



The Horsemen's Newsletter

February 2008

Volume 18 • Number 2

MTHA joins Thoroughbred Horsemen's Group, LLC

The MTHA has agreed to join the Thoroughbred Horsemen's Group, LLC, a new organization that is working to ensure a fair share of simulcast revenue for purse accounts.

Craig Gegorek, whose firm, Gegorek and Vardavas, Chartered, provides accounting services for a number of racing industry groups including the MTHA, participated in efforts that led to the founding of the THG. Mr. Gegorek represented the interests of the MTHA throughout those proceedings.

THG has nearly 15 member organizations holding contracts with approximately 35 tracks. It also includes horsemen's groups in Arkansas, California, Delaware, Florida, Kentucky, Louisiana, Ohio, Ontario, Pennsylvania, Texas and Virginia.

Ohio horsemen's representative Bob Reeves serves as president of the group, and Wilson Shirley is its manager.

Immigration update

Pete Lizarzaburu of International Personnel Resources reported that the first 51 of the 194 workers authorized for employment by Maryland trainers were processed at the U.S. Embassy in Mexico City on February 19. The remainder were expected to undergo processing by the end of the month.

"Many of these workers will probably start arriving throughout the month of March," said Mr. Lizarzaburu.

See *Immigration*, page 3

Industry pursues purse enhancement

Legislation that would direct as much as \$30 million a year to purses and breeders' funds will come up for consideration by lawmakers over the next several weeks.

Identical bills, each entitled the Horse Racing Heritage Act, have been introduced in the Senate and House. The legislation would establish a funding mechanism based on state lottery revenue. The enhancement would be divided on an 80-20 percentage basis between the Thoroughbred and Standardbred interests, and follow the longstanding practice of an 89-11 percent split between purses and breeders' funds.

Senate Bill 658 (sponsored by Sen. Nancy J. King, D, Distr. 39, Montgomery County) is set for a hearing on March 6

in the Senate.

House Bill 1227 (sponsored by Del. Frank S. Turner, D, Distr. 13, Howard County, et al.) will have a hearing on March 13 before the House Ways and Means Committee.

"With competitive pressures from surrounding states—in particular Pennsylvania—becoming increasingly intense, Maryland's racing industry needs additional funds to tide it over until our own slots program, hopefully, becomes a reality," said MTHA President Richard Hoffberger.

"Industry representatives are lobbying daily in Annapolis. However, in the current economic situation, with the state facing many budget demands, it is a difficult battle," Mr. Hoffberger added.

Maryland regulators await further study on steroids

Maryland is among a number of jurisdictions that have decided to withhold action on steroid regulations, pending the results of research that is underway at Cornell University, the University of Florida Pharmacokinetics Laboratory and other locations.

"These studies are expected to provide information that does not currently exist," said MTHA counsel Alan Foreman. "They will help to determine appropriate

Warning to trainers

Racing commissions in some states, including Pennsylvania and Delaware, have moved forward with steroid regulations.

Maryland horsemen shipping to race out of state are advised to familiarize themselves with rules and procedures in those locations, so as to avoid potential penalties.

threshold levels and withdrawal times." (It is important to understand that "threshold" is defined as a steroid level that occurs naturally in a horse.)

Results are expected to be available by late summer.

The Racing Medication and Testing Consortium has rec-

ommended a December 31, 2008, deadline for nationwide adoption of model rules regulating the use of anabolic steroids in race horses.



Board actions

Meeting held February 21 at Laurel
Members present: Richard J. Hoffberger, President; Richard J. Meyer, Vice President; John V. Alecci, Dale Capuano, Phillip L. Capuano, William T. Fitzgibbons, Sr., Linda S. Gaudet, Arnold A. Heft, Timothy L. Keefe, Lawrence E. Murray, John J. Robb, Valora A. Testerman, Katharine M. Voss
Members absent: Howard M. Bender, H. Neil Glasser

Thoroughbred Horsemen's Group LLC

The board agreed, by unanimous vote, to authorize the MTHA's membership in the Thoroughbred Horsemen's Group, LLC (see article on page 1).

