



POLITICAL ACTION COMMITTEE
HORSE PAC®

2021

Horse PAC® Annual Report



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FOREWORD

This annual report summarizes the 2021 activities of Horse PAC®, the Federal Political Action Committee (PAC) of the National Thoroughbred Racing Association (NTRA). The Committee was activated in 2002 to promote and facilitate the accumulation of voluntary contributions from members of the NTRA and its subsidiaries and affiliates, for the support of political parties and candidates for elective office in the United States. As a multi-issue PAC, the Committee gives bipartisan support to federal political candidates who:

- Serve on Congressional committees that oversee livestock and agricultural issues, Internet gaming, taxation, labor, immigration, energy and commerce and the Interstate Horseracing Act
- Are established leaders
- Understand horse racing's issues
- Have racetracks, OTBs, ADW facilities, breeding farms, training centers and other equine venues in their districts
- Are members of the Congressional Horse Caucus
- Are emerging leaders meriting "early support"

MESSAGE FROM THE HORSE PAC® PRESIDENT

March 31, 2022

The NTRA has a long history of legislative success in Washington, D.C. and I'm eager to help build on that legacy. As the new President and CEO, I was hired for one reason and one reason only: to go to Washington, D.C. and be the unified voice on behalf of the Thoroughbred breeding and racing industry.

As a former Member of Congress, I have a firsthand understanding of how Washington works. As a horse owner and fan myself, I also know many of the leading issues we as an industry face. As the voice of the Thoroughbred industry in Washington, I know that I don't have all the answers. I need to spend time with our members, listening and understanding, to get a sense of what's most important and how I can most successfully advocate on your behalf. My goal is to build consensus in the industry and tell the positive story of the sport in Washington.

In doing this, I'll be building off the great success we've already had. In 2021 we advanced key legislative issues important to the Thoroughbred industry. As the Horseracing Integrity and Safety Act implementation deadline of July 1 approaches, we have been working to assure a smooth transition. Additionally, the NTRA ensured that the industry was not left behind as emergency relief legislation became a priority on Capitol Hill over the last two-plus years. Racetracks, farms, and other industry businesses benefitted from COVID-related legislation through tax benefits, emergency loans, the Main Street Lending Program, the Paycheck Protection Program, the Employee Retention Payroll Tax Credit, and more. NTRA has advocated on behalf of the industry on many other issues such as tax incentives, immigration, sports betting, and many more and we will continue to do so.

Horse PAC® remains an important instrument in our NTRA legislative toolbox as we work with elected officials to further the equine economy. For an in-depth look at the year in Congress, please see the summary that begins on page 19.

Total contributions to Horse PAC® in 2021 reached \$138,210, slightly below last year's \$154,700. Eighty-four NTRA members contributed to Horse PAC®, including some seventeen at the \$5,000 Champions level. This year is heating up to be yet another contentious mid-term election cycle making it more important than ever that the industry have the critical support of Horse PAC®. A list of donors begins on page 6.

As a complement to the NTRA's lobbying, grassroots communications and education efforts, Horse PAC® disbursed \$141,500 in 2021, which is a significant disbursement for a nonelection year with modest Congressional action. Further, we anticipate an estimated working budget of about

MESSAGE FROM THE HORSE PAC® PRESIDENT

\$100,000 for disbursements in 2022. This amount is consistent with our average giving over the past few election cycles. A list of all candidates and Leadership PACs supported in 2021 begins on page 10.

Since 2002, Horse PAC® has supported more than 300 candidates and disbursed over \$4 million. To our 2021 PAC donors and the Horse PAC® Board Directors, as your new President, I want to personally thank you. Your support will go directly to ensuring that our industry maintains a strong presence in Washington, D.C., and continues to build lasting relationships with my former colleagues in Congress. My success is our success, and I look forward to working together as your voice in Washington.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Rooney". The signature is fluid and cursive, with the first name "Thomas" and last name "Rooney" clearly distinguishable.

Thomas J. Rooney, Horse PAC® President

2021 HORSE PAC® BOARD OF DIRECTORS

The Horse PAC® Board of Directors is composed of NTRA members representing diverse industry stakeholder groups and geography. Board members are appointed by the Horse PAC® President; the PAC's by-laws allow up to 25 members on the Board of Directors. Board members serve one-year, renewable terms.

