylvania. The figures do not include total dollars wagered on races held outside of the Pennsylvania, as revenue generated from slot machine gaming for the Pennsylvania Race Horse Development Fund does not impact demand for wagering on these races.

“On-Track” – Total dollars wagered on Pennsylvania races at the six racetracks in the Commonwealth.

- Total live racing handle generated at the six racetracks in Pennsylvania decreased by approximately 9% in 2013 when compared to the same period in 2012.

“Off-Track” – Total dollars wagered on Pennsylvania races at the off-track wagering facilities in the Commonwealth.

- Total live racing handle generated at the off-track wagering facilities within Pennsylvania decreased by approximately 20% in 2013 when compared to the same period in 2012.

“Phone Wagering” – Total dollars wagered on Pennsylvania races through a phone or internet wagering service.

- Total live racing handle generated through phone wagering decreased by over 4% in 2013 when compared to the same period in 2012.

“In-State Export” – Total dollars wagered on Pennsylvania races by patrons inside of the Commonwealth through simulcast wagering. Pennsylvania racetracks export their live racing signal to other properties within Pennsylvania and retain a portion of the amount wagered.

- Total live racing handle generated through in-state export decreased by over 6% in 2013 when compared to the same period in 2012

“Out-of-State Export” – Total dollars wagered on Pennsylvania races by patrons outside of the Commonwealth through simulcast wagering. Pennsylvania racetracks export their live racing signal to other properties outside of the Commonwealth and retain a portion of the amount wagered.

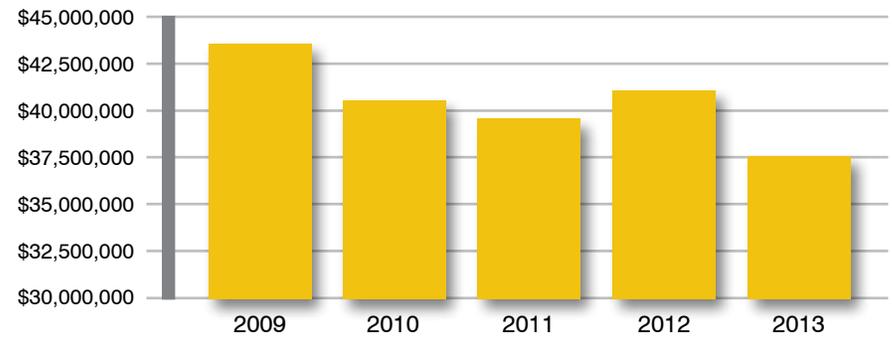
- Total live racing handle generated through out-of-state export increased by approximately 6% when compared to the same period in 2013.

Total Live Racing Handle - \$807,556,636

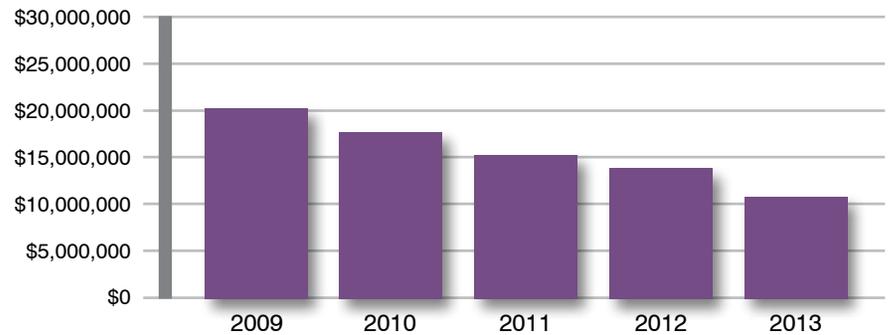
- Total live racing handle from all sources increased by approximately 4% in 2013 compared to the same period in 2012.

