

HIDALGO COUNTY
Resolution in Support of Slot Machines at Racetracks

- Whereas, the Texas horse and greyhound racing industry is a significant employer with a major impact on the economy of the State of Texas, currently generating \$5.5 billion in economic activity and providing 36,000 permanent jobs; and**
- Whereas, Texas does not permit slot machines, but all of the states adjacent to Texas (Louisiana, Arkansas, Oklahoma and New Mexico) permit slot machines at their race tracks; and**
- Whereas, the increased revenue from slot machines in other states has enabled their race tracks to substantially increase purses for individual races as well as enhance the facilities and operations, giving them a distinct advantage over race tracks located within Texas; and**
- Whereas, the racing industry in Texas is slowly but surely declining as a result of the economic advantages held by the industry in the adjacent states due in part to small purses for winners as well as inability to maintain facilities and more expensive programs in Texas; and**
- Whereas, allowing state-monitored slot machines limited to the confines of the race tracks located in Texas would allow them to compete on an equal footing with their out of state competitors and would provide needed additional tax revenue for Texas; and**
- Whereas, slot machines in Texas would raise an estimated \$1 billion in additional state tax revenue each year; and**
- Whereas, more than 40 sectors of the state's economy would benefit from an infusion of \$8.5 billion in economic activity and the addition of more than 70,000 new permanent jobs; and**
- Whereas, numerous statewide polls shows that majority of Texans favor bringing slot machines to racetracks and that Texans want the right to vote on the issue; and**
- Whereas, various groups from the racing industry and thousands of other Texans have joined together in supporting the public campaign, Win for Texas, to encourage the Texas legislature to pass legislation allowing slot machines at the current licensed race tracks and recognized Indian tribal lands.**

Now, Therefore, the Hidalgo County Commissioner's Court hereby support Win for Texas and strongly urge the members of the Legislature of the State of Texas and in particular its legislative members from Hidalgo County to actively pursue appropriate legislation enabling the race tracks and recognized Indian tribal lands within the State of Texas to operate slot machines on their properties.

Signed this _____ Day of February, 2011.

SIGNED AND ENTERED ON THE ABOVE DATE BY THE FOLLOWING MEMBERS OF THE HIDALGO COUNTY COMMISSIONERS COURT.

RAMON GARCIA
County Judge

JOEL QUINTANILLA
County Commissioner, Pct. 1

HECTOR "TITO" PALACIOS
County Commissioner, Pct. 2

JOE M. FLORES
County Commissioner, Pct.3

JOSEPH PALACIOS
County Commissioner, Pct. 4

Attested to:

ARTURO GUAJARDO, JR.
County Clerk



General Talking Points

(Words in italics are supplementary information)

- The Legislature should allow Texans to vote on a constitutional amendment that would allow Texans to play slot machines at existing licensed racetracks and on recognized Native American reservations.

According to a statewide survey, 82% of Texas voters want the opportunity to vote on this issue. Texans strongly want their Legislature to bring it to the ballot.

- Allowing slot machines at racetracks would bring world-class entertainment facilities, featuring live entertainment, restaurants, spas, hotels and conference spaces. Along with this would come tens of thousands of new, permanent jobs and a constant stream of new tourism dollars to the state.

Texans are already spending more than \$2.5 billion a year gambling in neighboring states. Bringing slot machines to Texas would create \$8.5 billion in economic impact and add to our state's revenue.

- Thirty-Eight other states offer various forms of gambling and opinion polls consistently show that Texans favor making slot machines available in Texas.

According to a statewide survey, 80% of Texas voters polled agree that with more than \$2.5 billion in gambling revenue a year leaving the state, and with the prospect of more than 70,000 new jobs being created, this proposition is the right step for Texas.

- Texans should be allowed to decide if they want to keep their entertainment dollars and those economic benefits here in Texas. Right now, billions of Texas dollars are funding schools and other amenities in states like Louisiana and Oklahoma.

In 2009, Texas lost more than \$2 billion in gaming revenue to Oklahoma and Louisiana alone. A whopping 43.6% of Louisiana's gaming revenue comes straight out of the pockets of Texans. Bring it to the ballot and let Texans have a voice in where their money goes.

- Voters in local option elections have already approved gambling at racetrack locations. License holders are subject to state oversight and thorough background checks. Allowing slot machines at these facilities would mean no expansion in the overall footprint of gambling in Texas.
- Economic analyses tell us we can bring in a significant amount of money for state and local coffers every year. By itself, it won't be enough to solve the

looming state budget problem, but it would help to offset some of the deepest cuts.

