

Evolution of Racing & Casinos in Indiana

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- 1988 62% of Hoosiers vote to remove ban on gaming from Indiana's constitution.
- 1989 Lottery and pari-mutuel wagering authorized in May. First lottery ticket sold in October.
- 1990 Charity gaming legalized including the legalization of pull tabs
- 1992 Authorization for up to four off track wagering facilities per track
- 1993 Riverboats authorized (5 boats on the Ohio River/5 boats on Lake Michigan and one on Patoka Lake. Of the \$3 Admission charge to the riverboats, tracks to receive \$.65.

- 1994 Hoosier Park opens in Anderson, Indiana in September with Harness Racing. In December, 1st Indiana riverboat licenses (2) awarded to Trump and Majestic Star in Gary.
- 1995 Restrictions placed on the number of boats the gaming commission could put in one county on the Ohio River. Thoroughbred racing starts at Hoosier Park (a condition of getting to open an OTB in Lake County). Hoosier Park opens OTB's in Indianapolis, Merrillville and Fort Wayne. In December, 1st Indiana riverboat (Aztar) opens in Evansville.

- 1996 Political contribution ban put in place for owners of tracks and casinos. New requirement for local ordinance or referendum on horse tracks and OTB's. Five Indiana riverboats open: Trump & Majestic Star in Gary; Argosy in Lawrenceburg; Grand Victoria in Rising Sun and The Empress in Hammond.
- 1997 Two riverboats open in East Chicago and Michigan City.
- 1998 Successful passage of a Marion County referendum on the question of allowing a horse track where pari-mutuel wagering was to take place (Indianapolis). Riverboat in Harrison County opens.

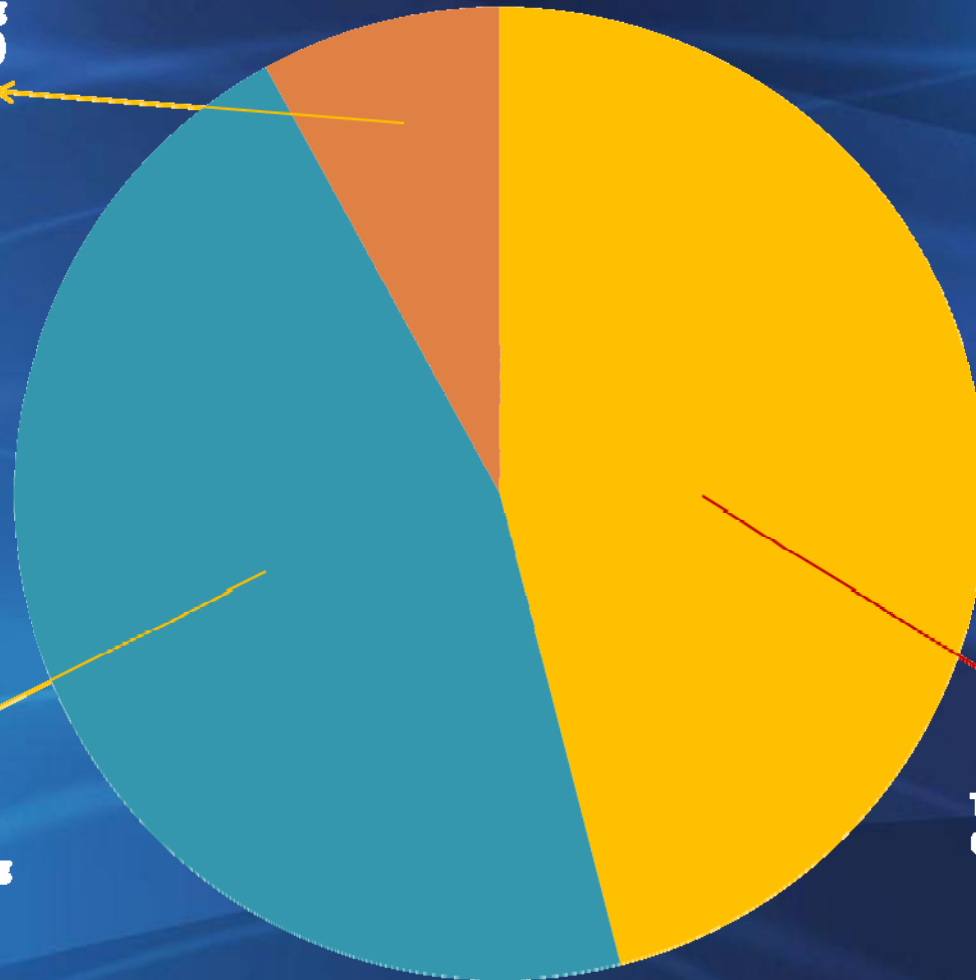
- 2000 Riverboat subsidy to horse racing commission capped by commission. Riverboat in Vevay opens on the Ohio River.
- 2002 Riverboats allowed to go dockside (special session). Subsidy to horse tracks put in statute. Indiana Downs in Shelbyville opens in December.
- 2003 New Orange County casino authorized and Patoka Lake eliminated. This created the first land based casino. Casinos permitted to stay open 24/7. Restriction on ownership from one license to two. Indiana Downs opens Evansville OTB