Under the leadership of Chairman William S. Farish, Jr., the Board raises funds for Horse PAC® from NTRA members. The Board also approves PAC disbursements. The PAC President and NTRA staff provide support and direction for annual fundraising programs and develop a plan for disbursements consultation with the NTRA's legislative team. The 2021 Board of Directors consisted of:



William S. Farish, Jr., Chairman

George B. Bolton
Keith Chamblin
John C. Harris
Wilhelmina McEwan
Justin Nicholson
Anne W. Poulson

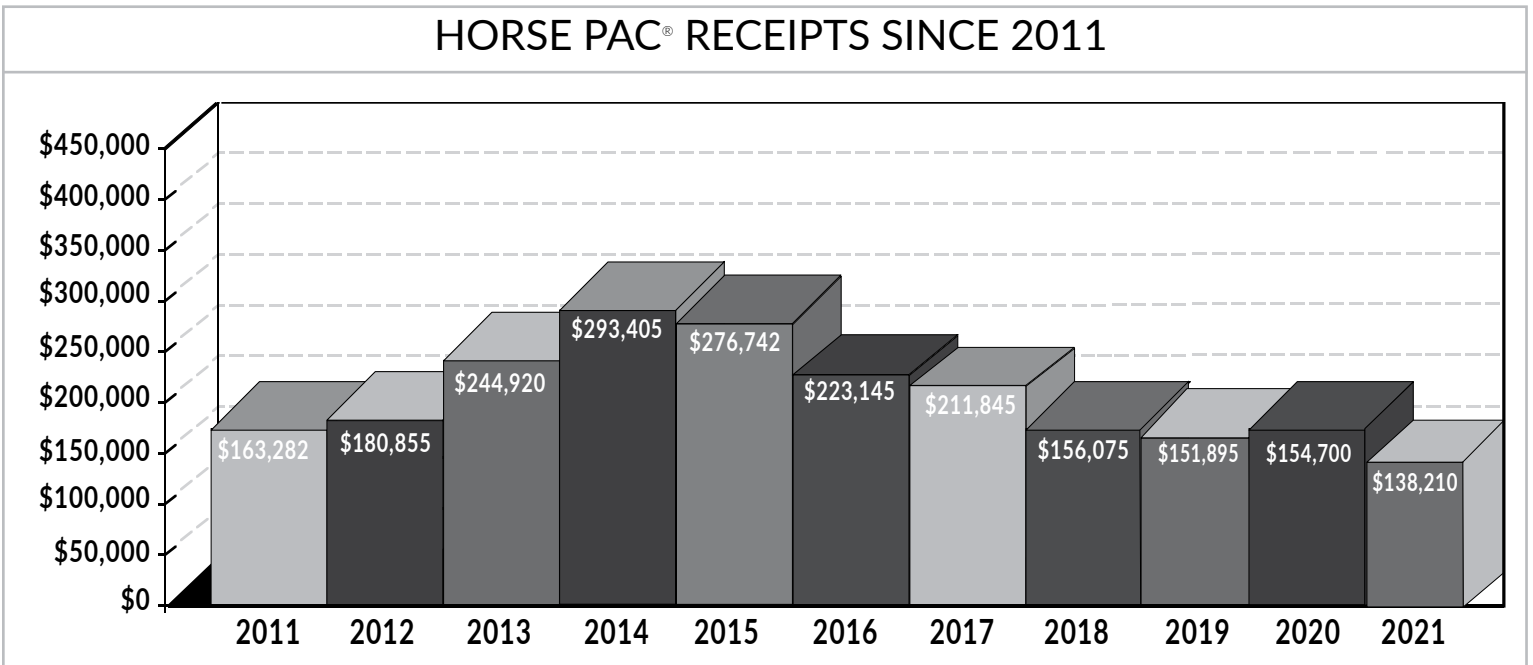
Alexander M. Waldrop
President

Amber Florence
Treasurer

RECEIPTS

From inception through December 31, 2021, Horse PAC® has raised \$4,699,013. The committee raised \$344,137 for the 2011/2012 election cycle, \$538,325 for the 2013/2014 election cycle, \$499,887 for the 2015/2016 election cycle, \$367,920 for the 2017/2018 election cycle, \$306,595 for the 2019/2020 election cycle, and \$138,210 for the 2021/2022 election cycle.

HORSE PAC® RECEIPTS SINCE 2011



2021 HORSE PAC® CONTRIBUTORS

CHAMPIONS – \$5,000

Barbara Banke	H. Greg Goodman	Justin & Katie Nicholson
Ramona Bass	Sarah Farish	Carl F. Pollard
Cornelia Corbett	Deborah R. Hancock	Kenny Troutt
Adele B. Dilschneider	Seth Hancock	Lisa Troutt
Everett Dobson	John Hendrickson	Charlotte Weber
Edward K. Gaylord, II	Richard & Sue Ann Masson	

LEADERS – \$2,500 - \$4,999

CTBA PAC	Emory A. Hamilton	Alex Waldrop
Keith Chamblin	W. Bruce Lunsford	Kane C. Weiner
Peter Fluor	Earle I. Mack	

