



**LEGISLATIVE
ACTION CAMPAIGN**

2013 ANNUAL REPORT



LETTER FROM NTRA

Dear Supporters,

The NTRA offers you the 2013 NTRA Legislative Action Campaign Annual Report. This report summarizes the work of the NTRA's federal legislative team and also recaps the year in Congress.

Additional features of the Annual Report include:

- List of 2013 contributors
- Contributor testimonials
- Contributor location map
- Description of NTRA fundraising programs
- Fundraising videos
- Contributor/membership benefits summary

The NTRA is pleased that over 750 individuals, farms and racing partnerships participated in either the ¼% Check-off program, Foal program or the Horseplayers' Coalition in 2013. This broad support enables the NTRA's federal legislative team to represent all industry groups on Capitol Hill. We look forward to serving in this role again in 2014.

With Appreciation,



Joe Bacigalupo

Director of Government Relations & Membership Development

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Breeders' Cup photo ©

NTRA MISSION STATEMENT

To improve the popularity of Thoroughbred horse racing and to improve economic conditions in the industry for NTRA stakeholders.

2013 LEGISLATIVE SUMMARY

The first session of the 113th Congress was one marked by legislative inactivity. In 2013, Congress delivered fewer than 60 bills to President Obama's desk for signature. A major cause for such low legislative productivity was partisan gridlock related to an appropriations process dominated by automatic and unpopular Sequester spending cuts put in place in late 2012. The federal budget for the year was likewise contentious. Fortunately, Congress ended the year on a positive note with passage of the two-year, Bipartisan Budget Act of 2013.

Also noteworthy from 2013 was the inability of Congress to address much-needed immigration reform. In June, the Senate passed the Border Security, Economic Opportunity and Immigration Modernization Act (S. 744), which was a comprehensive rewrite of the U.S. immigration laws. The Senate version faces stiff opposition in the House from conservative lawmakers, so it has not advanced.

Near the end of the first session of the 113th Congress, Senate Majority Leader Harry Reid (D-NV) filed the Tax Extender Act of 2013 that is intended, among other things, to renew the expired three-year depreciation schedule for young racehorses. Language restoring this three-year depreciation schedule – which expired at the end of 2013 – was included in Reid's bill at the urging of the NTRA. Sen. Reid's Tax Extender Act also includes provisions to renew for 2014 the expense allowance which permitted businesses to write off up to \$500,000 of qualified depreciable property and 50% bonus depreciation; the former dropped to \$25,000 for 2014 while the latter completely expired at the end of 2013. The fate of the Tax Extender Act is uncertain but the NTRA's federal legislative team remains committed to securing a favorable tax environment for the industry.

The NTRA continues to monitor all activity concerning the expansion of online gaming. In 2013, several I-gaming bills were introduced including those to license, regulate and tax the activity. There was also a Congressional hearing held in December that focused on the current status of online gaming including the push to legalize online poker and other casino games at the state level. Congress did not take immediate action on such expansion and the outlook for 2014 is uncertain.

Below is a summary of current federal legislative issues which may have a material effect on Thoroughbred racing and breeding. As the lead advocates for Thoroughbred racing in Congress, the NTRA monitors these and other bills on a daily basis. With the American Horse Council, the NTRA also educates members of Congress regarding key areas affecting the equine industry as a whole, including agriculture economics and immigration.

Taxes

In 2013—as in every other year—dozens of tax benefits expired. Congress typically renews these provisions and makes them retroactive to the expiration date.

One expired provision of interest to horse racing was legislation that provided a three-year deprecation period for Thoroughbreds. The NTRA's lobbying team has sought a renewal for that provision in a “tax extenders” package that would include numerous other lapsed provisions. While the schedule for Congress to consider a tax extenders package remains uncertain, it appears that such a package might be considered in the first half of 2014. The three-year depreciation provision is contained in the Race Horse Cost Recovery Act, introduced in the spring of 2013.

The tax extenders package also includes a renewal of the 50 percent bonus depreciation and an expense allowance of \$500,000 under Section 179.

Extenders aside, Congress has all of 2014 to consider tax reform, including other issues unique to the horse racing industry. Horseplayers wagering on pari-mutuel races currently are subject to reporting of winnings of \$600 or more, and automatic federal tax withholding on pari-mutuel winnings of \$5,000; in either case, odds must be at least 300-1.

