



2022 Horse PAC® Annual Report



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FOREWORD

This annual report summarizes the 2022 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”
- Have positive relationships with NTRA’s Legislative Team

MESSAGE FROM THE HORSE PAC® PRESIDENT

March 31, 2023

It has been a wonderful first year serving as President and CEO of the NTRA. I have been welcomed by the industry, reconnected with my former colleagues in Congress, and we have a lot of positive momentum going into 2023.

A lot of this momentum comes on the heels of an interesting election cycle which will potentially lead to challenges but also to opportunities. In June of 2022, NTRA officially opened its Washington, D.C. office, making this the first time that the Thoroughbred industry has a permanent presence in our nation's capital. Additionally in 2022, the NTRA took over sole control of strategic and targeted disbursements from Horse PAC®.

In 2022, Horse PAC® contributed to 38 Members of Congress, almost all of which was personally handed out directly by me to elected officials. In the House of Representatives, Horse PAC® contributed to 20 Republicans and 6 Democrats. In the Senate, Horse PAC® contributed to 11 Republicans and 1 Democrat. In 2022 we raised \$135,925 from 71 donors, which is nearly as much as 2021 when we raised \$138,210 from 79 donors.

As a former Member of Congress, I have a firsthand understanding of how Washington works. I've been working this past year to achieve my ultimate goal, which is to build consensus in the industry and tell the positive story of our sport in Washington. Horse PAC® remains an important tool 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 21.

Since 2002, Horse PAC® has supported more than 355 candidates and disbursed nearly \$5 million. To our 2022 PAC donors and the Horse PAC® Board of Directors, once again, we truly thank you. Your ongoing support will help ensure that our industry maintains a strong presence in Washington, D.C., and continues to build lasting relationships with our Congressional allies.

Sincerely,



Thomas J. Rooney, Horse PAC® President

2022 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 in consultation with the NTRA's legislative team. The 2022 Board of Directors consisted of:



William S. Farish, Jr., Chairman

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

Thomas J. Rooney
President

Keith Chamblin
Treasurer

THE NTRA LEGISLATIVE TEAM



Tom Rooney

Horse PAC President
NTRA President and CEO

Tom Rooney served the people of Florida in the U.S. House of Representatives from 2009 to 2019, focusing primarily on economic, agricultural, national security, and military issues. Prior to serving in Congress, Rooney served with the U.S. Army as a lawyer in the JAG Corps. During his tenure, he was Special Assistant U.S Attorney at Fort Hood, Texas, prosecuting all civilian crimes on post in the 1st Cavalry Division. After

completing active duty with the rank of captain, Rooney taught constitutional and criminal law at the U.S. Military Academy at West Point, New York.

He received his J.D. from the University of Miami School of Law and became a member of the Florida Bar in 1999. He also has an M.A. in Political Science from the University of Florida. Rooney played football for Syracuse University and Washington & Jefferson College, where he earned a B.A. in English Literature. Rooney is married to his wife, Tara, and they have three sons.



Jordan Bonfitto

Jordan Bonfitto is the Director of Government Affairs for the NTRA. Bonfitto is based in the NTRA's Washington, D.C. office and leads the organization's advocacy efforts alongside President and CEO, former U.S. Congressman Tom Rooney.

Prior to joining NTRA, Bonfitto served as director of government affairs for the Global Cold Chain Alliance where he oversaw the legislative portfolio and helped expand the association's advocacy initiatives globally. Bonfitto has also served as a public servant where he was director of external and intergovernmental affairs at the U.S. Department of Agriculture for U.S. Secretary of Agriculture Sonny Perdue as well as an Agriculture policy advisor for the National Economic Council at the White House. Prior to the Administration, Bonfitto worked on Capitol Hill.