WINNERS – \$1,000 - \$2,499

Josephine E. Abercrombie	Roy & Gretchen Jackson	Clarke & Mary Ohrstrom
Chester & Mary Broman, Sr.	Marc Keller	John C. Oxley
Helen K. Groves	Jeffrey & Margery Lewis	Allen Schubert
Waddell W. Hancock II	Wilhelmina McEwan	Paul Weitman
G. Watts Humphrey, Jr.	J. Michael O'Farrell, Jr.	Eddie Woods

2021 HORSE PAC® CONTRIBUTORS

SUPPORTERS – UP TO \$999

Carl W. Asmus

Joe Bacigalupo

Craig & Holly Bandoroff

John H. Barr

David Block

Danny & Cindy Bockmon

Charles Boden

Roger Cettina

Patricia Chapman

Ellen MacNeille Charles

Charles Engel

Joe T. Ford

Dr. Carl Gessler

Edward Glasscock

David Gordon

Anthony B. Greco

Russell B. Jones, Jr.

Patricia A. Klussman

William & Sally Landes

Peter A. Leidel

Tim McMurry

Greg Means

Tony Metaxas

Maurleen V. Miller

William I. Mott

Nick & Susan Nicholson

Jeffrey S. & Pamela Pankow

William Parsons, Jr.

Craig Peretz

Anne Poulson

Dr. J. David Richardson

Michael Simpson

Gary P. Snoonian

Beverly R. Steinman

Robert M. Watt III

NTRA ADVANTAGE EQUINE DISCOUNTS

Contributors to Horse PAC® receive exclusive equine discounts on programs and services from nationally known companies like John Deere, Big Ass Fans, Sherwin-Williams, Office Depot, Farmers Insurance and more through NTRA Advantage Equine Discounts. When you use NTRA Advantage Equine Discounts, a portion of your purchase price goes to support the equine industry. To enjoy the benefits call toll-free **(866) 678-4289** or visit **www.equinediscounts.com** before you buy!

2021 HORSE PAC® DISBURSEMENTS

Federal Candidates by Amount*

State	Amount	Rank
KY	\$40,000	1
CA	\$17,500	2
NY	\$15,000	3
NJ	\$13,500	4
OR	\$10,000	5
IN	\$5,000	6
MA	\$5,000	7
PA	\$5,000	8
FL	\$4,500	9
MT	\$2,500	10
VA	\$2,500	11
MD	\$2,000	12
WA	\$2,000	13
IL	\$1,000	14
TX	\$1,000	15
TOTAL	\$126,500	

* Excludes disbursements to political committees that are not associated with individual candidates.

Federal Candidates by State*

State	Amount	Rank
CA	\$17,500	2
FL	\$4,500	9
IL	\$1,000	14
IN	\$5,000	6
KY	\$40,000	1
MA	\$5,000	7
MD	\$2,000	12
MT	\$2,500	10
NJ	\$13,500	4
NY	\$15,000	3
OR	\$10,000	5
PA	\$5,000	8
TX	\$1,000	15
VA	\$2,500	11
WA	\$2,000	13
TOTAL	\$126,500	

* Excludes disbursements to political committees that are not associated with individual candidates.