Withholding reduces players' liquidity during handicapping and adversely impacts pari-mutuel handle and purses. Withholding levels for pari-mutuel winnings were last changed (from \$1,000 to \$5,000) in 1992. Reporting levels have not changed since the mid-1970s. Securing legislative or regulatory language to address these twin issues is among the NTRA's top priorities in the 2013/2014 Congressional session.

Similarly, tax reform may extend to legislation that would reduce the capital gains holding period for horses from two years to one, giving the industry greater parity with other investments. The Equine Tax Parity Act, introduced in March 2013, would reduce the capital gains holding period for horses from 24 months to 12 months.

Online Gambling

Several bills were introduced and hearings held to address whether the federal government should tax and regulate online gambling other than pari-mutuel wagering on horse racing, which is already regulated under the federal Interstate Horseracing Act (IHA). This process continues the wrangling over online gaming that began a decade ago and has produced little to satisfy states that seek to offer online wagering.

“We expect the federal government to do what they've traditionally done on gambling issues: kick them back to the states,” said Alex Waldrop, president and CEO of the NTRA, which has lobbied on I-gaming issues since 2000 and was instrumental in securing the IHA amendment that enabled online pari-mutuel wagering.

Faced with uncertainty at the federal level, three states have put laws in place to allow intrastate wagering: Nevada, New Jersey, and Delaware. California and Illinois have it under consideration.

At the same time, the horse racing industry continues to play a central role in the debate over a federal apparatus for online gambling and the debate is far from over. PAC spending by organizations and businesses with interests in gaming matters (including Horse PAC) reached \$1.2 million in the last election.

Animal Welfare

For the last decade, horse slaughter legislation has been introduced at the federal level. Efforts to secure an outright federal ban on horse slaughter have failed for a variety of reasons; more recently, proponents of a ban have used the appropriations process to block or defund federal inspections needed to process horses for meat. A few states, including New Mexico, remain interested in providing horse slaughter facilities, further complicating the issue and moving the fight over horse slaughter into the judicial system as well.

The Horseracing Integrity and Safety Act, introduced in 2013, would provide the U.S. Anti-Doping Agency with authority to regulate and enforce medication usage for racehorses competing in races with simulcast wagering. Several Congressional hearings were held on the bill but the legislation saw little floor action.

Immigration

In 2013, the Senate approved a plan to rewrite the nation's immigration laws and sent it to the House, where it faces a difficult path due to conservative opposition. In particular, the House is grappling with the controversial question of whether and how to extend citizenship for existing illegal aliens already residing in the U.S.

One provision of the Senate immigration bill would require all employers within five years to use a federal electronic system to verify the legal eligibility to work of every new hire, including American citizens. Employers throughout the racing industry, not just trainers or farms using immigrant workers, will be affected by this provision.

Horse racing has long relied on the H-2A and H-2B visa programs for farm and backstretch workers and the current bill includes elements that could have some bearing on the industry. For example, the new approach would replace the current H-2A program with a new program that would provide additional work visa options and extend workers' visas for up to three years. Similarly, the new proposal would alter certain elements of the H-2B program by improving wage methodology and exemptions from annual caps for returning workers. While the bill is by no means perfect, it contains major improvements for the horse racing industry.



NTRA VIDEOS PROMOTING THE CHECK-OFF PROGRAM

Click to play video



WHAT NTRA CONTRIBUTORS ARE SAYING

“We need to be in the game. Horse racing must have a voice in Washington and the NTRA is it.”

—*Joe Appelbaum of Off the Hook, New York, NY*

“An industry presence in Washington in this political climate is more important than ever. The NTRA legislative team is a required voice that our industry needs there.”

—*Craig Bendoroff of Denali Stud, Paris, KY*

“It is our responsibility to support our industry.”

—*Lynne Boutte' of Boutté Training & Sales, Ocala, FL*

“Our industry is complex, with federal legislative issues related to taxation, immigration and online gaming important to those who participate in it. We support the NTRA to help them oversee all of this and more for the benefit of horse racing and breeding. The thoroughbred industry is our passion and we want to support it any way we can.”

—*Marne Fauber of Imagine..., Ocala, FL*

“Owners benefit from the tax legislation efforts. Furthermore, the NTRA’s legislative initiatives target key issues that greatly impact the economics of racing across multiple facets of the industry, which makes it better for all stakeholders in the sport.”