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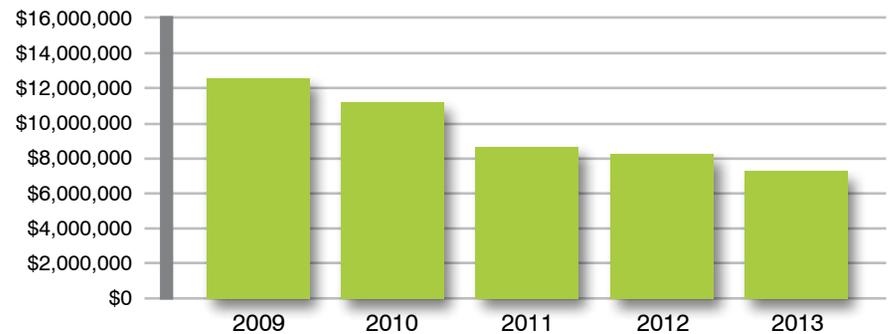
On-Track



Off-Track

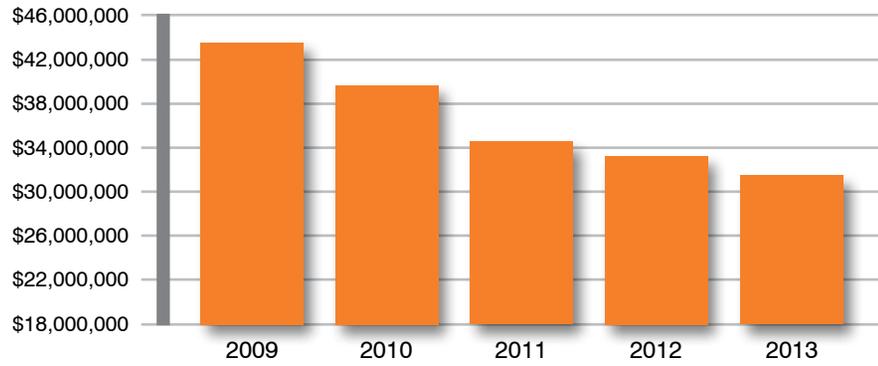


Phone Wagering

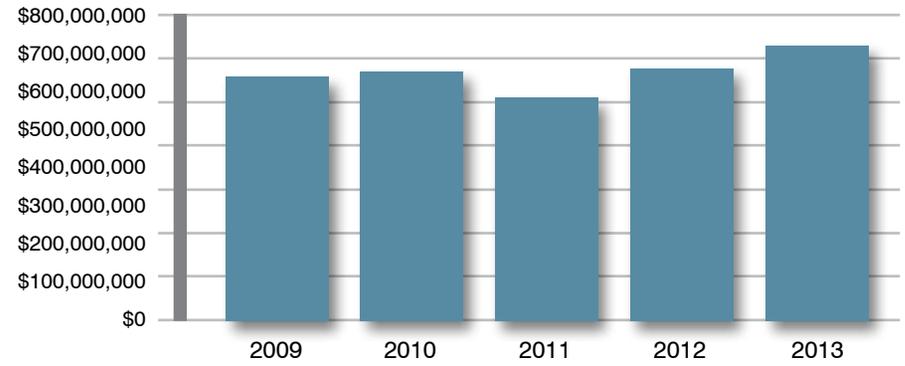


Live Handle

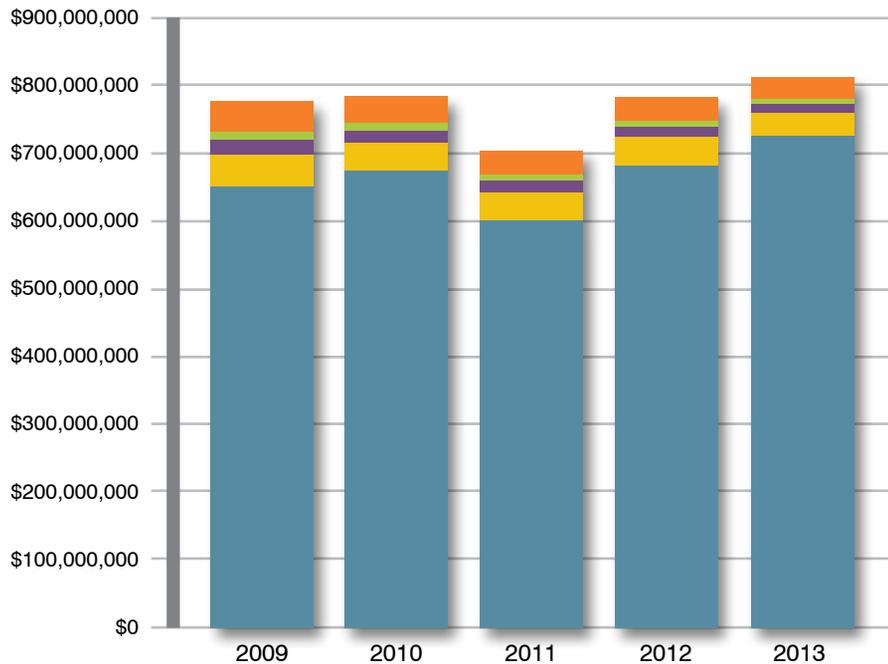
In-State Export



Out-of-State Export



Total Live Racing Handle



	2009	2010	2011
On Track	\$ 44,660,194	\$ 40,529,217	\$ 38,293,104
Off Track	\$ 20,145,365	\$ 17,562,522	\$ 15,012,194
Phone Wagering	\$ 12,724,755	\$ 11,304,569	\$ 8,524,659
In-State Export	\$ 43,341,550	\$ 39,541,392	\$ 34,309,112
Out-of-State Export	\$ 644,087,594	\$ 660,679,070	\$ 594,186,605
Total	\$ 764,959,458	\$ 769,616,771	\$ 690,325,674

	2012	2013
On Track	\$ 40,705,204	\$ 37,011,111
Off Track	\$ 14,503,790	\$ 11,591,293
Phone Wagering	\$ 8,123,263	\$ 7,743,877
In-State Export	\$ 33,943,318	\$ 31,672,621
Out-of-State Export	\$ 679,682,194	\$ 719,537,734
Total	\$ 776,957,769	\$ 807,556,636

All statistics have been provided from various sources and have not been audited by the Pennsylvania Gaming Control Board

What is Live Racing Handle?

“Live Racing Handle” - Total dollars wagered on live races held in Pennsylvania.

Why is this important?

Live handle, or total dollars wagered on Pennsylvania races, is imperative to the long-term success of the live racing industry in the Commonwealth. An increase or decrease in live handle indicates the impact on demand for wagering on Pennsylvania horse racing and is a strong indicator of the performance of the racetrack casinos offering pari-mutuel wagering to the general public.

What is Taxable Handle?

“Taxable Handle” – Total taxable dollars wagered within Pennsylvania on any race regardless of the location. This includes simulcast wagering on races held outside of Pennsylvania.

Why is this important?

A portion of taxable handle derived from pari-mutuel wagering is used, in part, to ensure strong regulatory oversight of the horse and harness racing industry. An increase or decrease in taxable handle has a direct impact on resources available to ensure integrity within the industry and protect the safety and welfare of the individuals and horses participating in live racing. Taxable handle continues to decrease in Pennsylvania mainly due to a decrease in demand for wagering on races held outside of Pennsylvania.



