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Video Gaming at Race Tracks Would Save Capital Bill as More Communities Opt-Out

Horse Racing Industry Proposes “Common Sense” Revenue Solution for Ailing Plan to Create Jobs and Upgrade Schools, Roads, Bridges

(Chicago, IL – Dec. 1, 2009) Revenue from the state’s nascent video gaming program is on track to produce significantly less revenue than projected as more and more communities opt-out of video gaming for liquor-licensed establishments. The infrastructure improvements, job creation and economic growth promised by a new capital construction plan will be severely compromised unless lawmakers identify an alternative revenue source.

By permitting gaming machines at horse racing tracks—regulated, centralized gaming destinations for the last 100 years—lawmakers have an opportunity not only to bolster the capital plan with a substantial, stable source of revenue; they also would help ensure the competitiveness of Illinois horseracing on the national circuit, drawing more business to the state.

By allowing tracks to complement race wagering with gaming machines, lawmakers could conservatively raise between \$100 and \$200 million or more in recurring annual revenue for the state. Virtually, every other state in the country that has a horse racing industry allows video gaming. Those twelve states garner an average \$216,000,000 in annual state and local taxes. “This is no longer just a racing industry issue, said Greg Szymski, Executive Director of the Illinois Thoroughbred Horsemen’s Association. Our industry wants to help create jobs in Illinois and improve the state’s infrastructure. “This is about jobs and businesses closing because the legislature won’t act to make our state competitive. Allowing additional gaming through slots at the tracks will create the money needed for Illinois capital improvement projects.”

Today, the Illinois Commission on Government Forecasting and Accountability will meet to examine possible alternative revenue sources to support the newly approved capital plan. Though lawmakers approved video gaming in taverns, restaurants and other small venues across the state as the primary means to support the capital plan, at least 23 municipalities and at least three counties have already banned video gaming, and dozens more are poised to do the same.

“Without a stable source of revenue, we simply will not realize the great promise of our new capital program – renewed public infrastructure, more jobs and statewide economic growth,” said Roy Arnold, President and CEO of Arlington Park. “This plan would provide the revenue necessary to ensure that Illinois fully implements the capital plan, and that we get started on it right away.”

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When the Commission convenes to begin assessment of the projected budget shortfall, a unified Illinois horse industry will submit that the addition of gaming machines at tracks is the most sensible way to generate the dollars necessary to fill the hole left by a severely diminished video gaming program.

“We are ready, willing and able,” said Tim Carey, 4th generation President and General Manager of Hawthorne Race Course. “There is a socially accepted national trend for video gaming at tracks and we can generate millions of dollars in tax revenue, while creating and saving tens of thousands of Illinois jobs. This is such a common sense solution, I challenge anyone to see the downside in this proposal.”

Unlike other major forms of gaming, the strength of the horse racing industry ripples throughout the larger Illinois economy. The \$2 billion horse industry, which supports some 35,000 agribusiness jobs across this state, relies on racing to stay vibrant.

“The IHHA has seen horsemen leaving Illinois to race and breed horses in more competitive states,” said Dave McCaffrey, President of the Illinois Harness Horsemen Association. “At the same time, we see communities opting-out of the video poker plan that is supposed to fund the state capital bill. We can solve both of our problems by working together to make Illinois racing competitive again while providing reliable revenue and secure jobs for the state.”

Both Indiana and Iowa now allow video gaming at tracks, respectively generating \$50 and \$100 million dollars in tax revenue, while creating a combined 4,000 jobs. The plan advanced by the Illinois horse industry would support good paying jobs that are stable and year-round. And gaming machines at tracks is a fully accepted practice virtually everywhere that makes sense:

- The state’s horse racing tracks are existing, established gaming venues that have managed pari-mutuel gaming for over a century.
- Gaming activity at tracks is centralized and highly regulated. Visiting and patronizing a track is a full-fledged recreational experience. Patrons plan for the time they spend there.
- 12 states across the nation now offer ‘racinos’
- Half of all states with both casino gaming and race tracks now offer electronic gaming at tracks.

“Illinois is losing customers to border states’ racinos. We need to keep the money in Illinois,” said Lanny Brooks, executive director of Illinois Horsemen's Benevolent and Protective Association. “Whether you’re a horseplayer, or horse owner or have never been to the track, you should be concerned about keeping money and jobs in Illinois and this plan does just that.”

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