—*Terry Finley of West Point Thoroughbreds, Saratoga Springs, NY*

“A consistent presence in Washington, D.C. is necessary for the horse racing and breeding industry and the NTRA has provided that for more than a decade. We are glad to support their work on our behalf.”

—*Dell Hancock of Claiborne Farm, Paris, KY*

“The NTRA is in the trenches every day in Washington, D.C. for horse racing and breeding. We understand the significance of this effort and appreciate the voice that the NTRA gives our industry.”

—*Bruce Hill, Live Oak Plantation, Ocala, FL*

“We have used the NTRA Advantage program many times over the past decade and saved thousands of dollars; it’s a great service for NTRA members.”

—*Joe Seitz of Brookdale Sales, Versailles, KY*

“Broad industry support of the NTRA’s legislative effort is key to horse racing’s success on Capitol Hill. There is a lot at stake for our family and clients and we are glad to participate.”

—*Mark Taylor of Taylor Made Sales, Nicholasville, KY*

2013 LEGISLATIVE ACTION CAMPAIGN CONTRIBUTORS

Agave Racing Stable	Bluegrass Industries	Centennial Farms	John Davison	Four Tags Stable
Akindale Farm	Bluegrass Thoroughbred Services	Victor Centeno	Daystar Farms	A. J. Foyt, Jr.
Alan Booge Racing	Blue Checker Thoroughbreds	Center Hill Farm	Rachel De Berdt	Frank Fletcher Racing Operation
Fred Alexander	Blue Sky Equine Mobile Veterinary Service	Patricia L. Chapman	Glenn Delahoussaye	Freddie Bloodstock
All In Line Stables	Blue Spruce Farm	Ellen Charles	Janet Del Castillo	Mike Freeny
Fred Allor	Bona Terra Stud	Chasing Dreams Racing 2013	Robert Delaney, Jr.	Joseph S. Friedberg
Al Shaqab Racing	Bona Venture Stables	Chestertown Farm	Delehanty Stock Farm	Cameron Frock
Don Ameche	Ina Bond	Cheval Stables	Dell Ridge Farm	GEO S. L.
American Eqstock	Jeffrey L. Bonde	Cheyenne Stables	de Meric Sales	Gainesway Farm
American Legacy Farm	Dennis Boultinghouse	Sang Gi Choi	Denali Stud	Gallagher's Shiraz
Mary Jo Amlie	Boutté Training and Sales	Claiborne Farm	Roberto Ortiz de Paz	Gallaghers Stud
Bryan Anderson	Bowman & Higgins	Patricia Clark	Derby Dreams Farm	Gallop Out Racing
Francine A. Anderson	Buff (William) Bradley	Clarkland Farm	Destinaire Farm	Edward A Gamble Trust
Mike Anderson	Brandywine Farm	Robert Clary	Charles H. Deters	Jose Garoffalo
Anstu Stable	Luis Bravo	Classic Oaks	Keith Dickey	Robert W. Gay
Arindel Farm	Breaking Point Farm	Classic Bloodstock	Lou Dunn Diekemper	Gayle Woods Training
Arrowfield Pastoral Pty.	Mark D. Breen	Clearsky Farm	Charles Dimino	Robert Gerl
Harry Arslanian	Brewer Racing	Clover Hill Farm	David DiPietro	Get Away Farm
A Shares Stable	Bridlewood Farm	Coffee Pot Stables	Dixie Farm	Don Gibb
Ashbrook Farm	Brett Brinkman	Colts Neck Stables	Antoine Douaihy	Charlie Gibson