THE NTRA LEGISLATIVE TEAM



Joe Bacigalupo

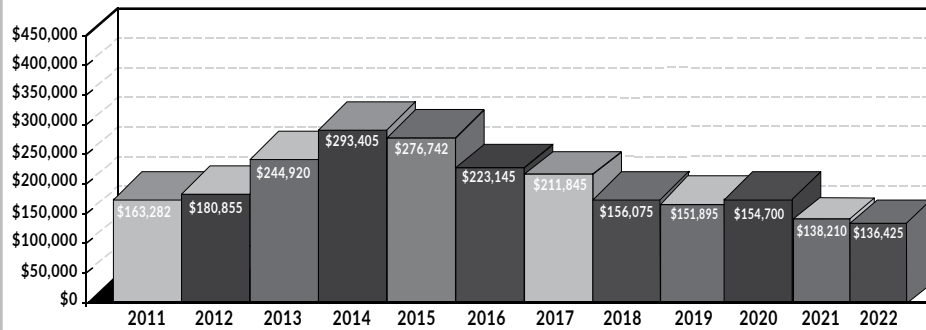
Joe Bacigalupo is Vice President of Membership Development for the NTRA. Bacigalupo is based in the NTRA's Lexington, Ky. office and heads the organization's development efforts that support the NTRA's federal legislative advocacy work.

Bacigalupo served as marketing manager for Churchill Downs, Inc., before joining NTRA. In his role with CDI, Bacigalupo created and executed both short term and long-range marketing plans and programs to ensure the profit, growth and expansion of the pari-mutuel wagering product from CDI's family of Thoroughbred racetracks. Bacigalupo began his career in the horse racing industry at TVG Network, now known as FanDuel TV, where he served as field marketing manager when the fledgling television network and advance deposit wagering company launched across the United States. Prior to entering the horse racing industry, Bacigalupo worked for Georgia-Pacific Corp.

RECEIPTS

From inception through December 31, 2022, Horse PAC® has raised \$4,835,438. 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 \$274,635 for the 2021/2022 election cycle.

HORSE PAC® RECEIPTS SINCE 2011



2022 HORSE PAC® CONTRIBUTORS

CHAMPIONS – \$5,000

| | | |
|-----------------------|-----------------------|--------------------------|
| Barbara Banke | William S. Farish | Earle I. Mack |
| Ramona Bass | Edward K. Gaylord, II | Richard & Sue Ann Masson |
| Craig Bernick | H. Greg Goodman | Justin & Katie Nicholson |
| Cornelia Corbett | Eric Gustavson | Patrick & Sandra Rooney |
| Adele B. Dilschneider | Deborah R. Hancock | Charlotte Weber |
| Sarah Farish | Seth Hancock | |

LEADERS – \$2,500 - \$4,999

| | | |
|-------------------|---------------------------|----------------|
| CTBA PAC | J. Michael O'Farrell, Jr. | Lisa Troutt |
| Keith Chamblin | Thomas J. Rooney | Kane C. Weiner |
| Peter Fluor | George Strawbridge, Jr. | |
| Emory A. Hamilton | Kenny Troutt | |

WINNERS – \$1,000 - \$2,499

| | | |
|----------------------|-------------------------|-----------------|
| John W. Amerman | Dell Hancock | Donald Valpredo |
| Chester Broman, Sr. | Robert V. Lapenta | Judy Wagner |
| James T. Dresher Jr. | Jeffrey & Margery Lewis | Eddie Woods |
| Rick Gold | J. Kirk & Judy Robison | |

2022 HORSE PAC® CONTRIBUTORS

SUPPORTERS – UP TO \$999

| | | |
|-------------------------|-----------------------|---------------------|
| Joe Bacigalupo | SK Johnston, Jr. | Nick Nicholson |
| David P. Block | Russell B. Jones, Jr. | John C. Oxley |
| Jordan Bonfitto | Patrick Kearney | Anne Poulson |
| Patricia Chapman | John Kovarik | Allen Schubert |
| Ellen MacNeille Charles | Peter A. Leidel | William Shurman |
| Donnell Echols | John Matlusky | Beverly R. Steinman |
| Charles Engel | John McDaniel | Jack R. Swain |
| Joe T. Ford | Greg Means | Meghan Rodgers |
| Dr. Carl Gessler | Maurleen V. Miller | Robert M. Watt III |
| Curtis Gielow | William I. Mott | Linda E. Young |
| Charles Hayward | Joe Brown Nicholson | |

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!