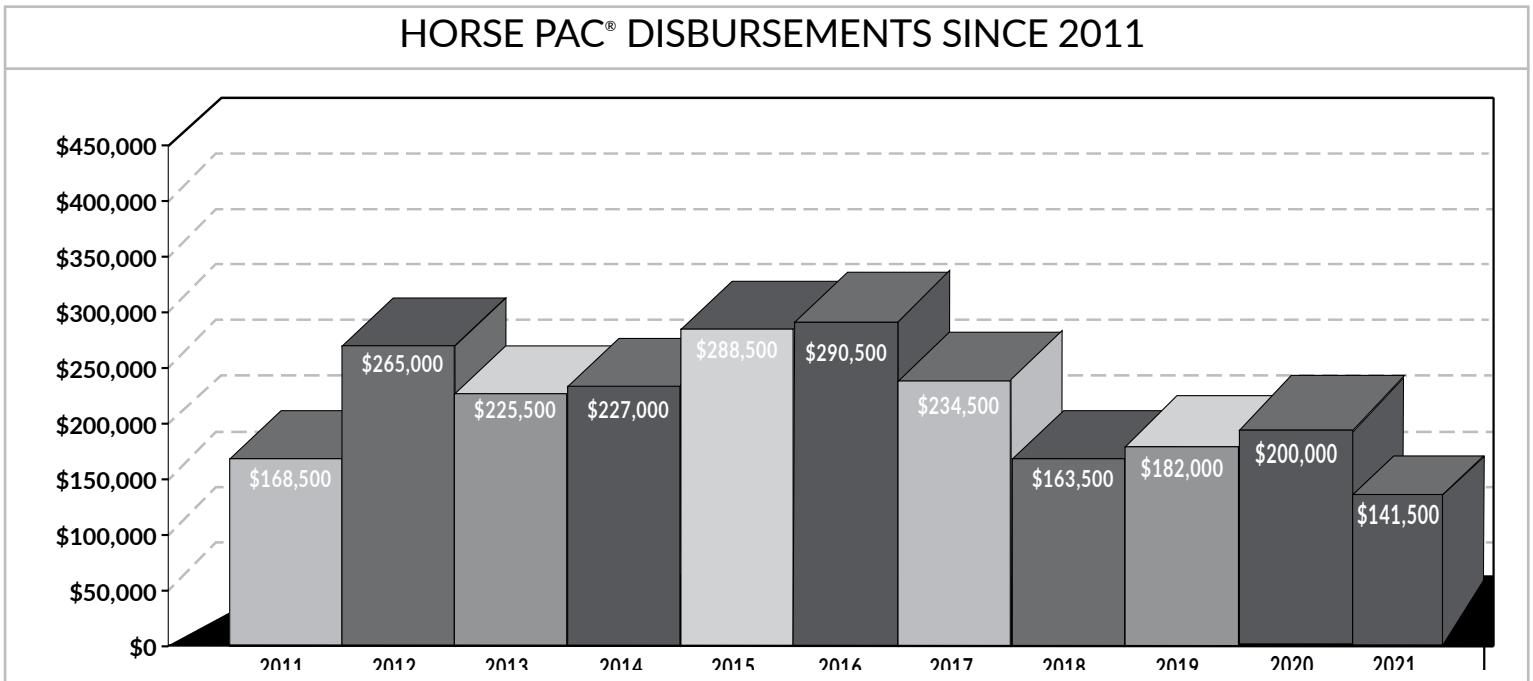
2021 HORSE PAC® DISBURSEMENTS

Federal Contributions: \$141,500

House \$99,000
 Senate \$42,500

Democratic \$72,500
 Republican \$68,000

From Inception through December 31, 2021, Horse PAC® has disbursed \$4,614,379. The committee disbursed \$438,500 for the 2011/2012 election cycle, \$452,500 for the 2013/2014 election cycle, \$579,000 for the 2015/2016 election cycle, \$398,000 for the 2017/2018 election cycle, \$382,000 for the 2019/2020 election cycle and \$141,500 for the 2021/2022 election cycle.



Total Disbursements to Date	\$4,614,379
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2021 HORSE PAC® DISBURSEMENTS

The following candidates and political committees received Horse PAC® funds in 2021:

United States House of Representatives

House of Reps	Party	State	Re-election Year	2021 Disbursed	Committees
Andy Barr	R	KY	2022	\$5,000	Financial Services, CHC Co-Chair, Veterans Affairs
Vern Buchanan	R	FL	2022	\$2,500	Ways & Means
Matt Cartwright	D	PA	2022	\$2,500	Appropriations
James Comer	R	KY	2022	\$5,000	Agriculture, Education & Labor
Byron Donalds	R	FL	2022	\$1,000	Overisght Committee
Josh Gottheimer	D	NJ	2022	\$5,000	Financial Services
Brett Guthrie	R	KY	2022	\$5,000	Energy & Commerce, CHC, Education & Labor
Brian Higgins	D	NY	2022	\$2,500	Ways & Means, Homeland Security (remove)
Hakeem Jeffries	D	NY	2022	\$2,500	Judiciary
Mike Kelly	R	PA	2022	\$2,500	Oversight and Reform, Ways & Means
Darin LaHood	R	IL	2022	\$1,000	Ways and Means
Donald McEachin	D	VA	2022	\$2,500	Energy and Commerce
Donald Norcross	D	NJ	2022	\$5,000	Education & Labor, Armed Services
Frank Pallone	D	NJ	2022	\$3,500	Energy & Commerce (Chairman), CHC
Scott Peters	D	CA	2022	\$2,500	Energy & Commerce
Linda Sanchez	D	CA	2022	\$5,000	Ways & Means
Kurt Schrader	D	OR	2022	\$5,000	Energy and Commerce
Paul Tonko	D	NY	2022	\$5,000	Energy & Commerce, CHC Co-Chair
Jackie Walorski	R	IN	2022	\$5,000	Ways & Means
John Yarmuth	D	KY	2022	\$5,000	Budget (Chairman), CHC
TOTAL House of Reps				\$73,000	