Ashford Stud	Britannia Farm	Columbiana Farm	Double K	Dr. Charles Giles
Ashview Farm	Broadhurst Agency	Columbine Stables	Chris Drakos	Jim Gladden
Steve Asmussen	Brookdale Farm	James M. Connors	James T. Dresher, Jr.	Martha Gladwell
Audley Farm Equine	Brushwood Stable	Conover Stable	Richard Duchossois	John R. Glenney
Bob Austin	Magalen O. Bryant	Gary Contessa	Gabriel Duignan	Gold Star Racing
Avanti Stable	David Buchanan	F. Thomas Conway	Stanley Dunn	Ricardo Gonzalez
BG Stables	Buck Pond Farm	Alan Cook	Dunn Hill Farm	Good Luck Farm
BHMFRL LLC	Bugle Hill Farm	Copper Penny Stables	Amy Dunner	Bob Gorsky
B. D. Gibbs Farm	Burleson Farms	Coppertree Farm	Dwain Eaton	Christie Graham
Rodd A. Babin	Burning Daylight Farm	Cordelia Stables	Eaton & Thorne	Grassroots Training & Sales
Bakster Farm	Steve Bush	Cornerstone Bloodstock	Eaton Sales	Bob Grayson
Steve Ballou	Pedro Rodriguez Bustos	Kory Cornum	Donnell Echols	Bob W. Grayson, Sr.
Banahan Farms	Larry Byer	Corrigan Racing	Eclipse Thoroughbred Partners	Curtis C. Green
Victoria Banks	CFE Stable	Cotton Hill Farm	Edition Farm	Greenfield Farm
Barak Farm	CPLL Bloodstock	Cottonwood Stables	Joel Eichenberger	Jeffery L. Greenhill
Rozamund Barclay	Cable Farm	Country Life Farm	Herbert & Ione Elkins	Greenmount Farm
Mary Clare Barron	Caldara Farm	Dr. Ruel Cowles	Elm Tree Farm	Edwin & Helen Gredvig
Nick Barron	Caldara Farm, Strouss & Thornton	Bill Crager	Charles F. Engel	Mark B. Grier
Bartolome Mafra H.	Calumet Farm	Crandybrook Farm	Lois Engel	Griffin Thoroughbred Stables
Beau Lane Bloodstock	Cambus-Kenneth Farm	Cres Ran LLC	Joe Engelhart	Gabe Grossberg
Bob Beaverford	Campbell Farm	Crestwood Farm	Terry Eoff	Grousemont Farm
Richard Tod Beckett	Canmeida, Inc.	Crossroads Farm	Equus Farm	Grovendale
Bedouin Bloodstock	Jack Cannon	Crowning Point Farm	Jose Luis Espinoza	Mary K. Grum
Gloria Bellastrossie	Canterbury Farm	Crupi's New Castle Farm	Justin Evans	Cesar Guereca
Ben-D Farm South	Cantium Bloodstock	Dan Cummins	Excel Bloodstock	Anthony E. Guida
David Berman	Gary Capuano	DB Racing	Exclusive Equine Investments	Moira Gunn
Besilu Stables	Carl R. Moore Management	Dabbs Hickman, Hill & Cannon	Executive Bloodstock	Bob Guth
Best a Luck Farm	Jean Carmichael	Daehling Ranch	H. Smoot Fahlgren	Hackett Brothers Thoroughbreds
Sharon Biamonte	Wes Carter	Frank D'Amato	Donald Fallon	Jacob Haddad
Bigheart Thoroughbreds	Nick Caruso	Dancing Wind Stable	Tracy Farmer	Phil Hager
Blackburn Farm	Michael Joseph Cascio	Darby Dan Farm	Linda Fisher	Haley Farms
Black n Bleu Farm	Dr. Maurice F. Casey III	Dark Hollow	Fleetwood Bloodstock	Robert Hansan
Blandford Stud	Casner Racing	Dark Star Thoroughbreds	Dr. Ted Folkerth	Haras Santa Maria de Araras
Susan Blood	Centaur Farms	Darley Stud	Susan M. Forrester	Hardacre Farm
Margaret V. Bloss		Randall Davidson	Dennis Foster	Stephen L. Harner