2022 HORSE PAC® DISBURSEMENTS

Federal Candidates by Amount*

| State | Amount | Rank |
|--------------|-----------------|------|
| KY | \$17,000 | 1 |
| PA | \$7,500 | 2 |
| FL | \$6,000 | 3 |
| NY | \$6,000 | 4 |
| NJ | \$4,500 | 5 |
| WA | \$3,000 | 6 |
| ME | \$2,500 | 7 |
| AR | \$2,000 | 8 |
| NE | \$2,000 | 9 |
| CA | \$1,000 | 10 |
| IL | \$1,000 | 11 |
| LA | \$1,000 | 12 |
| MA | \$1,000 | 13 |
| MD | \$1,000 | 14 |
| MO | \$1,000 | 15 |
| MS | \$1,000 | 16 |
| NC | \$1,000 | 17 |
| ND | \$1,000 | 18 |
| SC | \$1,000 | 19 |
| SD | \$1,000 | 20 |
| TX | \$1,000 | 21 |
| WV | \$1,000 | 22 |
| WY | \$1,000 | 23 |
| WI | \$500 | 24 |
| TOTAL | \$65,000 | |

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

Federal Candidates by State*

| State | Amount | Rank |
|--------------|-----------------|------|
| AR | \$2,000 | 8 |
| CA | \$1,000 | 10 |
| FL | \$6,000 | 3 |
| IL | \$1,000 | 11 |
| KY | \$17,000 | 1 |
| LA | \$1,000 | 12 |
| MA | \$1,000 | 13 |
| MD | \$1,000 | 14 |
| ME | \$2,500 | 7 |
| MO | \$1,000 | 15 |
| MS | \$1,000 | 16 |
| NC | \$1,000 | 17 |
| ND | \$1,000 | 18 |
| NE | \$2,000 | 9 |
| NJ | \$4,500 | 5 |
| NY | \$6,000 | 4 |
| PA | \$7,500 | 2 |
| SC | \$1,000 | 19 |
| SD | \$1,000 | 20 |
| TX | \$1,000 | 21 |
| WA | \$3,000 | 6 |
| WI | \$500 | 24 |
| WV | \$1,000 | 22 |
| WY | \$1,000 | 23 |
| TOTAL | \$65,000 | |

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

2022 HORSE PAC® DISBURSEMENTS

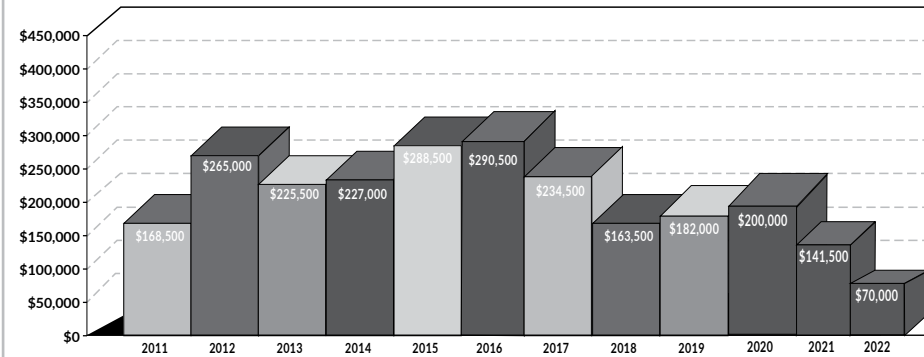
Federal Contributions: \$70,000

House \$45,500
Senate \$24,500

Democratic \$10,000
Republican \$60,000

From Inception through December 31, 2022, Horse PAC® has disbursed \$4,684,379. 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 \$211,500 for the 2021/2022 election cycle.