2021 HORSE PAC® DISBURSEMENTS

United States Senate

Senate	Party	State	Re-election Year	2021 Disbursed	Committees
Patty Murray	D	WA	2022	\$1,000	Appropriations
Marco Rubio	R	FL	2022	\$1,000	Foreign Relations, Appropriations
Charles Schumer	D	NY	2022	\$5,000	Majority Leader
Jon Tester	D	MT	2024	\$2,500	Appropriations, Commerce
Chris Van Hollen	D	MD	2022	\$2,000	Appropriations, Banking
TOTAL Senate				\$11,500	

2021 HORSE PAC® DISBURSEMENTS

Federal Leadership PACs

Associated Candidate	Party	State	RE-ELECTION YEAR	2021 Actual Leadership PAC	Committees
Andy Barr	R	KY	2022	\$5,000	Financial Services, CHC Co-Chair, Veterans Affairs
John Cornyn	R	TX	2026	\$1,000	Alamo PAC, Finance, Judiciary
Suzan Delbene	D	WA	2022	\$1,000	Ways & Means
Kevin McCarthy	R	CA	2022	\$5,000	Minority Leader
Mitch McConnell	R	KY	2020	\$5,000	Appropriations, Agriculture, Bluegrass Committee, Senate Minority Leader
Richard E. Neal	D	MA	2022	\$5,000	Ways & Means (Chairman)
NRSC	R	n/a	n/a	\$15,000	National Republican Senatorial Committee
Hal Rogers	R	KY	2022	\$5,000	Appropriations, CHC
RPK				\$5,000	Republican Party of KY - McConnell
Mike Thompson	D	CA	2022	\$5,000	Ways & Means
Ron Wyden	D	OR	2022	\$5,000	Finance, Energy & Natural Resources
GRAND TOTAL				\$57,000	

Leadership PACs enable politicians to donate to other candidates, thereby building relationships with their peers. These relationships are critical to Members of Congress who may be seeking a leadership position in Congress, a higher office, or greater leverage within their own party as they demonstrate their fund-raising ability. Candidates who form Leadership PACs are signaling their intent to build their political influence. Leadership PACs also provide a way for candidates to fund their travel, office expenses, consultants, polling and other non-campaign expenses.

2021 HORSE PAC® DISBURSEMENTS BY COMMITTEE

Most Horse PAC®-supported candidates serve on one or more committees that oversee the industry. Following is a list of key committees for racing and the candidates on those committees that Horse PAC® supported in 2021. Additionally, the PAC supports candidates who understand racing's issues, have racetracks and other racing-related industries in their districts, serve in leadership roles, are members of Congressional caucuses important to our industry or are emerging leaders meriting early support. Candidates are evaluated on their individual merits.

Key Congressional Committees for the Thoroughbred Industry

Committee	House/Senate	Issue(s)
Agriculture	House and Senate	Livestock, equine identification, Farm Bill
Appropriations	House and Senate	Bills serve as vehicles for other provisions
Banking	Senate	Internet gaming
Commerce, Science & Transportation	Senate	Interstate Horseracing Act; general oversight for professional sports, including medication issues
Education & Labor	House	Worker health and safety; job training; employer/employee relations
Energy & Commerce	House	Horseracing Integrity and Safety Act; Interstate Horseracing Act; general oversight for professional sports, including medication issues
Finance	Senate	Taxes and trade
Financial Services	House	Internet gaming
Homeland Security	House and Senate	Security for major racing events; anti-terrorism measures affecting consumers; immigration
Judiciary	House and Senate	Internet gaming, immigration
Ways & Means	House	Taxes and trade

2021 HORSE PAC® COMMITTEE NUMBERS

AGRICULTURE

Agriculture Committee (House of Representatives)

- 51 Members/27 Democrats, 24 Republicans

Through his re-elect campaign, in 2021 Horse PAC® supported one member of the House Agriculture Committee: James Comer (R-KY).

Agriculture, Nutrition and Forestry (Senate)

- 22 Members/11 Democrats, 11 Republicans

Through his Leadership PAC, in 2021, Horse PAC® supported one member of the Senate Agriculture Committee: Mitch McConnell (R-KY).

APPROPRIATIONS

Appropriations (House of Representatives)

- 59 Members/33 Democrats, 26 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported two members of the House Appropriations Committee: Matt Cartwright (D-PA) and Hal Rogers (R-KY).

Appropriations (Senate)

- 30 Members/15 Democrats, 15 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported five members of the Senate Appropriations Committee: Mitch McConnell (R-KY), Patty Murray (D-WA), Marco Rubio (R-FL), Jon Tester (D-MT) and Chris Van Hollen (D-MD).

BANKING

Banking, Housing and Urban Affairs (Senate)

- 24 Members/12 Democrats, 12 Republicans

Through his re-elect campaign, in 2021 Horse PAC® supported one member of the Senate Banking Committee: Chris Van Hollen (D-MD).

