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Horse racing fans planning on betting on the Kentucky Derby at Hawthorne Race Course windows this year may have to go online instead.

As of Tuesday, <u>Hawthorne</u> — the only horse track in the Chicago area — no longer was offering over-the-counter betting on the Derby or other races at the host track, Churchill Downs, the Tribune has learned.

The track in west suburban Stickney is in a dispute over payments to Churchill Downs, officials said. Normally, Hawthorne would pay for Churchill Downs' cable simulcast of its races, allowing gamblers to place bets at its windows at Hawthorne's home track and its 12 off-track betting parlors in the suburbs and downstate.

Hawthorne President and CEO Tim Carey issued a statement saying that customers will be able to watch the broadcast of the Derby on May 3 at Hawthorne facilities and wager on the race through online horseracing apps.

Customers who prefer to wager with cash will be able to pay through Xpressbet online accounts with Hawthorne staff at all locations, as well as withdraw winnings as cash.

"We are expecting to once again be at full capacity at all of our venues for the biggest day in horse racing," Carey said. "We are working to resolve the interruption of over-the-counter and self-service machine wagering options and are optimistic that this service will also be available for the Derby."

Other horse racing officials said the payment dispute was a result of Hawthorne's inability to get financing to open a casino at its track, which would generate revenue for horse races and simulcasts. They said the news was terrible public relations for the biggest day in racing, when even casual fans pay attention and bet on the sport.

"It's shameful," said Dave McCaffrey, executive director of the Illinois Harness Horsemen's Association. "You're slapping your customers in the face."

Chris Block, president of the Illinois Thoroughbred Horsemen's Association, said the news was "an extremely negative sign."

"I understand patrons will be quite upset, and that's unfortunate," he said.

Hawthorne was sued by contractors last year for failing to pay millions of dollars for construction and other expenses.

Hawthorne officials said they would pay those liens when they get financing to build a casino at the track. But in the nearly six years since state lawmakers gave Hawthorne authority to build a "racino" in Stickney and another in the south suburbs, officials keep promising they're on the verge of getting financing, but have never done so.

Rival groups have proposed building a new racino in the south suburbs. State lawmakers previously gave Hawthorne extraordinary veto power over any track in the area, but have been considering withdrawing that power.

Recently, there has been a proposal to build a new racino in downstate Decatur, which would also require legislative action.

Harness Association President Jeff Davis again called for opening the state to other operators.

"Enough is enough," he said. "This isn't leadership — it's obstruction. It's costing the state hundreds of millions of dollars and holding back an entire agri-business sector that supports thousands of Illinois jobs. We can't afford to keep waiting."

Signs at Hawthorne facilities didn't mention the Derby, but stated that they are offering no wagering on races at Turfway or Fair Grounds tracks, which Churchill Downs owns, and Oaklawn, for which Churchill Downs reportedly contracts to provide simulcast betting.

The absence of simulcast betting is more than an inconvenience for horse owners and riders in Illinois. They depend on a cut of remote betting at other tracks, so they would stand to lose out on the biggest betting day in racing.

A record \$211 million was wagered nationwide on the Derby last year. Hawthorne received an estimated \$450,000 in all of 2024 for commissions for wagering on Churchill Downs, and about \$468,000 in prize money for races, state officials estimated.

Hawthorne was in negotiations with Churchill Downs over settlement of payments, Illinois Racing Board Executive Director Domini Dicera said.

"We're hopeful they can resolve the issue before the Derby," he said.

The news came as the only other horse track in the state, <u>Fairmount Park Casino & Racing</u>, recently opened its 100th season with a new casino at the track in Collinsville, near St. Louis. The only racino in the state offers slots and electronic table games alongside horse racing.

Churchill Downs Inc. previously owned Arlington International Racecourse, but shocked racing fans when it <u>closed the track</u> in 2021 to make more money through its majority ownership of Rivers Casino in nearby Des Plaines. The majestic grandstand was demolished by the Chicago Bears to save on property taxes after they bought the site in 2023 for a potential football stadium