Without raising sales tax, gas tax or property taxes, the state will generate approximately \$1 billion in additional tax revenue each year. It will bring more than 70,000 new jobs and \$8.5 billion in total economic activity to Texas.

- The billions of dollars in economic impact and thousands of jobs created by bringing slots to Texas' tracks and Native American reservations will be felt across more than 40 sectors of our state's economy, not just at racetracks.

Based on economic research, for every dollar spent in an out-of-state casino, an additional 52 cents is spent in the local economy on tourism-related goods.

- Fifteen other states have already allowed slot machines at racetracks, with a number of others considering it.
- Tracks in our neighboring states use slot machines to supplement their purse sizes and are then able to offer better racing, luring away Texas' racing and agribusiness industries.

Veterinarians, feed stores, trailer and truck sales, large scale and "mom and pop" breeding operations, horse trainers, and tens of thousands of other Texans employed in the agriculture industry depend on the survival of this vital part of our economy.

- The non-racing Texas horse industry would benefit from this legislation through the Texas Performance Horse Development Fund. This revenue would provide larger prizes for shows, scholarships for youth organizations, and increased funding for horse recreational development.

Texas is a destination for national and world championship events and shows. The Texas Performance Horse Development Fund would allow us to ensure that we are doing everything possible to preserve our rich heritage of horsemanship.

- Revenue from slots machines at Texas racetracks will bolster purses and fund Texas-bred incentive programs, which will allow Texas horse breeding operations to be reinvigorated.

The additional revenue will bring back many breeding operations that have left the state for greener pastures in New Mexico, Oklahoma and Louisiana.



2011 Legislative Sourcebook



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Background

In 1986, during a special session of the Texas Legislature, lawmakers voted to approve pari-mutuel racing subject to a state-wide vote of the people. In 1987, Texas voters approved pari-mutuel wagering on horse and greyhound races at facilities regulated by the Texas Racing Commission.

However, following legalization of pari-mutuel wagering, the racing industry has struggled to build and maintain profitability, interest and attendance. This struggle has been due to changing factors that have kept the Texas racing industry at a competitive disadvantage.

The last racetrack to be built in the state was Lone Star Park in Grand Prairie (1997). Lone Star Park continues to be the largest facility in the state and handles the largest amount of money wagered in the state. In 2004 Lone Star Park was the focus of the entire world of horse racing when it hosted the Breeder's Cup World Thoroughbred Championship races.

In 2000, the racing industry experienced its high water mark with attendance at 3.3 million patrons who wagered a total of \$633 million either on live or simulcast races. Since then, the industry has been in decline due to competition from the Texas Lottery, internet gambling and unequal competition from our surrounding states, all of which allow racetracks to have slot machines that generate higher purse levels.





In 2009 the number of Texas racetrack patrons declined by 35% from the levels seen in 2000. Additionally, the industry suffered a decline of 37% in the amount of money wagered at those tracks during that same time period.

During the last 10 years, Texas boasted having a majority of the top 50 quarter horse sires in the nation. Last year Texas quarter horses held just 5 of those spots. The number of racehorse stallions in Texas is down, the number of mares being bred is down and the number of foals being born in this state is down. Correspondingly, virtually all aspects of the racing and breeding industry are suffering significant declines and is in dire need of legislative change that will give the industry the same tools as all of our surrounding states.

The reality is simply that no industry can survive if it cannot offer the same products and services as its competitors. The reality is also that with the passage of legislation allowing slot machines at Texas racetracks, the industry will make an amazing come back.



The Problem

Unequal Competition

Louisiana, Oklahoma and New Mexico allow several forms of gambling. But of greater importance to the Texas racing industry is the fact that all three states allow slot machines at their racetracks.

The slot machines at racetracks in Louisiana, Oklahoma and New Mexico generate significant revenues. A large portion of those revenues are allocated for purses paid to the owners of winning horses, as well as breeders and others involved in racing. Revenues are also used for the benefit of track employees, infrastructure improvements and many additional expenses. In addition, the revenue funds incentives for horses bred in those states. These incentives are not paid to Texas-bred horses.

In racing, the purse is king. The racetracks in neighboring states use slot machine revenues to create purses that are much higher than in Texas where tracks are dependent on pari-mutuel wagering revenues alone.