2013 LEGISLATIVE ACTION CAMPAIGN CONTRIBUTORS (continued)

Harris Farms	Jon Jazdzewski	Live Oak Plantation	Stacey Moak	Paramount Sales
Dr. John C. Harroff	Catherine Jennings	John Liviakis	Ed Moger, Jr.	Park Stud
Harry L. Landry Bloodstock	Joe Jennings	Lochness	Mojo Stables	Molly Pearson
Hartwell Farm	Jer-Mar Stable	Locust Hill Farm	Kathy Mongeon	Pecan Meadows Farm
Jack & Barbara Hatch	Aaron & Marie Jones	Londonderry Farm	Angel Morales	William R. Peebles
Paula Haughey	Walter Jones	Longford Farm	Eric & Randi Moreau-Sipiere	Pegasus Thoroughbred Training Center
Dana Lally Haugli	Dennis Joseph	George Llamas Lopez	Terry Morgan	Steve & Barbara Perlick
Wesley Havens	Jrita Young Thoroughbreds	Jose Lopez	Fred Morgheim	Richard Perkins
Alvin Haynes	K & G Stables	Lucas Racing	Terry Morrie	James Perron
Haynes Stables	KCPMED	Lynnwood Farm	Colonel James Moseley	Michael Lund Peterson
Vern Heath	K. C. Garrett Farm	MJK Bloodstock	Paul G. Mouttet	Ogden Phipps
Bryan Henderson	Fedai Kahraman	Machmer Hall	Mt. Brilliant Farm	James E. Pickering
Hermitage	Kaizen Sales	Anne MacLennan	Mt. Joy Stables	Pick Of The Paddock
Jeff Heslep	Kamaaina Thoroughbreds	Magali Farms	Kristin Mulhall	John Pinner
Hickory Tree Farms	Patty Kanter	Michael Maker	Mulholland Farm	Pipedream Racing Stables
Hidden Brook	Alex Karkenny	Nick Mamatas	Joe Mulholland	Avla Pitts
Highclere Sales	Harry Kassap	Diane Manning	Dr. Robert Muns-Sosa	Edward Plesa, Jr.
Jim & Susan Hill	KatieRich Farms	Man o' War Farm	N W Management	Tom Pojar
Hill 'n' Dale Sales Agency	Keene Ridge Racing	Manuden Farm	Sung Hyun Nam	Carlos Polanco
Hillwood Stable	Ross & Norma Keith	Maple Leaf Farm	Jerry Namy	Dr. Hiram Polk
Carolyn Hine	Glyn Kelly	Robert Marcocchio	Narvick International	Robin Poole
Hinkle Farms	Eddie Kenneally	Mares Nest Farm	Navesink River Stables	Popatop
Phil Hoedebeck, Jr.	Nick Kessis	Marion Horse Training	Erika Neuberger	Post Parade Racing
Tony Holmes	Kilbride Stables	Dan Markle	Paul Newhart	Premier Ranch
Galen Ho'o	Kilrush Stud	Dr. Alfonso Martinez	New Zealand Bloodstock	Michael Pressley
Horseplayers Racing Club	John C. Kimmel	George Maruon	Newsells Park Stud	Pristinus Thoroughbreds
Mona & Jim Hour	Tom Kindlon	Mason Springs Farm	Niall Brennan Stables	Melvyn A. Prussel
Houston Farms	Kingswood Farm	Mast Thoroughbreds	Tom Nichols	Andreas Psarras
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Hronis Racing	Kinsman Stable	Summer Mayberry	Bjorn Nielsen	Quintessential Racing Florida
Huckleberry Farm	Kirkwood Stables	Maynard Farm	Gerald A. Nielsen	R. A. Rowe Farms
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Gerald Hunsicker	Terry Knight	Anthony McCarthy	Howard C. Nolan, Jr.	Dr. Richard Radke
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Jay Em Ess Stable	Lincoln Hill Stable	Mill Ridge Sales	Francis J. Paolangeli	Edward S. Robbins III
	Little Man Farm	Herbert Mittenthal		