Financial report

The MTHA's financial report for the period January 1 through December 31, 2007 was reviewed and unanimously approved as presented.

Committee bulletins

Bowie

Backstretch chairman Phil Capuano reported:

- Conditions in the track kitchen have improved.
- Problems with security have been resolved.
- The track surface has been satisfactory.
- The omission of race times from overnights has generated numerous complaints.
- The public address system on the backstretch is not functioning properly.
- There have been problems with improperly filled manure bins.

Laurel

Backstretch chairman Larry Murray said frozen horse paths have not been treated with a sufficient amount of salt.

Pimlico

Backstretch chairman Bill Fitzgibbons reported that preparations are underway for the upcoming meet.

Trash+manure=bad mix

Reminder to trainers and all backstretch employees: Trash should not be placed in manure bins. The area surrounding the containers should be swept free of debris.

Racing industry will feel impact of Economic Stimulus Act

From the American Horse Council

The Economic Stimulus Act, which President Bush signed into law on February 13, should prove favorable to the racing industry, reported the American Horse Council (AHC).

It "includes two tax incentives that would allow a much bigger write-off for horses and other depreciable property purchased and placed in service during 2008," said AHC president Jay Hickey.

The first incentive would increase the so-called Section 179 expensing allowance for horses purchased and placed into service in 2008 from \$128,000 to \$250,000. This expensing allowance also applies to farm equipment and most other depreciable property. Once total purchases of horses, and other eligible depreciable property, during 2008 reach \$800,000, the expense allowance goes down one dollar for each dollar spent on eligible property over \$800,000.

"The horse industry almost lost the Section 179 expense deduction in 1996. The House of Representatives passed legislation taking this deduction away from the horse industry," said Mr. Hickey. "But we were able to convince the Senate to remove this restriction before passing the final bill and the deduction

was preserved. It was worth \$17,500 then. Over the years it has been increased and will now go up to \$250,000 for 2008. That is a real benefit to horse owners."

The second incentive brings back 50 percent first-year bonus depreciation for horses and most other depreciable property purchased and placed in service during 2008. "Bonus depreciation was first passed in 2002 as a way to stimulate the economy. It phased out at the end of 2004," noted Mr. Hickey. "It was a benefit for the industry then and it should be again." It does not apply to property that has a depreciation life of more than 20 years.

Also, as was the case when bonus depreciation was available in 2003 and 2004, the property must be new, meaning that the original use of the horse or other property must begin with the purchaser for the property to be eligible. "Original use" means the first use to which the property is put, whether or not that use corresponds to the use of the property by the purchaser. "There is no limit on the amount of bonus depreciation that can be taken, as there is with the expense deduction," noted Mr. Hickey.

Hoofprints

Governor names three for Racing Commission

Governor Martin O'Malley's recent list of Greenbag appointments—now pending approval by the Senate—includes three members of the Racing Commission.

John P. McDaniel, longtime member and former two-time chairman, is slated for another term.

New appointees to the Commission are Charles G. Tildon, III and Mary Louise Preis.

The new members are expected to replace Greg Barnhill and David Bramble, whose terms expire on June 30.

Mr. Tildon is vice president and chief marketing officer with the United Way of Central Maryland.

Ms. Preis, an attorney, served in the Maryland House of Delegates from 1991 to 1999, as a Democrat representing Harford County (34th District).

Welfare and Safety of the Racehorse Summit

A second Welfare and Safety of the Racehorse Summit has been scheduled for March 17 and 18 in Lexington, Ky.

It will include progress reports from the working committees established at the original summit in October 2006.

For more information, visit www.grayson-jockeyclub.org/summit.

Jockey Club's 2008 Fact Book

The Jockey Club's 2008 Online Fact Book is available at www.jockeyclub.com, in the Publications & Resources section.

