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**May 13, 2021**

**Senate Agriculture Committee Meeting May 13, 2021**

**SBs 396 – 399**

**Supplement to April 29, 2021 Testimony:**

It is undisputed that the horse racing industry needs additional government support to survive.

Is this an industry that the government or legislature should choose to support with its limited resources?

**We say no:**

**1. Horse racing is cruel:** many deaths and gruesome injuries, as detailed in April 29, 2021 written testimony, including recent deaths at Michigan racetracks

**2. Horse racing is facing existential threat:** from doping/drugging and from the public's negative reaction to horse deaths on race tracks (e.g., Santa Anita Racetrack from 2018 continuing even to present); for example

This year's Kentucky Derby winner tested positive for a banned drug earlier this month, less than a week after the race

Horseracing Safety and Integrity Act, passed Congress and signed into law Dec. 2020; this bill addresses doping issues by setting national standards and having the Anti-Doping Authority (used for Olympics, etc) conduct tests. This bill had been introduced for 5+ years and finally passed when Sen. Mitch McConnell decided to support it. Compelling evidence that he felt it was necessary to save the industry (even so, some industry groups are suing to prevent the law from going into effect, claiming it's unconstitutional)

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. Written testimony at FN 13: Three examples:

JBK International, a consultant to the gaming industry asks “Can these racino operations survive long-term across the country?”

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!”

“‘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.’”

**3. Economics:** The customer base has disappeared; from 8 tracks in 2000 to 1 in 2021. Why would it come back now, and remain long-term? Proponents present the positive economic impact in conclusory way; where are the studies? Committee shouldn’t take at face value unsubstantiated claims by bills’ proponents of “Return On Investment.”

We refer the Committee members to “*Horse Racing in Michigan – A Primer*”, House Fiscal Agency, June 2017:

“...starting in the 1990s and through 2016, horse racing in MI has been in general decline.” (pg 1)

“The decline in MI horse racing continued even after the enactment of the Horse Racing Law of 1995. To quote from a 1999 House Fiscal Agency publication: *‘The Horse Racing Law of 1995 was enacted with the intent to provide self-supporting financial assistance to the ailing horse racing industry in MI – primarily through elimination of the wager tax on live racing and authorization of full-card simulcasting. Many key economic and fiscal variables were positively impacted immediately after passage of*

*the law in 1995. Some of these impacts were short-lived, however, as a number of the key variables, after an initial increase, continued to decline. Since enactment of the law, the industry has faced serious challenges from the broader gambling/entertainment market, prompting many within the industry to advocate for new revenue-generating options that will allow MI's horse racing industry to remain competitive with other gambling/entertainment outlets.'” (page 12-13)*

**Conclusion: It is poor public policy to continue to support an industry:**

- **unable to compete in the open market;**
- **whose case for support is based on unsubstantiated/unattributed economic studies;**
- **that uses horses to their detriment;**
- **whose customer base is disappearing;**
- **which has seen public outrage at the number of horses who die;**
- **whose very existence is in question due – not to competition from casinos – but to the doping/drugging scandals that have beset the industry for decades, and continuing up to the very present time**