HORSE PAC® DISBURSEMENTS SINCE 2011



Total Disbursements to Date

\$4,684,379

2022 HORSE PAC® DISBURSEMENTS

The following candidates and political committees received Horse PAC® funds in 2022:

United States House of Representatives

| House of Reps | Party | State | Re-election Year | 2022 Disbursed | Committees |
|----------------------------|-------|-------|------------------|-----------------|---|
| Adrian Smith | R | NE | 2022 | \$1,000 | Ways & Means; CHC |
| Andrew Garbarino | R | NY | 2022 | \$1,000 | Homeland Security; Small Business |
| Andy Barr | R | KY | 2022 | \$5,000 | Financial Services; CHC Co-Chair; Foreign Affairs |
| Bill Pascrell | D | NJ | 2022 | \$1,000 | Ways & Means; CHC |
| Cathy McMorris Rodgers | R | WA | 2022 | \$1,000 | Energy & Commerce |
| Debbie Wasserman Schultz | D | FL | 2022 | \$1,000 | Appropriations; Oversight & Reform |
| Elise Stefanik | R | NY | 2022 | \$2,500 | Education & Labor; Armed Services |
| Frank Pallone | D | NJ | 2022 | \$2,500 | Energy & Commerce (Chairman); CHC |
| Glenn Thompson | R | PA | 2022 | \$5,000 | Agriculture; Education & Labor |
| Gus Bilirakis | R | FL | 2022 | \$1,000 | Energy & Commerce |
| Hal Rogers | R | KY | 2022 | \$2,000 | Appropriations; CHC |
| Jaime Herrera Beutler | R | WA | 2022 | \$2,000 | Appropriations |
| Jason Smith | R | MO | 2022 | \$1,000 | Budget; Ways & Means |
| Josh Gottheimer | D | NJ | 2022 | \$1,000 | Financial Services; Homeland Security |
| Kat Cammack | R | FL | 2022 | \$1,000 | Agriculture; Homeland Security |
| Kevin McCarthy | R | CA | 2022 | \$1,000 | Minority Leader |
| Mario Diaz-Balart | R | FL | 2022 | \$1,000 | Appropriations |
| Mike Gallagher | R | WI | 2022 | \$500 | Armed Services; Transportation & Infrastructure |
| Mike Kelly | R | PA | 2022 | \$2,500 | Ways & Means |
| Patrick Timothy McHenry | R | NC | 2022 | \$1,000 | Financial Services |
| Paul Tonko | D | NY | 2022 | \$2,500 | Energy & Commerce; CHC Co-Chair |
| Richard E. Neal | D | MA | 2022 | \$1,000 | Ways & Means (Chairman) |
| Rodney L. Davis | R | IL | 2022 | \$1,000 | Agriculture |
| Steve Scalise | R | LA | 2022 | \$1,000 | Energy & Commerce |
| Vern Buchanan | R | FL | 2022 | \$1,000 | Ways & Means |
| TOTAL House of Reps | | | | \$40,500 | |

2022 HORSE PAC® DISBURSEMENTS

United States Senate

| Senate | Party | State | Re-election Year | 2022 Disbursed | Committees |
|---------------------|-------|-------|------------------|-----------------|--|
| Chris Van Hollen | D | MD | 2022 | \$1,000 | Appropriations; Banking; Budget; Foreign Relations |
| John Hoeven | R | ND | 2022 | \$1,000 | Agriculture; Appropriations; Energy & Natural Resources; Indian Affairs |
| John Thune | R | SD | 2022 | \$1,000 | Agriculture; Commerce; Finance |
| Marco Rubio | R | FL | 2022 | \$1,000 | Appropriations; Foreign Relations |
| Shelly Moore Capito | R | WV | 2026 | \$1,000 | Appropriations; Commerce; Environment & Public Works; Rules & Administration |
| Tim Scott | R | SC | 2022 | \$1,000 | Banking; Finance; Health, Education, Labor & Pensions |
| John Boozman | R | AR | 2022 | \$2,000 | Agriculture; Appropriations; Environment & Public Works |
| Susan Collins | R | ME | 2026 | \$2,500 | Appropriations; Health, Education, Labor & Pensions |
| NRSC | R | | | \$5,000 | |
| TOTAL Senate | | | | \$15,500 | |

