

IMPACT OF EXPANDED GAMING AT OHIO RACETRACKS

- I. Horse Racing is Already an Industry in Ohio.
 - A. Ohio is the largest producer of Standardbred foals in the United States.
 1. Over 3,700 more foals have been registered in Ohio than in the next closest state over the last seven years.
 - B. There are more harness races conducted in Ohio than any other state..
 1. The American Horse Council estimates the horse racing industry in Ohio generates \$900 million, provides 25,000 jobs directly, and involves over 250,000 people.
 - C. Horse racing produces over \$20 million annually in taxes, not including incomes taxes paid by participants on earnings and winnings.
- II. Ohio is not on an even playing field with the surrounding states.
 - A. The request for slots for horseracing is the same as farms asking for a level playing field to sell their crops in other states.
 - B. Implementation of slots would allow Ohio horse racing to compete on the same level as the surrounding states.
 1. Arkansas, Delaware, Indiana, Iowa, Louisiana, Maine, Michigan, Pennsylvania and West Virginia have similar gaming.
 2. All but Michigan subsidize their horse racing purses from these funds.
 - C. With slots being limited to the seven racetracks, this would not be perceived as an expansion of gambling in Ohio.
- III. Horseracing does not operate in a vacuum as it has profound implication on all of Ohio's economy.
 - A. Standardbred breeding farms and horsemen in Ohio purchase millions of dollars of feed, hay and other ancillary items from Ohio producers.
 1. A family operated Standardbred breeding farm in Ohio estimates its annual usage at over 600 tons of feed and 20,000 bails of hay.
 - a. The hay is directly purchased from local farmers at an average of \$4 per bale.
 - b. As these Ohio producers consider horse racing a vital niche market, the inclusion of slots would dramatically increase this market.
 - B. Other states with similar forms of gaming have seen increases in:
 1. Horse training operations
 2. Horse breeding operations
 3. Investment in farming
 4. Investment in barns
 5. Investment in livestock
 6. Need for additional veterinary services
 7. Quality of breeding operations
 - a. Indiana's foal production has increased over 350% since starting similar gaming.
 - b. West Virginia's foal production has doubled.
 - c. Ontario, one of the world's largest foal producers before the introduction of slots, saw a 22% increase in foal production.
 - C. Harness racing has been in Ohio for over 125 years.
 1. It is an attraction that has promoted attendance at the state's agricultural fairs as a form of family entertainment. (70 fairs conduct harness racing)
 2. Implementation of slots at the state's racetracks would increase funds going to fairs through the Ohio Fairs Fund.
 - a. The Ohio Fairs Fund, created in 1955, provides money for fair purses and yearly stipends to the general fund of all of Ohio's 94 agricultural fairs.
 - D. More than Ohio's farmers and horse racing industry would benefit from the implementation of slots.
 1. *The Columbus Dispatch* estimates that almost 70% of West Virginia's slot revenues come from Ohio.
 2. Various reports estimate that states with expanded gaming make \$400 million profit from Ohio patrons.

3. Marketing firms have estimated that the implementation of slots would bring over \$900 million in revenue annually.

4. With an extra \$500 million in the State of Ohio's budget, there have been many allocation proposals.

- a. Scholarships for Ohio high school students
- b. Tax Reduction

AVERAGE PURSES – STANDARD BRED RACING

	<u>Average Purse</u>	<u>Total Purses</u>	<u>Number of Races</u>
Ohio	\$3,649	\$22,806,846	6,250
U.S.A.	\$6,909	\$300,447,280	43,486
*	\$14,761	\$199,633,222	13,586

* Tracks with purse revenues from other gaming

STANDARD BRED FOAL REGISTRATION

While the total foal registrations are decreasing, Ohio still leads the nation in the number of foals registered by the residents of Ohio. According to the United States Trotting Association, Ohio residents have registered almost 3,800 more foals than the next closest state over the last ten years.

	OH	IL	IN	PA	KY	MI	NJ	NY
2001-2006	10,001	7,906	6,251	6,500	5,172	4,724	4,864	4,922
1995-2000	11,135	9,316	4,612	6,148	5,447	6,253	4,683	4,278
1990-1994	10,286	6,887	2,809	5,936	3,829	6,857	4,855	6,180
2006	1,468	1,059	903	1,127	816	654	751	697
2005	1,606	1,358	950	1,070	906	833	824	817
2004	1,672	1,388	1,031	1,074	933	812	821	946
2003	1,707	1,372	1,069	1,126	849	764	828	933
2002	1,796	1,346	1,166	1,050	815	826	795	810
2001	1,752	1,383	1,132	1,053	853	835	845	719
2000	1,734	1,244	1,152	1,016	985	903	824	705
1999	1,812	1,267	994	945	932	910	754	687
1998	1,838	1,423	839	1,019	901	1,062	788	714
1997	1,923	1,682	600	1,025	918	1,119	792	721
1996	1,888	1,781	595	1,054	896	1,131	701	753
1995	1,940	1,919	432	1,089	815	1,128	824	698
1994	1,897	1,254	529	1,134	653	1,053	734	913
TOTAL 1990-2006	31,422	24,109	13,672	18,584	14,448	17,834	14,402	15,380