Texas tracks can't compete as our neighboring states lure away racing enthusiasts, higher quality animals, trainers and breeders with the large purses they are generating.

- *In Louisiana, purses at Delta Downs increased from \$45,000 to \$245,000 per day after slot machines were legalized.*
- *In the two years after slot machines were legalized in New Mexico, racing-agribusiness payrolls tripled, while the number of directly-related jobs rose by 180 percent.*
- *Within one year following approval of slot machines in Oklahoma, Remington Park tripled its purses and quarter horse purses statewide climbed to an all-time high.*



The Problem: The Current Environment

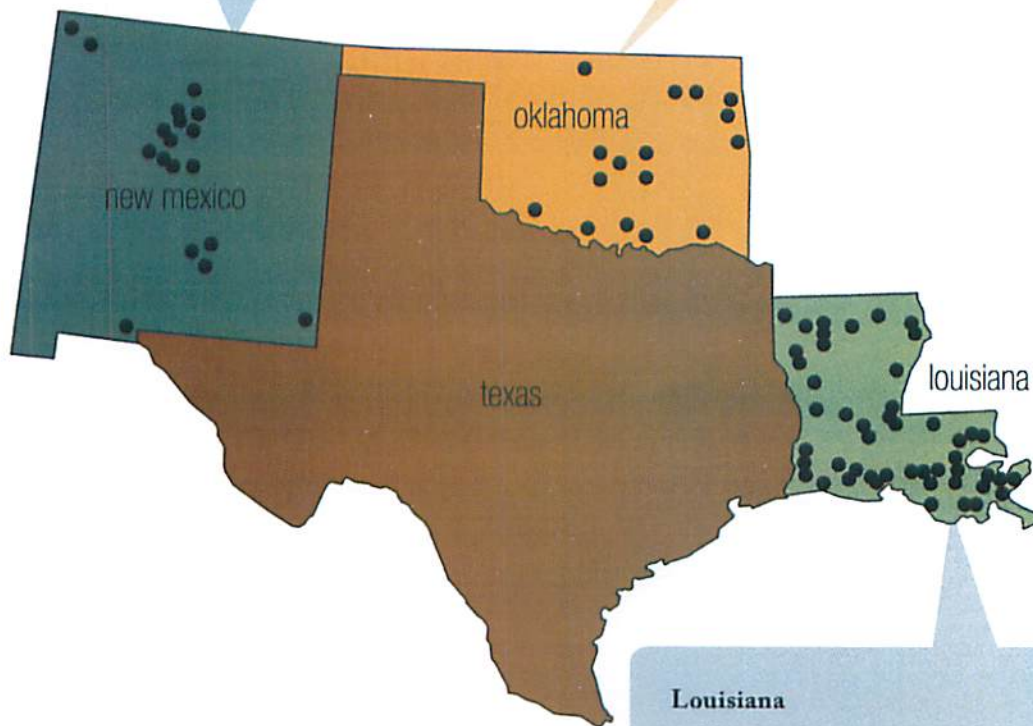
Texas is surrounded by slots

New Mexico

- Slot machines at racetracks legalized in 1997
- Of five racetracks, two are located at Sunland Park and Hobbs, directly across the Texas border, and a third is in Ruidoso, which is within easy driving distance of Texas.
- 22 Indian casinos

Oklahoma

- Slot machines at racetracks legalized in 2004
- Two operational racetracks with slot machines
- 96 Indian casinos, five of which are located right across the Texas-Oklahoma border.

