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April 29, 2021

Senator Kevin Daley
Chair, Agriculture Committee
Michigan Senate

Via email: Elena Palombo, Committee Clerk, ofcsc@senate.michigan.gov

**Re: Opposition to SBs 396, 397, 398, 399 House Agriculture Committee Meeting,
April 29, 2021**

Dear Sen. Daley, Committee Members and Bill Sponsors:

Thank you for the opportunity to provide information to the committee. Attorneys for Animals, Inc. (AFA) is a Michigan non-profit and 501(c)(3) organization of legal professionals and animal advocates. The organization's Board of Directors voted to **oppose SBs 396-399**.

This bill props up the dying Michigan horse racing industry. This package would allow pari-mutuel wagering on horse races run in the past (SB 396); allow video lotteries at racetracks (SB 397; SB 399 revised sentencing guidelines); and, conversely, remove the ban on casinos televising simulcast horse races if the casino operator obtains a third party facilitator license (SB 398). The net result is to facilitate gambling on horses by those who simply like to gamble; and provide incentives to horse racing industry operators who, recent history shows, do not have a viable business model absent substantial intervention by this legislature.

Supporting this industry means a lost opportunity for the state to use its scarce resources for the public benefit. Consider that Gov. Wolf of Pennsylvania earlier this year proposed "a plan to divert millions of dollars that prop up Pennsylvania's anemic horse racing industry in order to spend the money on a major new college tuition program. In his new budget plan, Wolf has proposed to shift \$199 million flowing from a special racing fund to pay for the educational assistance."ⁱ

Horse Abuse: The industry is abusive to horses. The number of horses dying at the Santa Anita Racetrack in California since late 2018 has received wide attention. The alarming rate of death continued into 2020 (until stopped by the pandemic) and has picked up again in the 2021 season, where 8 horses have died as of April 19.ⁱⁱ

But our own state has a recent history of horse racing deaths as well. A horse died in September 2019ⁱⁱⁱ at Northville Downs, Michigan's sole remaining track. Another died there in July 2018.^{iv} Since 2015, when only one racetrack (Hazel Park Raceway) and one harness-racing track (Northville Downs) were open, reports obtained through FOIA requests reveal:

- 2017: 5 deaths at Hazel Park (data didn't include deaths from training accidents, or from the harness track).^v
- 2016: 3 deaths (all Hazel Park)^{vi}
- 2015: 3 deaths (2 at Hazel Park, 1 at Northville)^{vii}

The causes of death include "suspensory rupture", the horse having been run in four races prior to dying and "epistaxis" (bled from the nose); "large vessel rupture"; "post-race, ruptured artery"^{viii}.

Economics: In Michigan alone, seven racetracks have closed since 2000.^{ix} We urge committee members to consider two recent examples of attempts to open (or re-open) racetracks in assessing the viability of these businesses, even with government support:

- These bills would benefit one company in particular, which has plans to re-open a racetrack that closed some years ago. Despite efforts over the past few years, the company is unable to secure a license from the Michigan Gaming Control Board which denied its most recent application in late October 2020, because the application lacked necessary information.^x The venture can only survive if this bill passes.^{xi} However, if this bill does not pass, there are other uses for this property by the current owner. The City Manager has said that "Swartz Creek is in a better position to help redevelop Sports Creek if [the owner] decides the property isn't worth reopening as a race track."
- The failed effort in Wayne County to develop a racetrack near the airport is instructive. Wayne County provided significant financial support and ended up losing money as the racetrack closed after only two years with the developer walking away.^{xii}

These bills prop up a dying industry and are based on the unproven assumption that so-called "racinos", by combining horse racing with other betting are the panacea that will save the industry. This is questionable at best. Even pro-industry sources remain skeptical^{xiii} that adding casinos will do anything other than cause racetracks to rely on that income at the expense of – and, most concerning to us – the detriment of the core business and the horses upon whom the industry has been built. will bear the added brunt.

If these bills pass, it will be because the legislature is betting that racinos will transform the industry and is willing to ignore the harm caused to horses. Any revenue to the

state from the new kind of gambling this bill would authorize cannot be seen in a vacuum. The pain and suffering caused to horses by this industry is of questionable financial benefit to the state. The legislature should not be in the business of supporting this type of endeavor.