The Fact Book is published annually as a statistical and informational guide to the North American Thoroughbred industry; the 18th edition of the printed version will be published and distributed in early May.

IN MEMORIAM

Sidney Watters, Jr., the Marylander inducted into racing's Hall of Fame in 2005, died on February 14.

Mr. Watters, 90, earned Hall of Fame status as a steeplechase trainer but also had an illustrious career with flat runners, his many stakes winners including champions Hoist the Flag and Slew o' Gold. He retired in 1999, after training for 52 years.

Mr. Watters was an uncle of prominent Maryland trainer Richard W. Small.

Mildred Day, 89, a longtime owner/trainer, died on February 11. Mrs. Day was among the first women to be granted a trainer's license in Maryland, in the 1950s.

Robert Sterrett, who made his career as a groom at Maryland tracks until retiring in 2004, died on February 15 at the age of 69.

Mr. Sterrett was employed by the late trainers B. Frank Christmas and Bill Albright, and in more recent years by Mary Eppler.

In 1989, the MTHA honored Mr. Sterrett as an outstanding backstretch employee from Pimlico.

James Woodmancy, a longtime backstretch worker employed for many years by James W. Murphy, died on February 5. He was 68.

Robert R. (Robby) Robertson, an owner in the 1950s and '60s, died on February 3 at the age of 88.

Mr. Robertson owned several businesses in Baltimore and worked as an assistant to sportscaster Chuck Thompson. He is credited with originating Mr. Thompson's signature phrase, "Ain't the beer cold."

The Horsemen's Newsletter

Published monthly by the

Maryland Thoroughbred Horsemen's Association, Inc.

6314 Windsor Mill Road,
Baltimore, Md. 21207;
(410) 265-6842;
fax (410) 265-6841;

e-mail: mdhorsemen@erols.com

Web site: www.mdhorsemen.com

The Horsemen's Newsletter reports on issues and events of interest to owners and trainers in Maryland. Your suggestions are welcome.

Immigration, from page 1



However, Congress still has failed to take action that would provide exemptions for returning workers under the H-2B visa program.

"There are many employers across the country, including horsemen, whose businesses are being threatened due to Congressional inaction on this issue," stated Mr. Lizarzaburu.

Horsemen are urged to call their U.S. Congressman, expressing support for The Save Our Small and Seasonal Businesses Act. Calls may also be directed to the office of Speaker of the House, Nancy Pelosi, at (202) 225-0100, or Chairman of the Hispanic Caucus, Joe Baca, at (202) 225-6161. For more information, visit savesmallbusiness.org.

Recreation report

From Dan Mangum,
MTHA Recreation Director
(410) 437-4405

Basketball

The basketball league continues on Sunday evenings at Meade High School in Laurel.

Donations

The following generous people re-

cently donated clothing, reading material and other items for distribution on the backstretch: Bill Borchardt, David Butts, Cheryl Carton, Gene Gilhooly, Chris Grove, Sylvia and Arnold Heft, Mark Lapidus, Herb and Miriam Mittenthal, Bruce Spizler and Frank Wright.

At his request, belongings of the late James Woodmancy have been distributed among his fellow backstretch workers.

Sunday racing returns in March

Starting March 2, Sunday racing returns to Laurel Park for the balance of the winter meeting, except for the Easter holiday.

Live racing, which has been conducted on a Wednesday-through-Saturday basis, will now be offered Thursdays through Sundays, beginning February 28.

The 15-week stand will now end Sunday, April 13 instead of Saturday, April 12. The Pimlico spring meeting, headlined by the 133rd running of the Preakness, begins Thursday, April 17.