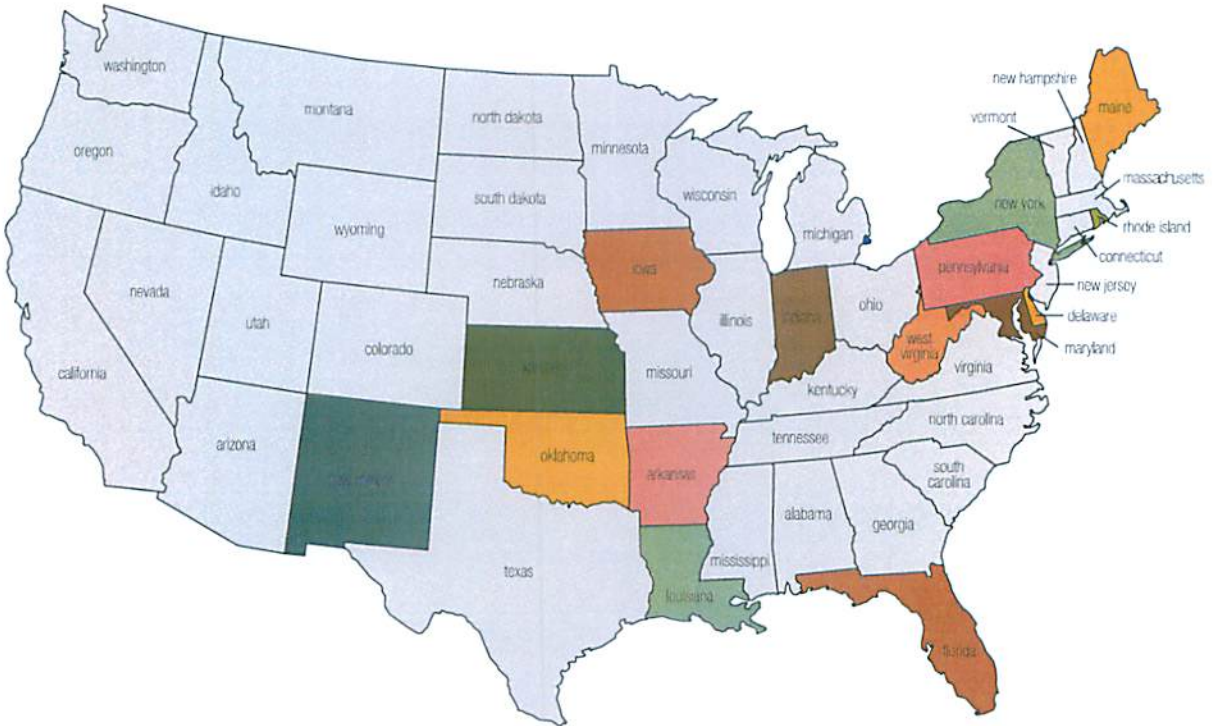


- *Indicates the location of racetracks, offtrack betting facilities, video lottery terminals, and Native American casinos.*

Louisiana

- Slot machines at racetracks legalized in 1994
- Of four racetracks, two are located in Vinton and Bossier City, close to the Texas border.
- Casinos authorized in 1991. A number of the state's 17 casinos are located near the Texas border.
- Estimated yearly casino & racino visitors: 35 million

The Problem: The Current Environment
Slot machines in racetracks in 15 states across the nation



