

Colorado Racetrack, OTB Shops Hoping For Fantasy Sports Windfall

21ST DEC 2016 | WRITTEN BY: CHRIS SIEROTY

The operator of Colorado's only racetrack — Arapahoe Park — hopes that by offering customers a chance to bet on professional athletes similar to the way they wager on horses he will be able to boost the track's bottom line.

Mile High Racing & Entertainment offers fantasy sports betting at its Aurora, Colorado, racetrack and its nine off-track betting sites across the state. The Colorado Racing Commission in September approved a [USFantasy Sports](#) partnership with Mile High Racing.

"This is a significant step forward for USFantasy sports and we are excited about Colorado and our potential growth within the state," said Vic Salerno, president of Las Vegas-based USFantasy.

Salerno told GamblingCompliance that entering Colorado gets them into another state that "is looking for new revenue sources but the important point is that we don't have to compete with legal sports betting."

Nevada-style wagering on professional sports in which a participant can pick a winning team or total remains illegal in Colorado.

But USFantasy is not the same real-money fantasy sports offered by DraftKings or FanDuel, where participants try to generate a collective score higher than other players.

This fantasy sports product merges traditional horseracing pari-mutuel betting with professional football and basketball.

Instead of assembling a fantasy team of NFL players, USFantasy lets gamblers choose athletes to win, place or show. They can pick groups of athletes for a daily double or trifecta on any given Sunday.

Rather than placing a bet on a horse to win, a gambler can bet that Pittsburgh Steelers quarterback Ben Roethlisberger throws for more yards than any other quarterback on a game day.

Eventually, the options will be expanded to include hockey, baseball, golf and NASCAR.

"Ultimately we hope this will educate more of Colorado's devoted sports fans about the foundations of horse race wagering and attract them to come to our racetrack and off-track betting locations," Mile High Racing & Entertainment executive director Bruce Seymore said in a statement.

Colorado's horseracing industry continues to struggle, as Arapahoe Park and nine off-track betting locations posted \$82.19m in total wagers from 39 live days and 363 simulcast days last year, according to a [commission report](#).

Live greyhound racing is no longer offered in Colorado.

Nevada became the first state to allow fantasy wagering based on pari-mutuel betting when the state's gaming commission licensed USFantasy in June.

The company serves more than 40 sportsbooks in Nevada. Salerno said the business "is improving weekly and has not gone down."

"It's a little slower than we hoped for," Salerno said. The company has not released figures on handle in the six months since it has received a Nevada gaming license.

The new form of fantasy sports betting was developed by Salerno, who said he looked forward to the company's continued expansion.

"Rhode Island, Connecticut, Massachusetts, New Jersey, Wisconsin, Mississippi, Pennsylvania, New Mexico, Montana, Wyoming, Iowa, West Virginia and others," Salerno said. "It really depends on each state's laws."

Salerno added that his company also enjoyed a "very good reception" from various racetracks at the recent 43rd Annual Global Symposium on Racing & Gaming, which is sponsored by the University of Arizona in Tucson.

Salerno said USFantasy was also approached by tracks in Venezuela and Canada.

Off-track betting shops in Colorado will set opening odds, projections and scoring rules determined by USFantasy.

Bettors can wager on players finishing first, second or third or put them in exactas and trifectas. The minimum bet on first, second or third place finishes, also known as win, place or show, is \$2.

Exacta and trifecta minimum bets are \$1.

A winning bet would pay bettors according to the final odds from the pool of money bet, known as pari-mutuel wagering. USFantasy said Thursday night NFL games are not included, but Monday games are, meaning payouts cannot be collected until Tuesday of each week.

As with wagering on horseracing in Colorado, fantasy sports betting will be limited to those bettors aged 18 and older.

Lois Rice, executive director of the Colorado Gaming Association (CGA), said none of CGA's 22 to 23 members are currently offering USFantasy to their customers.

Rice told GamblingCompliance that most of the CGA's members favor the traditional model of fantasy sports over the pari-mutuel platform being offered by USFantasy.

Although Colorado's commercial casinos remain hesitant to offer USFantasy, Salerno said the company is moving forward with developing a mobile app.

"We already have the mobile app with a developer that we have great confidence in and expect it [by] the first quarter of next year."

In June, Governor John Hickenlooper, a Democrat, signed [HB 1404](#) into law, allowing for daily fantasy sports. The bill was created to ensure regulation and licensing of the companies that operate the games in Colorado.

The bill, which goes into effect August 10, requires operators with more than 7,500 players to be licensed by July 1 to remain operational in the state.

Topics:

LICENSING

Geography:

COLORADO

UNITED STATES

Sectors:

EMERGING SECTORS

FANTASY SPORTS

LAND-BASED GAMBLING

BETTING SHOPS/OFF TRACK BETTING

RACING

Content:

REGULATORY NEWS