We urge committee members to consider whether this legislature should pass measures that only postpone its demise. We urge that this bill not be reported out of committee.

Very Truly Yours,



Beatrice M. Friedlander, JD
President

ⁱ <https://www.inquirer.com/news/wolf-horse-racing-subsidy-purses-disaster-college-tuition-20210203.html>

ⁱⁱ <https://www.latimes.com/sports/story/2021-04-19/eighth-horse-dies-santa-anita-multiplier>

ⁱⁱⁱ <https://horseracingwrongs.org/category/death-reports-michigan/>, a horse named Smarter Yet died on September 14, 2019 due to “warming up for a race – cardiovascular collapse” per the Michigan Gaming Control Board, via a FOIA request

^{iv} *Ibid*, a horse named Ounce Hanover died on July 21, 2018 due to “fractured front leg” per the Michigan Gaming Control Board, via a FOIA request

^v <https://horseracingwrongs.org/2018/02/03/suspensory-rupture-carpus-fracture-epistaxis-hazel-parks-dead-2017/>

^{vi} <https://horseracingwrongs.org/2017/02/08/killed-at-hazel-park-2016/>

^{vii} <https://horseracingwrongs.org/2016/01/30/dead-in-michigan-2015/>

^{viii} “Suspensory rupture”, the horse having been run in four races prior to dying and “epistaxis” (bled from the nose), *supra* at iv; “large vessel rupture”, *supra* at v; “post-race, ruptured artery”, *supra* at vi

^{ix} Saginaw Valley Downs, closed 2005 after 25 years of racing
Great Lakes Downs, closed 2007 after 18 years of racing
Jackson Harness Raceway, closed 2008 after 60 years of racing
Pinnacle Race Course, closed 2010 after 2 years of racing
Mount Pleasant Meadows, closed 2013 after 28 years of racing
Sports Creek Raceway, closed 2015 after 28 years of racing
Hazel Park, closed 2018 after 69 years of racing

Source: <https://horseracingwrongs.org/shuttered-u-s-racetracks-since-2000/>

^x <https://www.mlive.com/news/flint/2020/11/state-denies-sports-creek-racing-simulcast-licenses-for-2021.html>

^{xi} “Swartz Creek City Manager Adam Zettel, said he’s been in contact with the company as recently as last month and believes the track won’t reopen unless the state changes a law that allows for betting on historical horse races” *ibid*. See also <https://www.mlive.com/news/flint/2020/01/sports-creek-owners-have-a-license-but-its-still-unclear-whether-they-race-in-2020.html>: “The officials have previously said state laws need to be changed to make horse racing viable again in Michigan, including making it easier for bettors to make wagers on their cell phones and allowing patrons to wager on races that have already occurred -- something that would allow for wagering even when live racing or simulcasting isn’t happening.”

^{xii} <https://www.freep.com/story/news/local/michigan/2019/12/19/former-race-track-property-sold/2687466001/>

^{xiii} Three examples:

JBK International, a consultant to the gaming industry asks “Can these racino operations survive long-term across the country?”, <https://jbk-intl.com/are-racino-operations-still-viable-investments/>

The “senior blogger” at *The Little Red Feather Racing Blog* is a skeptic. Coming at the issue from a different perspective, he argues that the easy money from casinos will cause the industry to become complacent, and result in many track closures: “Horse racing has basically been relegated to a line item on a set of financial statements and treated as a cost of business. The day will come when racing isn’t playing with house money anymore, and that is when the real decisions are made. You have to know when to hold’em, know when to fold’em!” <http://blog.littleredfeather.com/horse-racing-partnerships-101-racinos>

“‘Racing is on life support,’ said Jonathan Stettin, a professional handicapper and columnist for the *pastthewire.com* website. ‘The decline in fan base has led to an environment where the tracks that survive and thrive are the ones with casinos, slots, other unconnected sources of revenue.’” <https://www.oregonlive.com/business/2021/04/return-of-horse-racing-makes-for-a-crowded-field-in-the-contest-for-oregon-gambling-dollar.html>