2022 HORSE PAC® DISBURSEMENTS

Federal Leadership PACs

| Associated Candidate | Party | State | RE-ELECTION YEAR | 2022 Actual Leadership PAC | Committees |
|----------------------|-------|-------|------------------|----------------------------|---|
| Andy Barr | R | KY | 2022 | \$5,000 | Financial Services; CHC Co-Chair; Foreign Affairs |
| Ben Sasse | R | NE | 2026 | \$1,000 | Budget; Finance; Judiciary |
| Cynthia Lummis | R | WY | 2026 | \$1,000 | Banking; Commerce; Environment |
| Roger Wicker | R | MS | 2024 | \$1,000 | Commerce; Environment; Rules |
| John Cornyn | R | TX | 2026 | \$1,000 | Finance; Judiciary |
| GRAND TOTAL | | | | \$9,000 | |

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.

2022 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 2022. 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 and Senate | 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 |

2022 HORSE PAC® COMMITTEE NUMBERS

AGRICULTURE

Agriculture Committee (House of Representatives)

- 52 Members/28 Democrats, 24 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported three members of the House Agriculture Committee: Kat Cammack (R-FL), Rodney Davis (R-IL), and Glenn Thompson (R-PA).

Agriculture, Nutrition and Forestry (Senate)

- 22 Members/11 Democrats, 11 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022, Horse PAC® supported three members of the Senate Agriculture Committee: John Boozman (R-AR), John Hoeven (R-ND), and John Thune (R-SD).

APPROPRIATIONS

Appropriations (House of Representatives)

- 59 Members/33 Democrats, 26 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported four members of the House Appropriations Committee: Mario Diaz-Balart (R-FL), Jaime Herrera Beutler (R-WA), Hal Rogers (R-KY), and Debbie Wasserman Schultz (D-FL).

Appropriations (Senate)

- 30 Members/15 Democrats, 15 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported six members of the Senate Appropriations Committee: John Boozman (R-AR), Susan Collins (R-ME), John Hoeven (R-ND), Shelly Moore Capito (R-WV), Marco Rubio (R-FL), and Chris Van Hollen (D-MD).

BANKING

Banking, Housing and Urban Affairs (Senate)

- 24 Members/12 Democrats, 12 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported three members of the Senate Banking Committee: Cynthia Lummis (R-WY), Tim Scott (R-SC), and Chris Van Hollen (D-MD).

2022 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 2022 Horse PAC® supported five members of the House Energy and Commerce Committee: Gus Bilirakis (R-FL), Cathy McMorris Rodgers (R-WA), Committee Chairman Frank Pallone (D-NJ), Steve Scalise (R-LA), and Paul Tonko (D-NY).

Commerce, Science and Transportation (Senate)

- 28 Members/14 Democrats, 14 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported four members of the Senate Commerce Committee: Cynthia Lummis (R-WV), Shelly Moore Capito (R-WV), John Thune (R-SD), and Roger Wicker (R-MS).

FINANCE

Finance Committee (Senate)

- 28 Members/14 Democrats, 14 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported four members of the Senate Finance Committee: John Cornyn (R-TX), Ben Sasse (R-NE), Tim Scott (R-SC), and John Thune (R-SD).

FINANCIAL SERVICES

Financial Services (House of Representatives)

- 54 Members/30 Democrats, 24 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported three members of the House Financial Services Committee: Andy Barr (R-KY), Josh Gottheimer (D-NJ), and Patrick Timothy McHenry (R-NC).

2022 HORSE PAC® COMMITTEE NUMBERS

HOMELAND SECURITY

Homeland Security (House of Representatives)

- 35 Members/19 Democrats, 16 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported three members of the House Homeland Security Committee: Kat Cammack (R-FL), Andrew Garbarino (R-NY), and Josh Gottheimer (D-NJ).