2021 HORSE PAC® COMMITTEE NUMBERS

COMMERCE

Energy and Commerce Committee (House of Representatives)

- 58 Members/32 Democrats, 26 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported six members of the House Energy and Commerce Committee: Brett Guthrie (R-KY), Donald McEachin (D-VA), Committee Chairman Frank Pallone (D-NJ), Scott Peters (D-CA), Kurt Schrader (D-OR) and Paul Tonko (D-NY).

Commerce, Science and Transportation (Senate)

- 28 Members/14 Democrats, 14 Republicans

Through his re-elect campaign, in 2021 Horse PAC® supported one member of the Senate Commerce Committee: Jon Tester (D-MT).

FINANCE

Finance Committee (Senate)

- 28 Members/14 Democrats, 14 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported two members of the Senate Finance Committee: John Cornyn (R-TX) and Ron Wyden (D-OR).

FINANCIAL SERVICES

Financial Services (House of Representatives)

- 54 Members/30 Democrats, 24 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported two members of the House Financial Services Committee: Andy Barr (R-KY) and Josh Gottheimer (D-NJ).

HOMELAND SECURITY

Homeland Security (House of Representatives)

- 35 Members/19 Democrats, 16 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported no members of the House Homeland Security Committee.

Homeland Security and Government Affairs (Senate)

- 14 Members/7 Democrats, 7 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported no members of the Senate Homeland Security Committee.

2021 HORSE PAC® COMMITTEE NUMBERS

JUDICIARY

Judiciary Committee (House of Representatives)

- 44 Members/25 Republicans, 19 Democrats

Through his re-elect campaign, in 2021 Horse PAC® supported one member of the House Judiciary Committee: Hakeem Jeffries (D-NY).

Judiciary Committee (Senate)

- 22 Members/11 Democrats, 11 Republicans

Through his Leadership PAC, in 2021 Horse PAC® supported one member of the Senate Judiciary Committee: John Cornyn (R-TX).

LABOR

Education & Labor (House of Representatives)

- 53 Members/29 Democrats, 24 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported three members of the House Education & Labor Committee: James Comer (R-KY), Brett Guthrie (R-KY) and Donald Norcross (D-NJ).

WAYS AND MEANS

Ways and Means (House of Representatives)

- 43 Members/25 Democrats, 18 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported nine members of the House Ways and Means Committee: Vern Buchanan (R-FL), Suzan Delbene (D-WA), Brian Higgins (D-NY), Mike Kelly (R-PA), Darin LaHood (D-IL), Committee Chairman Richard E. Neal (D-MA), Linda Sanchez (D-CA), Mike Thompson (D-CA) and Jackie Walorski (R-IN).

2021 HORSE PAC® COMMITTEE NUMBERS

HOUSE AND SENATE LEADERSHIP

Horse PAC® supports candidates who serve in leadership capacities within their respective parties. Through their re-elect campaigns and/or Leadership PACs, in 2021 Horse PAC® supported the following House and Senate leaders:

House

Kevin McCarthy (R-CA), Minority Leader

Senate

Mitch McConnell (R-KY), Minority Leader

Charles Schumer (D-NY), Majority Leader

OUTLOOK

2022 is heating up to be yet another contentious mid-term election cycle making it more important than ever that the industry have the critical support of Horse PAC®. While President Biden and his Democratic Administration are joined by very narrow majorities in both the House and the Senate, the political outlook could change dramatically with the mid-term elections. In the midst of all that's happening in Washington politically, NTRA will remain steadfast in our support of the most pressing issues facing the Thoroughbred industry.

This year we will continue to focus on the implementation of HISA, as the July 1 deadline approaches and the Authority becomes official. Additionally, we will focus on significant tax issues, like the three-year depreciation of racehorses, some provisions of which expired at the end of 2021. We will continue to advocate for immigration issues and pay attention to any COVID related legislation that may be introduced.

Horse PAC® will continue our strategy to focus on candidates that serve on committees of importance to our legislative agenda, as well as members that are from key horse racing areas that have demonstrated support for the industry. Additionally, with our new President and former U.S. Congressman Tom Rooney, we will be able to utilize the key relationships he built while serving in Washington for a decade.

For updates on NTRA's legislative policy and programs in 2022, please visit SupportHorseRacing.org.

LEGISLATIVE SUMMARY

As the trade association for the Thoroughbred industry, NTRA focuses its lobbying on legislation having a direct and material effect on its members and their business activities as they relate to horse racing, breeding and pari-mutuel wagering. The NTRA also supports Congressional education programs on issues such as agricultural matters and immigration, which affect the horse industry as a whole.

Below is a summary of the major legislative issues for Thoroughbred breeding and racing in the first half of the 2022/2023 Congress.