Horsemen's calendar

RACING

Laurel..... Now through April 13
Pimlico..... April 17 through
date to be announced

FASIG-TIPTON MIDLANTIC AUCTIONS AT TIMONIUM

(410) 392-5555

Two-year-olds in Training.... May 19, 20
Eastern Fall Yearlings.... Sept. 29-Oct. 1
December Mixed..... Dec. 7, 8

OUT-OF-STATE AUCTIONS

Ocala Breeders' Sales Company Adena Springs Two-Year-Olds in Training
Ocala, Fla. (352) 237-2154..... March 17

Ocala Breeders' Sales Company Selected Two-Year-Olds in Training
Ocala, Fla. (352) 237-2154..... March 18, 19

Keeneland Two-Year-Olds in Training
Lexington, Ky. (800) 456-3412.... April 8, 9

Ocala Breeders' Sales Company Spring Two-Year-Olds in Training
Ocala, Fla. (352) 237-2154..... April 21-24

Ocala Breeders' Sales Company Two-Year-Olds and Horses of Racing Age
Ocala, Fla. (352) 237-2154..... June 17, 18

Fasig-Tipton Kentucky July Selected Yearlings,
Lexington, Ky. (859) 255-1555... July 14, 15

Fasig-Tipton Saratoga Selected Yearlings, Saratoga Springs, N.Y.
(516) 328-1800..... Aug. 4, 5

Fasig-Tipton New York Preferred Yearlings, Saratoga Springs, N.Y.
(516) 328-1800..... Aug. 9, 10

Fasig-Tipton New York Open Yearlings, Saratoga Springs, N.Y.
(516) 328-1800..... Aug. 12

Ocala Breeders' Sales Company Selected/Open Yearlings,
Ocala, Fla. (352) 237-2154..... Aug. 18-22



MTHA's Backstretch Pension Plan Registration

Attention All Backstretch Employees (Assistant Trainers, Exercise Persons, Grooms, Hotwalkers, Stable Foremen, Trainers, etc.)

Pension Plan Registration for the year ended 2007 will take place at the following times and locations.

Bring your Maryland Racing Commission Badge and W-2, 1099, or tax return for 2007.

For more information call the MTHA office at (410) 265-6842.

Failure to register will result in the loss of your 2007 benefit

March 24 through March 28

Bowie Track Kitchen,
Office Next Door,
9:30 a.m. to noon

March 31 through April 4

Laurel Track Kitchen,
9:30 a.m. to 1 p.m.

April 7 through April 11

Pimlico MTHA Office,
10 a.m. to noon

April 14 through April 18

Bowie Track Kitchen,
Office Next Door,
9:30 a.m. to noon

April 21 through April 25

Laurel Track Kitchen,
9:30 a.m. to 1 p.m.

April 28 through May 2

Pimlico MTHA Office,
10 a.m. to noon



MTHA
6314 Windsor Mill Road
Baltimore, Maryland 21207

February 2008

Thoughts and comment

It's that time of year—once again—when we remind people to sign up for the MTHA's Backstretch Pension Plan.

The MTHA provides many valuable services for backstretch employees—a health center maintained by a fully credentialed physician, health fairs and a year-round recreation program, to name just a few.

But none of them has done more to benefit a larger number of people than the Backstretch Pension Plan.

We make it easy by offering sign-up services at all three tracks during a six-week period each spring. Pension plan representatives spend two weeks each

at Bowie, Laurel and Pimlico. Individuals do not contribute to this plan. All of the funding comes from monies deducted annually from the Purse Account.

All you have to do is show up at the one of the times and locations listed at the top of this page, and bring your Maryland Racing Commission Badge along with a W-2 or 1099 form, or a tax return for 2007.

Pension plan representatives will take care of the paperwork, and later on you'll collect the benefits. It may be the best deal in racing. /Richard J. Meyer,

MTHA Vice President, Health and Welfare Committee Chairman

MTHA Board of Directors

Richard J. Hoffberger
President
Richard J. Meyer
Vice President
John V. Alecci
Howard M. Bender
Dale Capuano
Phillip L. Capuano
William T. Fitzgibbons, Sr.
Linda S. Gaudet
H. Neil Glasser
Arnold A. Heft
Timothy L. Keefe
Lawrence E. Murray
John J. Robb
Valora A. Testerman
Katharine M. Voss