

**APPENDIX**



## New Jersey Thoroughbred Horsemen's Association, Inc.

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Phone: (732) 263-1022 Fax: (732) 263-1032  
President: John H. Forbes ~ Executive Director: Michael Musto



Dear Senator Whelan:

Thank you for inviting the New Jersey Horsemen's Association to participate in today's hearing. On behalf of the New Jersey Horsemen's Association and its President, John Forbes, I am here today to support legislation that would enable Sports Betting in New Jersey.

The 2007 New Jersey Equine study conducted by Rutgers Equine Science Center shows that the equine industry has a \$1.1 billion annual economic impact to the State of New Jersey, accounts for 13,000 jobs and pays \$160 million annually to federal, state and local taxes. The equine industry accounts for 176,000 total acres. These equine acres-related acres represent about one-fifth of the state's 790,000 acres in agriculture. The further decline of the equine industry will have a significant negative impact on the total acres in agriculture as farms, be it breeding, boarding and training, will disappear.

The racing industry is an agribusiness. The equine industry not only involves the farms where the horses are foaled and at the tracks that they race at, but many other ancillary businesses such as feed and hay supplier, blacksmiths, veterinarians, and tack stores.

Without a long term solution for the racing industry the mass exodus of horse related business to other states will continue to the point where there will no longer be any equine activity in this state. Along with the owners, trainers and breeders, thousands of acres of farmland will be turned into housing and commercial developments and the jobs that go with those horsemen will also disappear.

As I am sure you know, the New Jersey Thoroughbred Horsemen's Association established a new model in 2010 of a 50 day 50 million dollar Thoroughbred meet which was conducted at Monmouth Park. This meet was highly successful and set a new standard for future racing models across the country. Wagering and handle set new records and had an extremely positive impact on our industry.

Unfortunately we were unable to repeat the 50 million dollar meet this year due to a lack of funding and the Governor's veto of \$15 million which was allocated as part of the Atlantic City deregulation bill.

The racing industry needs to find a new source of revenue because our revenue source this year was cut in half, adversely impacting our business model.

I am here today to strongly support the proposed legislation for Sports Betting. As you probably know, the NJTHA was one of the plaintiffs in the litigation filed by Senator Lesniak seeking to enable Sports Betting in New Jersey. That litigation was dismissed because of a lack of standing however the passage of this legislation would enable the industry to renew its attempts to legalize sports betting.

It is essential that the **race tracks** as well as casinos be permitted to engage in sports betting since the ability to wager on sporting events will obviously cannibalize some of the wagering currently made on horse racing.

As you know illegal wagering on sporting events in this country is a trillion dollar per year illegal enterprise. Legalizing sports betting makes sense.

I thank you for the opportunity to address your committee in support of the proposed legislation for Sports Betting.



THOROUGHBRED BREEDERS'  
ASSOCIATION OF NEW JERSEY

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September 21, 2011

Senator Jim Whelan, Chairman  
Senate State Government, Wagering, Tourism & Historic Preservation Committee

Senator Whelan & members of the committee:

The Thoroughbred Breeders' Association of New Jersey ("TBA") is responsible for the registration of all thoroughbred foals born in New Jersey and the distribution of the New Jersey-bred incentive program. The incentive program provides monetary awards to the breeders, owners, and stallion owners of those registered New Jersey-bred horses. Each time a New Jersey-bred finishes 1<sup>st</sup>-3<sup>rd</sup> in any race run in New Jersey the breeder receives a monetary award that is distributed by the TBA.

Our incentive awards are funded primarily through the handle (money wagered at the racetracks, OTW's, through account wagering and via simulcasting at the New Jersey casinos).

Increased competition from neighboring states that have been awarded the rights to place video lottery terminals and/or slot machines at their racetracks have caused the breeders and owners of New Jersey-bred horses to look elsewhere. The horse breeder will make decisions on where to foal their horses based in part on the monetary incentives that each state bred program has to offer. At the present time, New Jersey is well below our neighboring states in terms of money provided through our incentive program.