Trends

2013 Total Live Racing Handle - \$807,556,636

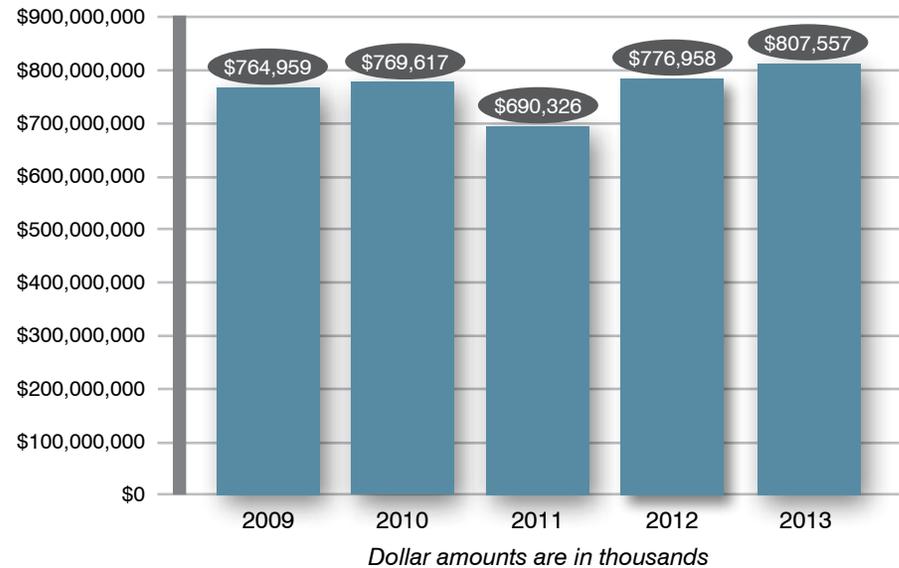
- Total live racing handle from all sources increased by approximately 4% in 2013 compared the same period in 2012.

2013 Total Taxable Handle - \$480,577,093

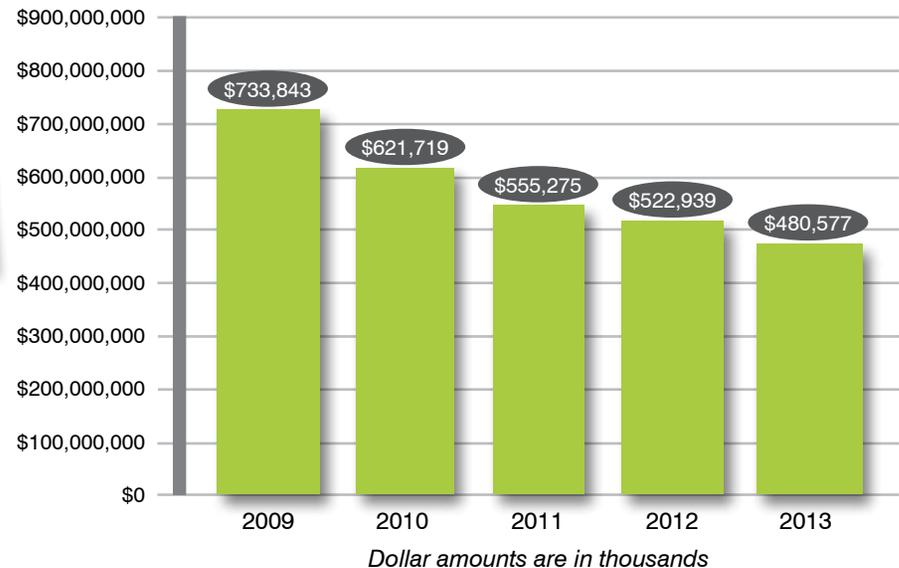
- Total taxable handle decreased by approximately 8% in 2013 compared to the same period in 2012.

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Total Live Racing Handle



Taxable Handle



Backstretch Improvements

What are Backstretch Improvements?

“Backstretch Improvements” are the total amount invested by casinos offering live racing to improve the living and working conditions of personnel who work and reside in and around the stable and backside areas of racetracks.

The Pennsylvania Race Horse Development and Gaming Act requires each casino offering live racing to invest an amount not less than \$5 million over the initial five-year period following the issuance of a Category 1 slot machine license and an amount not less than \$250,000 per year for five years thereafter on the improvement and maintenance of the backside area and related building and structures at the racetrack at which the licensee operates.

This provision currently applies to four of the six operating racetracks within the Commonwealth. Two of the racetrack casinos in Pennsylvania are new facilities and backstretch improvements are not required until the tenth year after the completion of the initial construction of the racetrack.