Horseracing Integrity and Safety Act—Passed at the end of 2020, the Horseracing Integrity and Safety Act of 2020 (S. 4547) (HISA) will be implemented on July 1, 2022. NTRA is working to assure a smooth transition to HISA and an independent Authority.

HISA is the culmination of years of industry work to find a consensus approach to nationwide anti-doping and medication control as well as a national approach to racetrack safety. An amended and expanded version of the Horseracing Integrity Act of 2019 (H.R. 1754), HISA was introduced on September 9, 2020, by Senate Majority Leader Mitch McConnell (R-KY). On that same day, H.R. 1754 was amended with a committee substitute mirroring the language of S. 4547. The full House passed H.R. 1754 on September 29, 2020 and sent it to the Senate for consideration. On December 21, 2020, on a 359-53 vote in the House and 92-6 in the Senate, Congress passed a \$900 billion COVID-relief package and \$1.4 trillion government funding package in a 5000+ page bill known as the Consolidated Appropriations Act, 2021 (the “Omnibus Act”). The Omnibus Act incorporated the full text of S. 4547. The president signed the measure into law on Dec. 27.

HISA calls for the creation of a private, independent, self-regulatory entity for the purposes of developing and implementing the horseracing anti-doping and medication control program and the racetrack safety program known as the Horseracing Integrity and Safety Authority (the “Authority”). The Board of Directors of the Authority (“Board”) is comprised of 9 members: five independent members and four industry members. All Board members are subject to strict conflict of interest rules. In addition, three standing committees have been established—the Anti-Doping and Medication Control Standing Committee, the Racetrack Safety Standing Committee, and the Nominating Standing Committee. Each standing committee is made up of seven members. The Anti-Doping and Medication Control Standing Committee and the Racetrack Safety Standing Committee will provide advice and guidance to the board on the development of rules and regulations under the Authority’s jurisdiction. The Nominating Standing Committee was responsible for nominating the initial Board and recommending nominees for Board and Standing Committee positions.

The Federal Trade Commission (the “Commission”) has oversight over of the Authority. Following input from the interested public and the FTC’s public comment period, the Commission approved the Racetrack Safety Program on March 4, 2022.

Highlights of the Racetrack Safety Program include:

- Expanded veterinary oversight;
- Surface maintenance and measurement standards;

LEGISLATIVE SUMMARY

- Enhanced reporting requirements;
- Collection and analysis of medication, treatment, injury, and fatality data;
- A voided claim rule;
- The transfer of claimed horses' medical information; and
- Jockey concussion and medical care reporting.

Starting on July 1, 2022, all tracks that are accredited with the National Thoroughbred Racing Association (NTRA) Safety and Integrity Alliance will receive interim accreditation, while tracks that are not accredited with the NTRA will be granted a one-year provisional accreditation and be given a reasonable period to achieve compliance as long as they are demonstrating continuous progress. HISA intends to work with individual racetracks and state racing jurisdictions, recognizing that compliance with new legal requirements on day one is not realistic.

HISA plans to phase in a medication and anti-doping program, and other national reforms intended to improve safety and integrity, beginning in 2023.

Three-year Depreciation of Racehorses—Matching Deductions with Income In the 2008 Farm Bill, NTRA secured a provision that allowed for the uniform and accelerated depreciation of Thoroughbreds. The provision subsequently carried forward in the 2015 Protecting Americans from Tax Hikes (PATH) Act, which extended three-year tax depreciation for all racehorses through 2016. That provision, along with dozens of others, was extended to 2017 on February 9, 2018, when President Trump signed into law the Bipartisan Budget Act, a bill that among other measures extended uniform three-year racehorse depreciation retroactively for 2017. Unfortunately, Congress did not renew three-year depreciation for 2018 as part of the Tax Cuts and Jobs Act (TCJA) passed in December 2017, which meant a seven-year schedule would now apply to yearlings in some cases. The TCJA did include 100% bonus depreciation and a \$1 million Section 179 expense allowance for qualified depreciable property, two important investment incentives that lessened the need for three-year depreciation in many cases. However, three-year depreciation continued to be a beneficial option for many owners of young racehorses.

Three-year depreciation benefits horse owners because some may not be eligible for Section 179 expensing due to the net income requirement and choose to elect out of the 100% bonus depreciation. One of the main reasons to elect out of the bonus depreciation is to better match the deductions with corresponding income. A 3-year life (depreciated over a 4-year period) is more realistic for a horse's racing career versus the 7-year life (depreciated over 8 years). Three-year depreciation is valuable to racehorse owners, especially racing partnerships with multiple passive owners, as it better aligns deductions with corresponding income opportunities on an annual basis.