Consider these facts:

- Pennsylvania distributed \$16 million in incentive awards during 2010.
- New York distributed \$7.8 million in incentive awards during 2010.
- New Jersey distributed \$3.2 million in incentive awards during 2010.

The number of horses foaled in New Jersey has decreased by 64% from 2007 to 2011. This is due to the competition from neighboring states, our inability to fully fund our program, and the lack of a long-term plan for the industry.

One of our neighboring states, Pennsylvania, saw their foal crop increase by 17% from 2007 to 2009. The increase in Pennsylvania's foal crop is due to one reason: increased revenue from video lottery terminals that have been installed at racetracks across Pennsylvania.

The 2007 New Jersey Equine study conducted by Rutgers Equine Science Center shows that the equine industry has a \$1.1 billion annual economic impact to the State of New Jersey, accounts for 13,000 jobs and pays \$160 million annually to federal, state and local taxes. The equine industry accounts for 176,000 total acres. These equine acres-related acres represent about one-fifth of the state's 790,000 acres in agriculture. The further decline of the breeding industry will have a significant negative impact on the total acres in agriculture as farms will disappear.

The breeding segment of the racing industry is an agribusiness. The equine industry not only involves the farms where the horses are foaled but many other ancillary businesses such as feed and hay supplier, blacksmiths, veterinarians, and tack stores.

Without a stable incentive program, the New Jersey breeders have been unable to support their farms. The breeders, who are also farm owners, have had no other choice but to sell their farms and leave New Jersey in search of states that offer better monetary incentives.

The breeders need to make their decisions months before the horse is born and with the uncertainty that exists in New Jersey we have made the decision an easy one. They are leaving, boarding their horses on farms in Pennsylvania and New York while contributing to another state's economy.

The mass exodus of breeders to other states will continue to the point where there will no longer be any equine breeding in this state. Along with the breeders, thousands of acres of farmland will be turned into housing and commercial developments and the jobs that go with those farms will also disappear.

The authorization of sports wagering would be one way to provide an additional source of revenue for our incentive program and would in turn help to keep the breeding farms operational for years to come.

Thank you for your consideration and should you have any questions please contact me at 732-542-8880.

Sincerely,

*Nona Balaban*

Nona Balaban  
President

Cc: Senator Robert M. Gordon, Vice-Chairman  
Senator Shirley K. Turner  
Senator Dawn Marie Addiego  
Senator Anthony R. Bucco

Hy



**Prepared Remarks for Senate State Government,  
Wagering, Tourism and Historic Preservation Public  
Hearing on Sports Betting  
September 26, 2011  
Comments by Joe Kelly, President  
Greater Atlantic City Chamber**

Good morning, on behalf of our Board of Directors and our more than 800 members, thank you Chairman Whelan and the other committee members for the opportunity to provide comments on the importance of authorizing sports wagering in New Jersey.

The Greater Atlantic City Chamber supports sports betting in Atlantic City. We understand Senate Resolution (SCR) 132 is an important step in overturning the federal sports betting ban and we appreciate the efforts of legislators that continue to advance this issue.

However, we continue to not support sports betting in other parts of the state.

Our reasons are both clear and compelling. While the casino industry in Atlantic City has come under significant pressure from the nation-wide economic slump and increased competition from neighboring states, it is still a source of enormous economic impact to this region and to the entire state.

Now, more than ever, it's vitally important for our state to protect its investment in Atlantic City by not allowing gaming activities – in other parts of New Jersey.

Recent legislation forming the tourism district and streamlining casino regulation have served to improve the picture considerably. But the industry needs further support and not more in-state competition for gaming revenues.

The New Jersey casino industry is at a critical crossroads, which threatens its all-important role in the State's economy. Casino gaming represents one of New Jersey's largest industries, accounting for nearly \$1 billion in state and local taxes and more than \$2 billion in revenues spread across more than 2,000 businesses throughout all of New Jersey's 21 counties.

Let me illustrate some examples of why it's so important that Atlantic City casinos be the sole focus of gaming activity in terms of our state's economy.