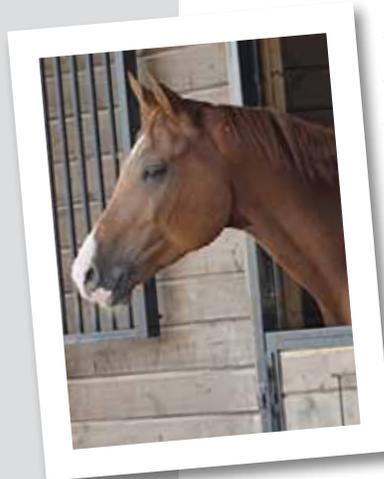
Why is this important?

These investments have significantly enhanced the infrastructure at Pennsylvania racetracks which has resulted in much needed improvements to barns and related structures. These facilities are exceeding the minimum amount which must be spent, indicating a commitment to improving their racing facilities to enhance the living and working conditions for horsemen and their employees.

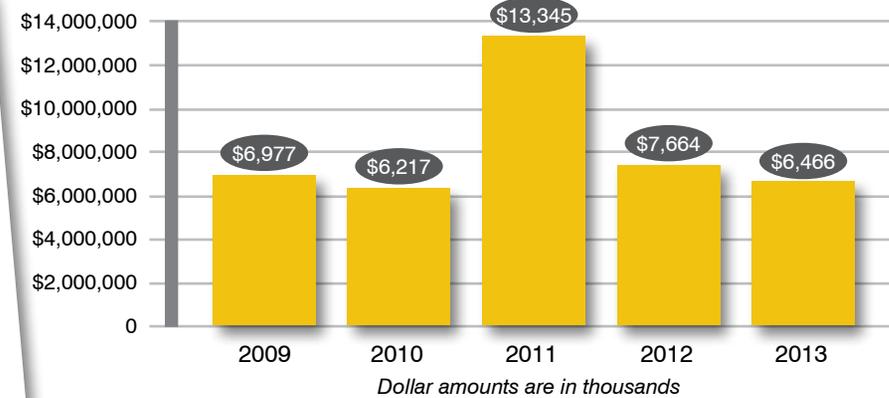
Trends

- The casinos offering live racing have invested approximately \$52 million on backstretch improvements through the end of 2013.

All statistics have been provided from various sources and have not been audited by the Pennsylvania Gaming Control Board



Backstretch Improvements



Backstretch Improvements by Facility

	2009	2010	2011
Parx Casino	\$ 2,166,736	\$ 2,900,716	\$ 7,797,232
Hollywood Casino at Penn National Race Course	\$ 1,815,170	\$ 2,469,198	\$ 717,217
Mohegan Sun at Pocono Downs	\$ 2,123,410	\$ 51,604	\$ 32,000
Meadows Racetrack and Casino	\$ 872,600	\$ 795,907	\$ 4,798,083
Total	\$ 6,977,376	\$ 6,217,424	\$ 13,344,532

	2012	2013	Total
Parx Casino	\$ 5,082,935	\$ 5,234,412	\$ 27,892,580
Hollywood Casino at Penn National Race Course	\$ 547,141	\$ 385,701	\$ 8,546,181
Mohegan Sun at Pocono Downs	\$ 0	\$ 0	\$ 6,526,992
Meadows Racetrack and Casino	\$ 2,034,821	\$ 845,835	\$ 9,423,588
Total	\$ 7,664,897	\$ 6,465,948	\$ 52,389,342

Conclusion

The success of Pennsylvania's gaming industry continues to provide a significant source of support for horse and harness racing in the Commonwealth. Tax revenue generated through slot machine gaming continues to sustain the industry and has created an attractive venue for horse racing to succeed by providing resources such as increased purses for horsemen, awards for breeders, and funding for health and pension benefits. This has led to increased participation throughout the industry and improvement of the agricultural industry within Pennsylvania. The Pennsylvania Gaming Control Board is encouraged by the advancements



made in the racing industry due to the successful implementation of slot machine gaming. At the same time, the PGCB recognizes significant challenges within the industry and will continue to monitor industry's efforts to enhance the health and development of racing, and looks forward to seeing future improvement throughout the Commonwealth.





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