2013 LEGISLATIVE ACTION CAMPAIGN CONTRIBUTORS (continued)

Rusty Roberts	Shady Brook Farm	Beryl Stokes, Jr.	Town & Country Farm	William K. Werner
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Rock House Farm	Richard Shaw	Holdings	Greg Tracy	Marc Wexler
Mr. & Mrs. S. H. Rogers	Shawnee Farm	Stone Ridge Farm	Jim Treptow	Mike & Cheryl Whieldon
Rose Hill Farm	Sheltowee Farm	Stonereath Stud	Triple B Farms	Whisper Hill Farm
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Rick & Summer Rudmon	Shiloh Farm	Super Horse	Robert B. Trussell, Jr.	White Oaks
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Runnymede Farm	Shortleaf Stable	Suzanne's Stables	Lisa & Tim Turney	Wayne Williams
Temple Rushton	Showtronix	Jack Swain	Gary Tussey	Willow Racing
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John Ryan	Clay R. Sides	Swilcan Stables	Two Hearts Farm	David & Holly Wilson
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Sackatoga Stable	Sienna Farms	Marc Tacher	Carlo Vaccarezza	Winchester Place Thoroughbreds
Salt Well Farm	Fernando Silva	Barclay Tagg	Kim Valerio	Windhorse Thoroughbreds
Michele Sanger	Simmons and Associates	Ronald Tagliaferro	Valkyre Stud	Windmill Manor Farm
George Santis	Robert Simonick	David Michael Talla	Donald Valpredo	Windylea Farm
Saratoga Glen Farm	Skara Brae Stables	Paula Taube	Val-U-Chem	Carole & David Winpigler
Robert G. Schaedle III	Green B. Smith, Jr.	Rick E. Taylor	Juan Vargas	Winquest Thoroughbreds
Paul Schaffer	Murray Smith	Taylor Made Sales Agency	Dr. George Veloudis	Wintergreen Farm
Clay Scherer	Smitten Farm	Team J & K	Very Un Stable	Winter Quarter Farm
Lynn B. Schiff	Gary P. Snoonian	Gene & Charlene Tenbrink	Via Encanto Farms	Wintickett Farm
Richard Schrag	Someday Farm	Terrapin Stables	Victory Cigar Racing Stable	Bill Witman
Robert Schreiber	Southern Cypress Stable	Doug Terry	Vinery Sales	Joe Woodard
Chad Schumer	William P. Spaeth, Jr.	The Acorn	Philippe Vinh	Woodfield Stable
Fred Schwartz	William Sparks	Thor-Bred Stables	Vintage Farm	Woods Edge Farm
Lloyd Schwartz	James C. Spence	Jonathan Thorne	VI-Winemiller	Woodside Ranch
Sea Jay Farm	Robert Spiegel	Tim Thornton	Carolyn R. Vogel	Woodslane Farm
Casey Seaman	Chancey Spencer	Jennifer Thorpe	Vossfeld Bloodstock	Workingman's Stable
Sebold Racing	Springdell Farm	Thoroughbreds International	Linda Walls	Steven W. Young
Secure Investments	Springland Farm	Three Chimneys Farm	Howard M. Walton	Young Stables
Seitz/Kelly	Marc Adam Stanions	Tip Ranch	Todd Wanta	Young Thoroughbreds
Seitz/Kelly/Swain	Beverly Steinman	James H. Tolliver	Wesley Ward	John Youngblood
Seitz/Kelly/Swain/Folkert	Heinz H. Steinmann	Tommy Hutton's Dream Stable	Halina V. Warren	ZRJ Stables
Select Sales	Stephens Thoroughbreds	Toothaker Sales Agency	Waterford-Millford Farm	Zeta Racing
Shadwell Estate Co.	St. George Sales	Top Line Sales	Watermill Farm	Arnold Zetcher
Shadwell Farm	Norma Lee Stockseth	Torrey Thoroughbreds	Ernie Wells	

NTRA ADVANTAGE MEMBERSHIP BENEFITS

NTRA Advantage is a for-profit subsidiary of the NTRA that forms partnerships and sells products and services at reduced cost to more than one million members and affiliated members of the NTRA. Advantage partners include John Deere, Sherwin-Williams, OfficeMax, Valvoline and UPS. Major member groups include Breeders' Cup nominators, as well as members of the Thoroughbred Horsemen's Association, Thoroughbred Owners and Breeders Association, and Thoroughbred Owners of California. Affiliate members include the American Quarter Horse Association, Equine Canada, United States Equestrian Federation and the United States Trotting Association. Since 2002, NTRA Advantage has saved industry members over \$100 million. Purchases by equine members through the group purchasing programs average \$50 million annually.

Visit www.NTRAadvantage.com or call toll free 866-678-4289 for up-to-date partner information, including special pricing.

MY ADVANTAGE

YOU ARE ELIGIBLE FOR SIGNIFICANT SAVINGS ON NATIONALLY KNOWN PRODUCTS THROUGH NTRA ADVANTAGE. Not only are you a part of an association that lives for the Equine sport, but your membership entitles you to special savings on products used for your equine farm, business, or personal use.



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NTRA'S FEDERAL LEGISLATIVE STRATEGY

The NTRA's Lexington, KY-based government relations team performs a broad array of legislative advocacy services for the horse racing and breeding industry. Working closely with the NTRA membership and Board of Directors, the team determines the industry's governmental priorities and then develops a comprehensive legislative strategy to achieve these priorities. The current strategy includes building relationships with members of Congress and their staffs, educating them on industry issues and concerns and introducing lawmakers and staff to industry members in the field.