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The New Jersey casino industry has invested nearly \$20 billion of its own capital to build the world-class casino facilities in Atlantic City, including more than \$8.5 billion on projects completed since 2003 alone. In the process, they've created thousands of construction jobs year after year for New Jersey's building trades.

It's not hard to find a shining example of capital investment in Atlantic City. The Revel project is a \$2.5 billion casino currently under construction in Atlantic City. The project's size of more than six million square feet will make it the largest single property in the State of New Jersey. Once completed, Revel will provide more than 5,500 jobs.

Also consider the following data, which should make it clear that Atlantic City should be your singular focus for allowing the expansion of sports wagering and related revenues.

- Employment data: In 2009, the NJ casino hotels directly employed approximately 38,000 individuals with good paying wages and benefits.
- Taxes: In 2009, New Jersey casinos directly paid close to \$1 billion in total state and local taxes, with \$295 million dedicated to seniors and people with disabilities. In its 31-year history, the casino industry has generated more than \$18 billion in taxes and fees for the state
- Spending on NJ businesses: In 2008, NJ casinos paid \$4.15 billion to its vendors, \$2.3 billion of which was paid to 2,119 NJ vendors located in all 21 counties throughout the state. These purchases sustained or created an estimated 20,000 additional NJ jobs.

We believe that legalized sports betting can be an exceptionally valuable tool in helping the casino industry in Atlantic City reinvigorate itself. However, that belief and our enthusiasm for the prospect of sports betting is tempered by the prospect of also making sports betting available in other parts of the state. Doing so would significantly dilute the positive impact here in Atlantic City. We believe if sports betting is offered in other parts of New Jersey there will be a net loss in jobs, tax revenue and investment coming into the state. Atlantic City is simply too powerful of an economic engine for the state to allow that to happen.

With the public and private sectors working together, Atlantic City is overcoming its current challenges, build on its success of the past 30 years and continue to evolve into the world class resort destination that we all know it can be.

We need to protect the investment in Atlantic City's casino industry because the return on that investment for New Jersey tax payers is too important to put at risk. One critical way of protecting that investment is to limit sports betting to Atlantic City casinos.

We do support other development incentives for other parts of the state just not those things that involve gaming. Atlantic City has been the exclusive focus for gaming and this should continue.

Thank you for the opportunity to share our views with you.

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# **Statement by Casino Association of New Jersey, Inc. November Referendum to Allow Sports Betting**

September 26, 2011

The Casino Association of New Jersey, Inc. (CANJ) supports the passage of the November sports betting ballot question, which asks voters whether they support amending New Jersey's constitution to allow sports betting in the State.

The November referendum, if passed, would provide an important step in the continuing process towards overturning the federal sports betting ban. If the referendum is passed and if the federal ban is subsequently overturned, legal sports betting would provide an economic boost for Atlantic City and the entire state of New Jersey. Legalized sports betting will attract more tourists to visit our city and enjoy our world-class entertainment, thriving restaurant industry, brand-name retail shopping and famous Boardwalk. Sports betting will allow Atlantic City to better compete, grow and reinvest in the region.

Senate Concurrent Resolution (SCR) 132, if approved by popular vote this November, would amend the State constitution to authorize New Jersey's Legislature to allow sports betting at Atlantic City casinos and at horse racetracks on the results of any professional, college, or amateur sport or athletic event, except college sporting events taking place in New Jersey or involving New Jersey collegiate teams. However, sports betting would not be permitted to actually be offered in New Jersey until the current federal law prohibiting sports wagering, The Professional and Amateur Sports Protection Act of 1992 ("PASPA"), is determined to be unconstitutional, overturned, or a new federal law is enacted that overturns the current law prohibiting sports betting (Note: The only states grandfathered from PASPA are Nevada, Delaware, Oregon and Montana.)

CANJ is a not-for-profit organization which represents operators of New Jersey casino resorts. It serves as a collective voice for the industry and concentrates on the betterment of industry employees, government relations, casino-affiliated businesses and the casino industry itself.