- 2006 Orange County (French Lick) opens
- 2007 Legislation passes authorizing 2000 electronic gaming devices at Hoosier Park and Indiana Downs for a \$250 million dollar licensing fee each. French Lick gets a 1% subsidy from the tracks for 5 years.
- 2008 Hoosier Park opens a permanent integrated facility in Anderson. Indiana Downs opens a temporary casino (Indiana Live!) while completing a 250,000 square foot facility to be integrated with the racing facility.

Slot Revenue Allocation

AGR

Quarter Horse (8%)
of 8% - 70% to following
To QH Purses (95%)
QH Assn (5%)



■ Thoroughbred
■ Standardbred
■ Quarter Horse

Thoroughbred (46%)
Of 46% - 60% to following
TO TB Purses (97%)
TB O&T Assn (2.4%)
TB O&B Assn (.6%)

Standardbred (45%)
Of 46% - 50% to following
To SB Purses (96.5%)
SB Assn (3.5%)

Minus Integrity Fee - \$250,000 each track

2008 G2E Presentation

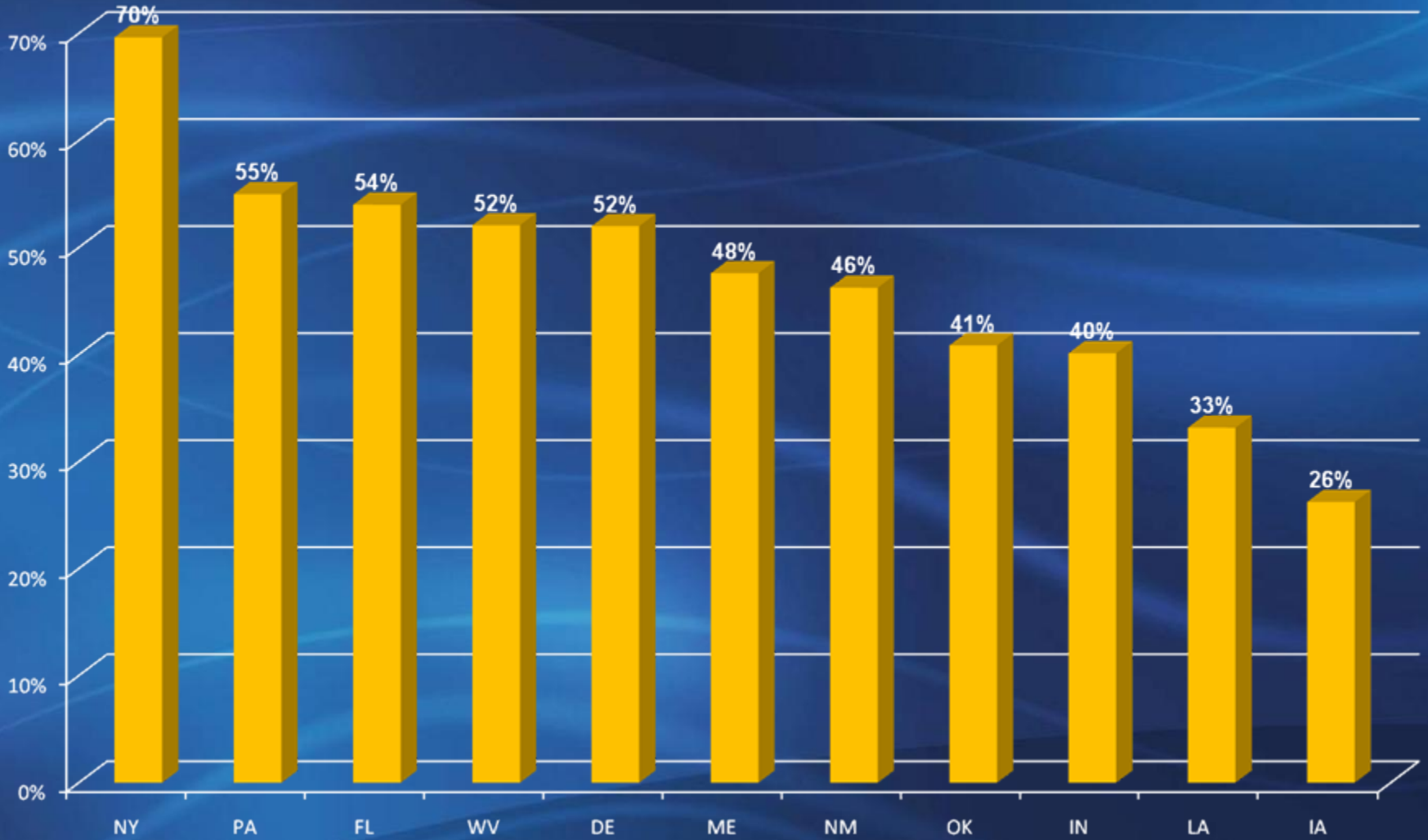
Steve Szapor

The Innovation Group
November 2008

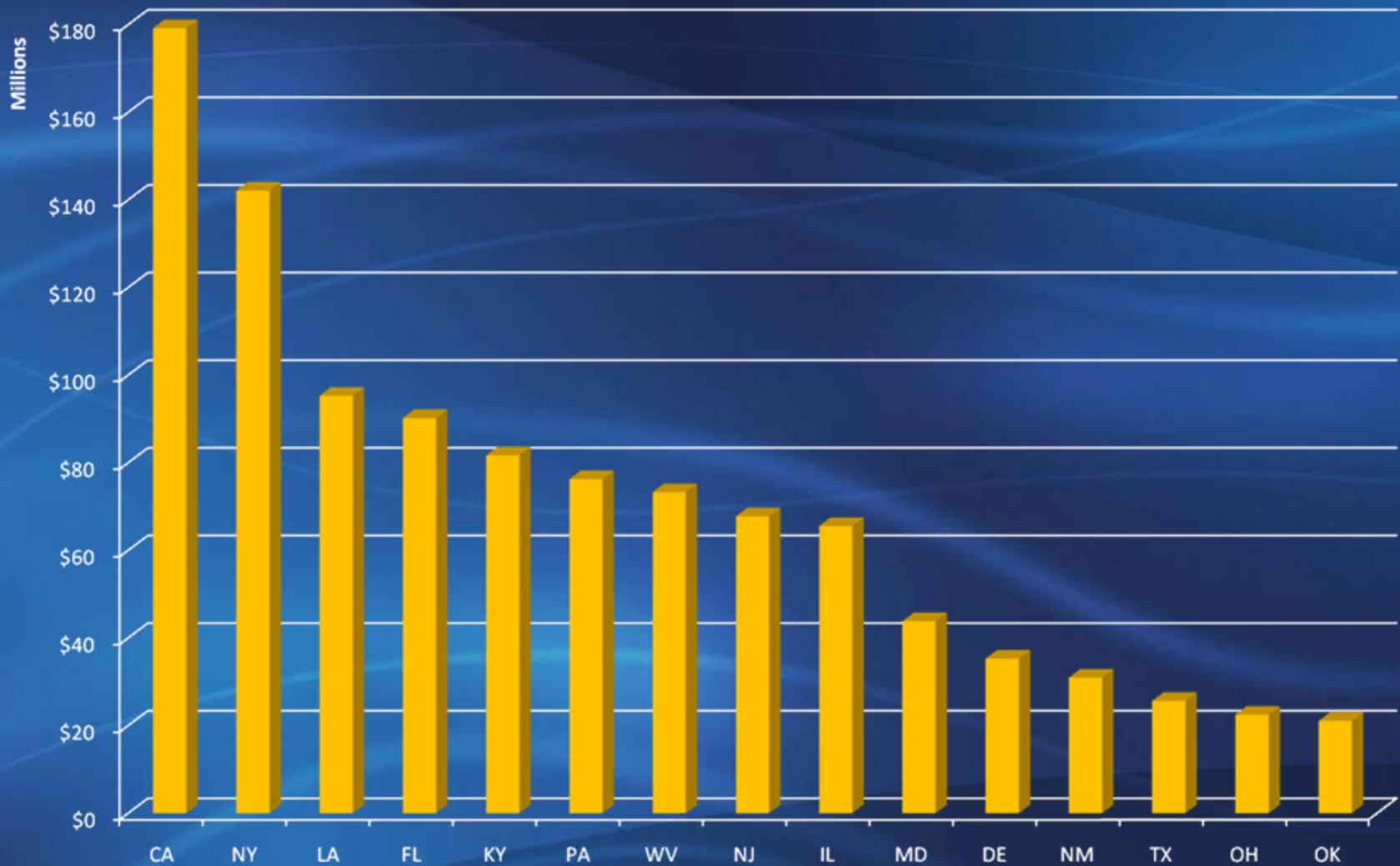
Daily Win / Unit - Racino States (2007)



Effective Tax Rates - Racino States



Thoroughbred Gross Purses by State



Thoroughbred Average Purse / Race