The government relations team is in daily contact with The Alpine Group, the NTRA's lobbying arm on Capitol Hill. The Alpine Group's guidance and expertise are invaluable and help move the horse industry's legislative agenda through Congressional processes. From meetings with Congressional staffers and members of Congress to bill drafting to committee mark-ups, hearing and votes, The Alpine Group provides the expertise essential to effective advocacy.

Another key member of the NTRA government relations team is Davis and Harman partner Thomas A. (Tad) Davis. Davis provides the NTRA membership sophisticated tax advice and advocacy. Whether it is economic incentives to encourage the breeding and sale of horses or the elimination of onerous taxation of pari-mutuel wagering, government policy has an enormous impact on the economics of horse racing. Davis provides the NTRA government relations team with the expertise necessary to achieve progressive federal tax policy.

One essential element of an effective advocacy strategy is fundraising. The NTRA primarily builds financial support through its Legislative Action Campaign's ¼% Check-off program at major Thoroughbred auctions. Industry members who buy and sell at Keeneland, Fasig-Tipton, Ocala Breeders' Sales Company, Barretts Sales & Racing, Washington Thoroughbred Breeders & Owners Association and Breeders' Sales Company of Louisiana may contribute one quarter of one percent of each horse's sale price to help fund the Campaign. The annual number of individual contributors typically exceeds 700 from more than 40 states and 10 countries.

Industry members also support NTRA fundraising through the Foal program, a bi-annual direct mail effort targeting owners and breeders who may not buy or sell at auction. Contributions start at \$50 per foal.

Campaign finance also is important to NTRA advocacy. The NTRA government affairs team organizes and participates in fundraisers on behalf of Horse PAC, the political action committee of the NTRA. In 2013, Horse PAC regained the top spot on the list of leading gaming PACs by receipts, ahead of casino conglomerates MGM Resorts International and Caesars Entertainment. Horse PAC surpassed in 2013 the \$3 million mark in total funds raised since formation.

Another component of the NTRA's government advocacy efforts is the NTRA Safety and Integrity Alliance. Formed in 2008, the Alliance is a standing organization whose purpose is to advocate for the establishment of national uniform standards and practices in the areas of human and equine safety as well as integrity in conduct of horse racing. While the NTRA legislative priorities are federal in scope and application, the Alliance provides guidance at the state level through accreditation of tracks found to be in compliance with the Alliance Code of Standards. The Alliance Code is enforced in large part by regulations issued and enforced by state racing commissions. Alliance certification standards cover six broad areas: injury reporting and prevention; safety equipment and a safer racing environment; medication and testing; health and safety of jockeys; aftercare of equine athletes; and wagering security. The Code further sets standards with respect to compliance and enforcement and is amended as new research and recommendations warrant.

The horse racing industry is part of a \$39 billion agri-business touching every state. Each year, nearly \$11 billion is wagered on horse racing nationwide. Governmental regulation and oversight are critical to horse racing's economic development and long term survival. For this reason, the NTRA dedicates significant resources to protecting and promoting horse racing on Capitol Hill.

Starting with a landmark 2000 amendment to the Interstate Horseracing Act that paved the way for online betting on pari-mutuel horse racing, the NTRA has built a significant presence on Capitol Hill. The NTRA has strengthened its presence even as federal lobbying expenditures by all industries have skyrocketed. The chart below shows the tremendous growth in lobbying expenditures across all industries, including the gambling sector in particular.

YEAR	LOBBYING – ALL INDUSTRIES	LOBBYING – GAMBLING INDUSTRY
2000	\$1.56 billion	\$15.34 million
2013	\$3.21 billion	\$31.62 million

As part of the gambling industry, the NTRA in 2013 once again spent less than one tenth of the amount spent by just one casino operator – Caesars Entertainment. Our strategic approach to government relations allows us to accomplish our objectives without the extraordinary amounts expended by other groups.

NTRA LEGISLATIVE ACTION CAMPAIGN PRIMER

What is the Legislative Action Campaign?

The Legislative Action Campaign empowers individual and corporate members of the NTRA to support federal legislative advocacy services for the horse racing and breeding industry.

How is the Legislative Action Campaign funded?

