



Letter in Support of Michigan Racing Horsemen

March 4, 2020

Dear House Representatives,

We are writing to request your support for Senate Bill 661. The North American Harness Horse Alliance (NAHHA) has among its members, Associations representing horsepeople in the surrounding states of Ohio, New Jersey, New York and the Province of Ontario. All of these racing jurisdictions receive the benefit of strong government support for their horsemen's small businesses and can each testify to the importance of this support in maintaining, preserving and enhancing the agricultural based businesses supporting the equine industries.

A majority of North American racing jurisdictions that have legalized alternative gaming options acknowledge the cannibalization of the existing horse racing revenue stream after a gaming and entertainment sector expansion. Those jurisdictions share a portion of the expanded gaming proceeds with the racing industry to offset this cannibalization. The industry relies in-part on pari-mutuel wagering commissions to fund the operations of the racetracks and to provide the funding for prize money for the racing participants.

Other states that have not approved alternative gaming have had to adjust to the success of surrounding states in order to maintain and support the traditional breeding and racing industries. Some of those states have allowed historical racing wagering as another product available to the racetrack locations to generate additional revenue. Kentucky is a shining example of how the approval of historical racing has enhanced the breeding and racing industries in that state. The decision by the Kentucky legislature afforded the racing industry the tools to remain competitive with other surrounding states, without codifying new legislation, but expanding the pari-mutuel regulations and offerings at the racetracks. Virginia is another state that has recently approved historical racing and the projections are that this decision will result in over 4,000 new jobs and approximately \$450 million in new investment. Other states that have approved historical horse racing include Arkansas, Wyoming, and Oregon.

The state of Michigan has historically been one of the leading states in the nation for horse breeding and racing. Unfortunately, with the expansion of casino gaming, and the fact that racetracks are not allowed to expand their wagering options, the breeding and racing industries have suffered significant contraction. Thousands of small businesses have suffered, agricultural jobs have been lost, racetracks have closed and the state's economy has seen a dramatic decrease in the racing industry's economic impact. The horse breeding and racing industries are by far the most labor-intensive forms of agriculture. Very little that we do can be mechanized and performance horses require intense management and care.

Other equine industries benefit from a strong racing industry in a trickle-down effect. Racing requires highly skilled farriers, veterinarians, vet technicians and other supporting trades. A successful breeding and racing industry will attract those individuals to either come to, or stay in state. Michigan is home to one of the finest

veterinary education programs and often those graduates relocate to other states to pursue their chosen vocation. We believe that Michigan can retain those individuals and that they will make an important contribution to the state.

Horse breeding and racing is also an important contributor to our individual states and province, and our Governments have shown their support. Our Governments have codified a mutually beneficial program that benefits the state and provides the opportunity for us to grow this important agricultural business. While passage of this Bill will provide significant employment opportunities at the racetrack, the indirect industry benefits are felt far beyond the track. Farmers that supply the feed, hay, straw, shavings, vitamins and supplements, businesses that offer agricultural equipment, truck and trailer sales and maintenance, training facility workers, veterinarians, massage therapists, farriers, tack shops, tack suppliers, manufacturers of equine equipment, and many others will see their quality of life improve with the expansion of pari-mutuel wagering at the tracks.

The NAHHA views this Bill as an opportunity for the horse people in Michigan to begin the process of repairing the damage that was inflicted upon the industry with the major expansion of tribal casino and casino wagering in the state. This Bill, if passed, will allow residents of Michigan to remain in their home state to conduct business rather than travelling hours to seek opportunities to race their horses. As racing regains its stature in the State, we believe that the positive effects will be felt throughout the state, and most importantly in those small rural areas of the state that are predominantly agricultural based.

We understand that the racing industry faces significant opposition to this Bill from the casino lobby, as it has for the last approximately 15 years. This is an opportunity to give this important industry a leg up, stop the cannibalization, and to begin to level the playing field.

On behalf of the members of the NAHHA we appreciate your consideration of this important Bill and ask you for your support for the Michigan equine racing families that are anxiously hoping for passage of this critical bill.