After passage of the TCJA, the horse industry now relies upon Congress to extend this provision as part of a larger package of temporary tax rules, known as tax extenders, which historically is addressed at the end of each year, to renew dozens of temporary or expiring tax provisions for individuals and businesses. It is now typical that one of the tax provisions included in this tax extender package is the three-year

LEGISLATIVE SUMMARY

depreciation of racehorses. As we have done several times over the past few years, the NTRA, the American Horse Council (AHC) and many others representing diverse business, energy, transportation, real estate and agriculture sectors, worked collaboratively to press for a legislative vehicle to extend these expiring tax rules through 2021. In December of 2020, the Consolidated Appropriations Act of 2021 (the “Omnibus Act”) became law and included among its many sections the extension of several individual and business federal income tax provisions, including the three-year tax depreciation for all racehorses placed in service through the end of 2021. Because three-year depreciation is important for horse racing, the NTRA will continue to advocate for a retroactive extension of three-year depreciation for all of 2022 and will work toward a permanent legislative resolution to this important depreciation treatment of all racehorses.

NTRA will continue to explore passage or continuation of any tax Incentives that promote Investment in Thoroughbred breeding and racing, including some incentives set to sunset or be phased out as part of the TCJA of 2017.

Immigration. The H-2B visa guest worker program is a nonimmigrant visa program used by many industries that need temporary non-agricultural help when domestic workers are unavailable. For the horse racing industry, trainers rely heavily on the H-2B program to fill various backside positions.

Congress has set a cap of 66,000 H-2B visas per fiscal year, with 33,000 available for workers who begin employment in the first half of the fiscal year (October 1 – March 31) and 33,000 for workers who begin employment in the second half of the fiscal year (April 1 – September 30). This allotment often falls short of satisfying employer demand. The U.S. Department of Homeland Security (DHS) and the Department of Labor (DOL) typically address this shortfall by providing supplemental visas later in the fiscal year. In January 2022, the DHS and the DOL agreed to offer an additional 20,000 H-2B visas for the first half of fiscal year 2022, a move that marked the first time the departments offered supplemental visas in the first half of a fiscal year.

The H-2B visa program, similar to U.S. immigration policy overall, needs major reform to adequately serve workers and employers. The NTRA supports comprehensive immigration reform while also advocating for improvements to the H-2B visa program through its participation in the H-2B Workforce Coalition.

Sports Betting. In May of 2018, the U.S. Supreme Court, by a 7-2 decision, overturned the Professional and Amateur Sports Protection Act (PASPA) in the landmark *Murphy v. National Collegiate Athletic Association* (NCAA) decision. Previously, PASPA banned all but four states from legalizing sports gambling. States and sovereign tribal nations can now set their own policies to legalize and regulate sports betting. In less than three years, 30 states and Washington, D.C. have joined Nevada in legalizing sports betting. While no sports betting legislation has been introduced in the 117th Congress, the NTRA continues to assess the potential threats and opportunities that such legislation would present. The NTRA plans to be at the table as it has been on all previous Internet and sports betting issues for the past 20 years.

On the regulatory front, the NTRA for more than a year has been working with senior executives at credit card companies, advance deposit wagering outlets and sports wagering companies to arrive at a “one

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wallet” solution to allow customers to bet on horses and other sports by opening a single account. We anticipate that this will occur in 2022.

COVID-Related Legislation. The NTRA ensured that the industry was not left behind as emergency relief legislation became a priority on Capitol Hill over the last two-plus years. Racetracks, farms and other industry businesses benefitted from COVID-related legislation through tax benefits, emergency loans, the Main Street Lending Program, the Paycheck Protection Program (PPP), the Employee Retention Payroll Tax Credit, and more. Any further economic relief packages should they be created by Congress will remain a top priority of the NTRA for as long as the effects of the pandemic linger.

The industry also faced travel bans to and from certain countries over the past two years. The NTRA was successful in obtaining certain waivers to allow many in our industry to travel to the U.S. for sales, major races and other important activities.

Horse PAC®, the Federal Political Action Committee (PAC) of the National Thoroughbred Racing Association, was activated to support Federal elected officials who are interested in issues that affect pari-mutuel horse racing. Contributions to Horse PAC® are accepted from NTRA members only. Contributions from outside this restricted class will be returned to the contributor. As an NTRA member, you can choose to participate in the PAC or decline. The NTRA will not favor or disfavor members according to donations. Suggested contribution amounts are merely a suggestion. Members should feel free to contribute more – up to the legal maximum of \$5,000 per year – or less than the suggested contribution, or not at all. Federal law requires us to use our best efforts to collect and report the name, mailing address, and occupation and the name of the employer of individuals whose contributions exceed \$200 in a calendar year. Contributions to Horse PAC® will be used to support or oppose candidates for public office. Contributions to Horse PAC® are not tax-deductible.

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