The Legislative Action Campaign raises funds through three programs: the ¼% Check-off, the Foal program and Horseplayers' Coalition membership. For the former, buyers and sellers may support the Campaign by pledging ¼ of one percent on the price of their horses sold at Keeneland, Fasig-Tipton, Ocala Breeders' Sales Company, Barretts Sales & Racing, Breeders Sales Company of Louisiana and Washington Thoroughbred Breeders and Owners Association. Every \$1,000 in a horse's sale price equates to \$2.50 to the Campaign. Individuals who choose to not participate in auction sales may pledge contributions through the NTRA Foal program. Others may support the Campaign by joining the Horseplayers' Coalition, whose objective is to seek legislative and regulatory solutions to tax and business issues that impact pari-mutuel racetracks and their customers.

How do I participate?

Sellers, consignors and designated agents may "pre-commit" their pledge on sales entry forms for the ¼% Check-off. Sellers who miss the deadline for pre-commitments can pledge until the close of sale billing. Buyers may include their contribution when submitting payment or by responding to an NTRA-generated invoice. Owners and breeders may contribute through the Foal program. The NTRA solicits contributions to this program through a bi-annual direct mail campaign. Horseplayers and other individuals may become members of the Horseplayers' Coalition when joining the *Daily Racing Form*/NTRA National Handicapping Championship (NHC) Tour.

How can Federal lobbying help make our industry more competitive?

By securing tax legislation that benefits industry stakeholder groups such as horse owners, breeders, racetracks, advance deposit wagering service providers and horseplayers and by addressing select issues that directly impact the economics of racing, such as taxation, Internet wagering, immigration, and matters that affect farmers, ranchers and other agricultural producers.

How does the NTRA lobby on Capitol Hill?

NTRA fields a government relations team based in Lexington, KY and retains the Washington, D.C.-based Alpine Group to lobby on federal issues specific to pari-mutuel horse racing and breeding. NTRA coordinates with the American Horse Council on legislative advocacy issues that impact all equine breeds and disciplines.



NTRA FUNDRAISING PROGRAMS

What's the Difference?

Legislative Action Campaign

Political Action Committee

Common Names:	"¼ Percent Check-off program"	"Horse PAC" or "NTRA PAC"
Contribution Uses:	Contributions are used to support Federal legislative advocacy to benefit the racing and breeding industries.	Contributions are not co-mingled with NTRA corporate funds and may only be used to support political candidates and parties at the Federal level.
Contribution Limits:	There is no limit on the amount that can be contributed. Individuals and corporate entities like partnerships and farms can participate.	\$5,000 per individual, per year. Spouses of individual members may also contribute \$5,000 each. Contributions from corporations are not accepted.
Payment Methods:	Thoroughbred buyers and sellers contribute ¼% of the price of a horse sold at public auction to the NTRA's Legislative Action Campaign. Note these alternative ways to contribute: Owners/breeders and others who do not participate in auction sales may contribute through the Foal program. Horseplayers' Coalition members contribute \$25 when joining.	Personal check or credit card (VISA, Discover, MasterCard or American Express), payable to Horse PAC and addressed to: Peggy Hendershot Horse PAC 2525 Harrodsburg Road, Suite 510 Lexington, KY 40504
Deductibility:	May be tax deductible as an ordinary business expense.	Not tax deductible.
Added benefits:	Supporters are automatically eligible to receive preferred pricing on products and services from companies like John Deere, Sherwin-Williams, OfficeMax, Valvoline and UPS through NTRA Advantage. Visit www.NTRAadvantage.com or call toll free (866) 678-4289 for more information.	Horse PAC supporters are automatically eligible to receive preferred pricing on products and services from companies like John Deere, Sherwin-Williams, OfficeMax, Valvoline and UPS through NTRA Advantage. Visit www.NTRAadvantage.com or call toll free (866) 678-4289 for more information.
Membership:	Participants automatically become NTRA members and may be PAC-eligible (see column to the right).	Contributors must be NTRA members.
Citizenship Requirements:	Open to U.S. citizens and foreign nationals.	Contributors must be U.S. citizens or permanent resident aliens.
NTRA Contact:	Joe Bacigalupo (859) 422-2677 joeb@ntra.com	Peggy Hendershot (859) 621-6929 phendershot@ntra.com

INDUSTRY ORGANIZATION THANK YOU

The NTRA extends its sincere appreciation to the following industry leaders for their generous support of the Legislative Action Campaign.





LEGISLATIVE
ACTION CAMPAIGN

FOR MORE INFORMATION CONTACT:

Joe Bacigalupo

Director of Government Relations & Membership Development

859-422-2677

www.SupportHorseRacing.org