



The issue at hand is, should Texans be allowed to vote on a constitutional amendment in 2013 to allow slot machines at racetracks? Why not? Recent polls show that a 60-70% majority of Texans, across the board demographically, want the right to vote on this issue.

Besides, Texas is already in the gaming business with revenues supporting state government programs. A total of 43 states have lotteries; 38 states have horse and/or dog racing; and 40 states have casinos. Texas has the state lottery which provided \$1.1 billion in state tax revenues in 2012; and the horse and dog racing industry contributed \$5 million in state tax revenues in 2011. But Texas does not have slot machines at racetracks which could eventually provide an estimated \$1 billion in additional state tax revenues.

Where is this money going now? An estimated \$2.5 billion leaves Texas when Texans cross the state-line to wager in Louisiana, New Mexico and Oklahoma. Texans are paying for schools, roads, water projects and health care in these states, when we need this money in Texas for the very same essential programs and projects.

Texas HORSE was formed in 2008 by the Texas-based horse breed registries and horsemen's associations to preserve the \$5.2 billion Texas horse industry which continues to lose horses, breeders, owners, trainers, jobs and billions of dollars to surrounding states. The declining statistics for the Texas horse industry from 2002 to 2011 is dramatic proof:

	<u>2002</u>	<u>2011</u>	<u>%</u>
• Thoroughbred mares bred	3,628	1,168	-68%
• Thoroughbred stallions standing	438	188	-57%
• Thoroughbred foal crop	1,952	800	-59%
• Thoroughbred purses	\$32,601,743	\$15,218,740	-53%
• Thoroughbred races	2,075	995	-52%
• Thoroughbred starters	4,694	2,506	-47%
• Thoroughbred race dates	223	121	-46%
• American Quarter Horse foal crop	21,499	15,796	-27%
• American Quarter Horse owners	140,203	110,771	-21%
• American Quarter Horse purses	\$12,262,440	\$8,584,871	-30%
• American Quarter Horse races	1,352	800	-41%
• American Quarter Horse starters	3,472	2,427	-30%
• American Quarter Horse race dates	132	87	-34%
• All-Breeds wagering	\$490,913,650	\$126,574,879	-74%

As for jobs lost, a good indicator is the percentage decline of Texas Racing Commission licenses: 45% since 2002, from 15,466 to 8,484; and these are just the owners, trainers, jockeys and workers at the tracks.



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Expanded gaming has been approved in Louisiana (1994), New Mexico (1997) and Oklahoma (2004) which has exponentially increased purses and established effective equine stimulus programs in these states that border Texas. The American Gaming Association reports that in fiscal year 2011, gaming revenues, jobs and taxes continue to be an important stimulus for the overall economy and horse industry in these states:

	<u>Casinos</u>	<u>Jobs</u>	<u>Revenues</u>	<u>Taxes/Fees</u>
New Mexico	29	11,000*	\$972 Million	\$132 Million
Oklahoma	74	25,000*	\$ 3.5 Billion*	\$124 Million
Louisiana	18	17,207	\$ 2.4 Billion	\$573 Million

*estimated

Tribal casinos are not required to report revenues other than those that require a percentage fee to be paid to the state.

The resultant inequities in purse monies offered in Texas versus Louisiana, New Mexico and Oklahoma are very revealing as to why Texas horse owners and trainers are racing out-of-state.

<u>Thoroughbreds ('11)</u>	<u>Days</u>	<u>Races</u>	<u>Purses</u>	<u>Average Daily Purses</u>	<u>Average Purse</u>
Louisiana	354	3,531	\$86,081,780	\$243,169	\$24,379
New Mexico	283	1,731	\$31,285,280	\$110,549	\$18,074
Oklahoma	132	1,102	\$22,864,874	\$173,082	\$20,732
Texas	121	995	\$15,218,740	\$126,823	\$15,295

<u>Quarter Horses ('12)</u>	<u>Days</u>	<u>Races</u>	<u>Purses</u>	<u>Average Daily Purses</u>	<u>Average Purse</u>
Louisiana	148	1,450	\$22,776,050	\$153,892	\$15,708
New Mexico	287	1,327	\$32,686,316	\$113,890	\$24,632
Oklahoma	114	950	\$18,338,200	\$160,861	\$19,303
Texas	83	780	\$ 8,279,232	\$ 99,749	\$10,614

Of special note are the significantly less race days and races in Texas due to higher purses in surrounding states. And, these states are much smaller in terms of population and available horse breeders, owners and farms. If Texas had expanded gaming at the racetracks, there would be more than enough available purse monies to significantly increase Texas racing opportunities into a year-around racing season with the resultant increased impact on the Texas economy in terms of job, expenditures and tax revenues across the horse industry and service providers.

Simply, without expanded gaming in Texas, we cannot count on how many more years the tracks and remaining horse breeders and owners can continue to lose money when the opportunities are so dramatically better surrounding states. Time is of the essence. The Texas Legislature needs to pass a joint resolution this session to let Texans decide this year on a constitutional amendment to allow slot machines at racetracks

If the Texas horse racing industry does receive economic relief in the form of slot machines at racetracks, Texas could easily again become one of the major racing circuits in this country generating billions of dollars in economic impact to the Texas economy, and state and local tax revenues.



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