



MHC UPDATE

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Supporting Slots, Supporting Horse Businesses

On August 19, 2008, the Board of Directors of the Maryland Horse Council voted to support the proposed Maryland State Constitutional Amendment which would allow slot machines in Maryland. The MHC urges Maryland horsemen to vote “yes” on Question #2 in November.

Why Slots?

by Stewart Pittman, Dodon Farm; Director-at-Large for Farm Members

Ten percent of Maryland’s land mass is currently in horse farms, and the largest of these farms are home to Thoroughbred and Standardbred breeding programs. The huge pastures that these operations maintain not only offer some of Maryland’s most gorgeous landscapes, but they provide the best filter known to protect our streams and our Bay from nitrogen and other pollutants.

The race horse breeders stay in business only if the local tracks offer substantial purses. Our state lottery has cut into race track betting and the racing industry has suffered as a result. Pennsylvania, Delaware, and West Virginia had similar problems, and they addressed them by allowing racetracks to include slot machines as part of their entertainment package. The results?

- Maryland bettors have flocked to those states and now contribute hundreds of millions of dollars, which support their state budgets as well as the purses offered at their tracks.
- Purses have risen in all three of those states while they have declined in Maryland. Our annual crop of foals has decreased each year while theirs has increased. In fact it has tripled in West Virginia alone.
- Some of Maryland’s breeding farms have already shut down, while others have opened satellites in neighboring states to begin the process of relocation.
- Our Rosecroft Raceway has announced that it will close until 2010, reopening only if the industry at that time is viable again.
- Delaware has announced plans to build a track ten miles from Ocean Downs, in the hope that Maryland’s failure to allow slots will be the end of that track as well.
- Pimlico shut down at the end of August, forcing the relocation of 430 horses and the end of jobs and housing for some people who are more likely to end up in shelters than on their feet.
- Crime rates in the areas surrounding the new slots facilities in these states have done the opposite of what slots opponents fear. They have declined significantly. Job creation is the most likely cause.

Maryland’s tracks, farms and workers that depend on them have refused to give up for only one reason: the hope each year that our leaders in Annapolis will take the obvious step that our neighboring states have taken with such benefit. Slots at Maryland tracks would breathe life back into the industry, so they wait.

Question #2
Authorizing Video Lottery Terminals (Slot Machines)
to Fund Education
(Enacts new Article XIX of the Maryland Constitution)

Authorizes the State to issue up to five video lottery licenses for the purpose of raising revenue for education of children in public grade 12, public school construction and improvements, and construction of capital projects at community colleges and higher education institutions. No more than a total number of 15,000 video lottery terminals may be authorized in the State, and only one license may be issued for each specified location in Anne Arundel, Cecil, Worcester, and Allegany Counties, and Baltimore City. Any addition forms or expansion of commercial gaming in Maryland is prohibited, unless approved by voter referendum.

For the Constitutional Amendment
 Against the Constitutional Amendment

Cast Ballot →

Despite strong support for the idea of slots within both political parties, the details have never been agreed upon. This year the voters get to decide. Here is what we are being offered.

- Slot machines at up to five locations in the state, with a provision preventing any expansion of gaming in Maryland without future voter approval.
- Approximately half of gross revenues go to the Maryland Education Trust Fund (projected to be \$660 million by 2012).
- 7% of gross revenue will go to increasing purses at race tracks.

If we vote “no,” the racing industry will have no choice but to leave. Maryland, the first of the colonies to organize races through the Jockey

Club, will no longer really be “horse country.” We will most likely lose the Preakness, lose the Fasig Tipton sales, and lose the great farms. Steeplechasing will take a hit because so many owners in that sport also run horses on the flat. Horses will still be here for sport and pleasure, but without our big brother in the racing industry we will have fewer good vets, fewer feed suppliers, fewer farriers, and fewer farmers making good hay.

Ours is a capitalist society, and we must accept that industries come and go. Jobs are created and jobs are lost. But slots at racetracks is not a government bailout. In fact it’s a way for the private sector to contribute to government voluntarily.

Is slots a tax on the poor? Look at who plays and look at who benefits. The players are people from every income level, race, and age. Currently, the State backed gambling product, the lottery, is targeted at the sector of the population that most likely shops in convenience stores. To play the slots - unlike to play the lottery - the participants have the means and the clear intent to travel to one of the venues. If you asked the thousands of people who travel across state lines to play slots now, they are unlikely to agree that offering them that same entertainment here in Maryland is a tax. More likely they will thank you for the savings on gas.

Maryland Horse Council membership is open to all associations, farms, businesses and individuals.

To join, please visit mdhorsecouncil.org, contact secretary@mdhorsecouncil.org or call 410-489-7826 and request a membership form.

The Maryland Horse Council is sponsored by Naden/Lean, LLC, Southern States, Maryland Horse Breeders Association, and The Equiry.