

SLOTS AT TRACKS WILL FUND CAPITAL CONSTRUCTION, CREATE JOBS

SOLVING THE CAPITAL PROGRAM FUNDING DEFICIT AND CREATING JOBS

The Commission on Government Forecasting and Accountability recently estimated that the revenue from video gaming to fund the State's capital construction program would be short as much as **\$177.7 million** projected annually, as over 50 communities have already "opted-out" of the Video Gaming Act. By allowing video gaming at Illinois' six horserace tracks, this plan could generate up to **\$400 million** in one-time licensing fees and annual tax revenues up to **\$300 million** for the capital program.

The proposal would create an estimated **1,500** new permanent jobs at the racetracks and an estimated **\$200 million to \$400 million** in capital investments, which would support **hundreds of trade organization jobs** to construct new facilities or remodel racetracks to operate electronic gaming. The proposal would support the state's historic horse racing industry and stem the loss of racing jobs to other states that have already allowed slots at race tracks.

HORSEMEN AND RACETRACKS AGREED PROPOSAL

ELECTRONIC GAMING AT RACETRACKS

- § Gaming Authorized – Electronic Gaming (slots and video poker) at tracks – Chicagoland tracks – Arlington, Hawthorne, Maywood (up to 1,200 positions each) and downstate tracks – Balmoral, Fairmount, Quad Cities (up to 900 positions each)
- § License Eligibility – Racing organizations must have had an inter-track wagering license and operating control of a track in 2009; only one license per track. Licensee must conduct live racing each year it operates electronic gaming.
- § License Fees – Tracks will pay an up front initial fee of \$25,000 per position (Cook County tracks) or \$12,500 per position (downstate tracks) and a final fee based on revenues. Total license fees for the State are estimated at between **\$300 to \$400 million** to go to the capital fund.
- § Electronic Gaming Taxation – Same gaming tax rates as riverboat casinos. Annual gaming and admission taxes are estimated at between **\$150 million to \$300 million**. All taxes to go to Capital Project Fund.
- § Purses and other Horsemen's Programs – Horsemen's programs will receive a graduated percentage (12.75% up to 26.5%) of the adjusted gross revenue of slots operations. Estimated purses from electronic gaming at racetracks could total between **\$60 – \$80 million** per year. Purses to be distributed for thoroughbred and standardbred purses at the racetrack where electronic gaming is conducted.
- § 10th License Horse Racing Equity Fund – Per "Dockside Legislation" passed in 1999, the State must pay 15% of tax revenue from the 10th casino license to offset losses to racing revenue. With authorization of slots at tracks, this law would be repealed and all tax monies generated by that license will go to education; an annual savings of between **\$60 - \$90 million**.

SUPPORTED BY:

Illinois Thoroughbred Horsemen's Association
Illinois Harness Horsemen's Association
Illinois Horsemen's Benevolent Protective Assoc.
Illinois Standardbred Owners & Breeders Assoc.
Illinois Thoroughbred Breeders, Owners Foundation

Arlington Park Racecourse
Balmoral Park Racetrack
Fairmount Park Racetrack
Hawthorne Race Course
Maywood Park Racetrack
Quad City Downs Racecourse

Illinois AFL-CIO
Cook County Building & Construction Trades Council
Teamsters Joint Council 25
Intl. Brotherhood of Electrical Workers Local 134
Service Employees International Union Local 1
Chicago Southland Chamber of Commerce
Illinois Hotel and Lodging Association
UniteHere! Local 450
Illinois Association of Agricultural Fairs

Additionally, dozens of Illinois legislators have voiced support for such a solution to funding of the Capital Bill and job creation

PROVEN NATIONAL TREND:

12 other states have already added slots at tracks—over HALF of all states with both casinos and tracks. They have collectively generated \$2.6 BILLION in NEW TAX REVENUE.

STATE	RACINOS	TAX REVENUE in 2008	JOBS Created
Pennsylvania	6	\$752 million	4,948
New York	8	\$446 million	3,413
West Virginia	4	\$430 million	5,270
Delaware	3	\$210 million	2,582
Rhode Island	2	\$302 million	1,310
Florida*	3	\$114 million	2,201
Iowa	3	\$108 million	2,668
Louisiana	4	\$72 million	2,268
New Mexico	5	\$67 million	1,605
Indiana	2	\$51 million	1,412
Maine	1	\$25 million	324
Oklahoma	3	\$13 million	1,050

* additional racinos have come online in 2009, more slated in 2010. Source: American Gaming Association's 2009 State of the States