Homeland Security and Government Affairs (Senate)

- 14 Members/7 Democrats, 7 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported no members of the Senate Homeland Security Committee.

JUDICIARY

Judiciary Committee (House of Representatives)

- 43 Members/24 Republicans, 19 Democrats

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported no members of the House Judiciary Committee.

Judiciary Committee (Senate)

- 22 Members/11 Democrats, 11 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported two members of the Senate Judiciary Committee: John Cornyn (R-TX) and Ben Sasse (R-NE).

LABOR

Education & Labor (House of Representatives)

- 53 Members/29 Democrats, 24 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported two members of the House Education & Labor Committee: Elise Stefanik (R-NY) and Glenn Thompson (R-PA).

Health, Education, Labor & Pensions (Senate)

- 22 Members/11 Democrats, 11 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported two members of the Senate Health, Education, Labor & Pensions Committee: Susan Collins (R-ME) and Tim Scott (R-SC).

2022 HORSE PAC® COMMITTEE NUMBERS

WAYS AND MEANS

Ways and Means (House of Representatives)

- 42 Members/25 Democrats, 17 Republicans

Through their re-elect campaigns and/or Leadership PACs, in 2022 Horse PAC® supported six members of the House Ways and Means Committee: Vern Buchanan (R-FL), Mike Kelly (R-PA), Committee Chairman Richard E. Neal (D-MA), Bill Pascrell (D-NJ), Adrian Smith (R-NE), and Jason Smith (R-MO).

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 2022 Horse PAC® supported the following House and Senate leaders:

House

Kevin McCarthy (R-CA), Minority Leader

Steve Scalise (R-LA), Minority Whip

Elise Stefanik (R-NY), Chair of the House Republican Conference

Debbie Wasserman Schultz (D-FL), Democratic Chief Deputy Whip

Senate

John Thune (R-SD), Minority Whip

2023 OUTLOOK

The 2022 midterm elections resulted in a divided Congress, which means any legislation that happens will require bipartisan efforts.

Republicans took back control over the House of Representatives – but it was not the blowout victory that some predicted. And in the Senate, Democrats remain in control. Democrats retained Arizona, Georgia, and Nevada in highly competitive races and won a key race in Pennsylvania where Lt. Gov. John Fetterman defeated Republican candidate Mehmet Oz, flipping the seat that was held by retiring GOP Senator Pat Toomey into Democratic hands. Republicans held their seats in Florida, Ohio, North Carolina, and Wisconsin.

Under a Democratic majority in the Senate, they will spend a hefty amount of time focused on confirming the President's nominees and to advance any legislation going forward, bipartisanship will be necessary. Majority Leader Chuck Schumer will once again have the luxury of controlling what bills and nominees get time on the floor for a vote.

A GOP House majority represents major hurdles for the President, who no longer will have the full Democratic control he enjoyed while ushering through a slate of legislation in his first two years. In a Republican controlled House, there will certainly be an emphasis on oversight of all sectors, but especially on how the Treasury and IRS plan to implement the \$80 billion in funding that the Democrats approved over the summer.

Consistent updates on NTRA's legislative policies and programs can be found on [NTRA.com](https://www.ntra.com).

2022 ELECTION SCORECARD

United States House

| State | Candidate Name | Result |
|-------|--------------------------|----------|
| NE | Adrian Smith | W |
| NY | Andrew Garbarino | W |
| KY | Andy Barr | W |
| NJ | Bill Pascrell | W |
| KY | Brett Guthrie | W |
| NY | Brian Higgins | W |
| FL | Byron Donald | W |
| WA | Cathy McMorris Rodgers | W |
| KY | James Comer | W |
| IL | Darin LaHood | W |
| FL | Debbie Wasserman Schultz | W |
| VA | Donald McEachin | DECEASED |
| NJ | Donald Norcross | W |
| NY | Elise Stefanik | W |
| NJ | Frank Pallone | W |
| PA | Glenn Thompson | W |
| FL | Gus Bilirakis | W |
| NY | Hakeem Jeffries | W |
| KY | Hal Rogers | W |
| IN | Jackie Walorski | DECEASED |

United States Senate

| State | Candidate Name | Result |
|-------|------------------|---------|
| NE | Ben Sasse | RETIRED |
| NY | Charles Schumer | W |
| MD | Chris Van Hollen | W |
| WY | Cynthia Lummis | NIC |
| AR | John Boozman | W |
| TX | John Cornyn | NIC |
| ND | John Hoeven | W |
| SD | John Thune | W |
| MT | Jon Tester | NIC |

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 118th Congress.

Horseracing Integrity and Safety Act— 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. 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 Federal Trade Commission (FTC) has oversight of the Authority.

HISA continues to implement their Racetrack Safety program which went into effect on July 1, 2022. However, on Friday, November 18, 2022, the United States Court of Appeals for the Fifth Circuit ruled that the HISA is unconstitutional because it “delegates unsupervised government power to a private entity,” and thus “violates the private non-delegation doctrine.” As a result, NTRA and industry leaders actively engaged with Congressional leadership to act and provide reinforcement for the HISA in the omnibus appropriations bill, which was passed and signed into law on December 29, 2022. With that technical correction added, the Fifth Circuit has remanded the case back to the District Court for further proceedings. Following this decision, on January 26, 2023 the FTC published HISA’s resubmitted ADMC rules to the Federal Register, initiating a formal public comment period. Following the publication, the FTC has 60 days to approve, deny or revise the proposed rules. The FTC has stated that it will consider all previously posted comments on the Federal Register as well as any updated or new comments.

HISA’s draft ADMC rules were initially rejected by the FTC in late 2022 due to legal uncertainties at the time. The rules were resubmitted to the FTC for consideration following the passage of the omnibus appropriations bill.

Upon approval by the FTC, the ADMC Program will be administered and enforced by HIWU. Included in the rules package are the Equine Anti-Doping and Controlled Medication Protocol, the Prohibited List, Definitions, Arbitration Procedures, Equine Testing Investigative Standards and Equine Standards for Laboratories and Accreditation. HISA is anticipating that the ADMC Program will go into effect on March 27, 2023.

LEGISLATIVE SUMMARY

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 has historically been included in a tax extender package, but unfortunately this expired in 2021, meaning a seven-year schedule would now apply. While Congress did not renew three-year depreciation as part of the Tax Cuts and Jobs Act (TCJA) passed in December 2017, it did include 100% bonus depreciation, which has now been phased down to 80% for 2023, and a \$1.1 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 many are not eligible for Section 179 expensing due to the net income requirement and choose to elect out of the 80% 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 as mentioned before relies upon Congress to extend the three-year depreciation 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 depreciation of racehorses. While Congress did not act on tax extenders in the 2022, NTRA is continuing to advocate for a retroactive extension of three-year depreciation for all of 2022 and 2023 purchases and will work toward a permanent legislative resolution to this important depreciation treatment of all racehorses.

NTRA will continue to explore the 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 like bonus depreciation.

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

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and sovereign tribal nations can now set their own policies to legalize and regulate sports betting. In less than five years, 36 states and Washington, D.C. have legalized sports betting. While no sports betting legislation has been introduced in the 118th 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 wallet" solution to allow customers to bet on horses and other sports by opening a single account. In December of 2022, FanDuel announced to its customers they could access both pari-mutuel wagering on horse racing and traditional sportsbook wagering with a single account, becoming the first sportsbook to do so.

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. 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.

In 2022, NTRA was supportive of Senator Bennet's (D-CO) Affordable and Secure Food Act being included in the end of the year spending package. The inclusion of this bill would have moved all the equine industry into the H-2A program so the industry would not be subject to the cap of the H-2B program. While in the end this bill was not included in the end of the year spending package, NTRA will continue to advocate before Congress for passage of permanent solutions to temporary worker issues in the industry.

IN MEMORIAM



GREG MEANS

In Memory of Greg Means, who served as NTRA's lobbyist and advocate for the Thoroughbred industry on Capitol Hill from 2003 – 2022.

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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