Rhode Island 1992
 Delaware 1994
 Iowa 1994
 West Virginia 1994
 Louisiana 1997

New Mexico 1997
 Arkansas 2000
 New York 2001
 Maine 2004
 Oklahoma 2004

Pennsylvania 2004
 Florida 2006
 Indiana 2007
 Kansas 2007
 Maryland 2008



The Problem: The Current Environment

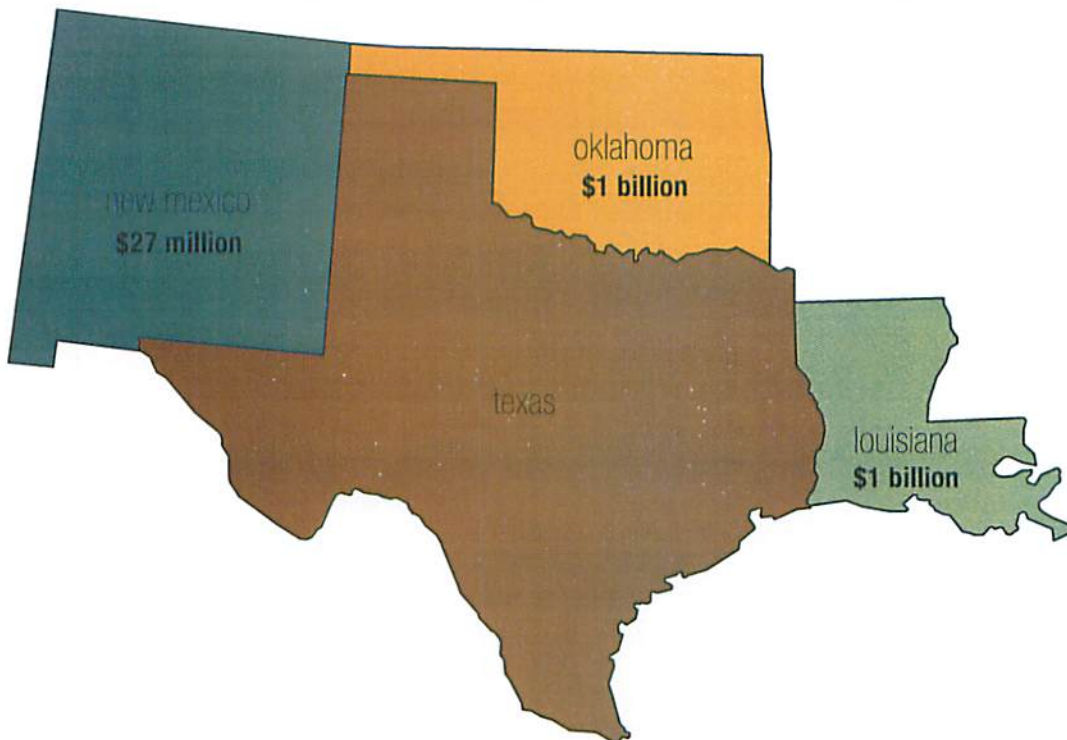
Texans already gamble

Texans spend more than \$2 billion a year on gambling at casinos and racetracks in our neighboring states. In fact, Texans constitute 43.6% of the statewide gaming market in Louisiana and 36.8% of Oklahoma's gaming market.

Last year, Texans spent almost \$4 billion on Texas Lottery tickets. They also gambled hundreds of millions more on bingo and pari-mutuel racing—not to mention the millions spent at the Kickapoo casino in Eagle Pass and the Galveston-based casino cruise ship.

There are also more than 150,000 illegal eight-liners in operation in Texas, as well as a large population of online gamblers and underground poker enthusiasts across the state.

Estimated annual gambling dollars spent by Texans in surrounding states



The Problem: An Industry in Decline

Competing with the Texas Lottery

History

In 1992 the first lottery ticket was sold to Governor Ann Richards. Before a strong racing circuit could be established, the racing industry found itself competing with the Texas Lottery for gambling dollars. Economists estimate that state lotteries siphon 15 to 20 percent of the revenues of racetracks in Texas and other states.

Currently

- Texans wager approximately \$4 billion on lottery tickets every year.
- Texas has over 15,000 lottery outlets, while the state limits the number of pari-mutuel wagering locations to only 13.
- Each year the Lottery Commission is allowed to approve new games, expand the number of drawings and adjust prize payouts. However, the only ability the horse and greyhound industry has to change its permissible types of wagers is thru legislation.
 - The last legislation that allowed Texas tracks to be competitive was in 1997 with the passage of a bill to allow patrons at a horse track to wager on greyhound races and vice-versa.
- The Lottery Commission spends millions of dollars to encourage Texans to buy more lottery tickets. However, the Texas Racing Act strictly prohibits the Texas Racing Commission from “promoting the industry”, much less allowing the agency to spend money to advertise wagering opportunities at the state’s existing pari-mutuel outlets or the benefits to the agricultural industry.



The Problem: An Industry in Decline

Competing with online wagering

History

In the face of the explosion of the Internet and proliferation of sites that allow people to gamble on their computers, Texas tracks struggle to keep up with gaming competition on an unlevel playing field. The Texas Racing Commission, the Department of Public Safety and the Texas Attorney General's office have struggled for years to find ways to deal with enforcing the Texas Racing Act and criminal statutes that prohibit the use of telephone or computer gambling. However, because of jurisdictional issues and ambiguity in Texas laws they have not been successful in curtailing this activity.

Currently

- Any person can open an advance deposit wager (ADW) account as easily as opening a checking account. Using an ADW, the person deposits funds with an online host, and then draws against his/her deposit to place racing bets. Within minutes, any Texan can log on to a computer, enter a password and bet on races in any state from Florida to California.
- Texas is losing 15 percent of every pari-mutuel dollar wagered through ADWs. This is money that could have gone into our economy.
- While it is hard to quantify the precise amount of decline attributed to ADWs because they are not regulated, many of the racetracks can identify former patrons who no longer come to the tracks and instead have opted to wager from their homes or offices.
 - A high ranking executive of one of the nation's largest ADW companies acknowledged that Texas supplies the largest number of customers and the most dollars wagered of any state in which they conduct business.
- Due to current state laws, Texas racetracks, horse owners, greyhound owners and breeders do not realize one cent from the ADW bets made by Texans.



The Problem: An Industry in Decline

Throughout the past decade, the Texas racing industry has seen significant declines in virtually every measureable way, and surrounding states are reaping the benefits. Breeding operations, horse trainers, veterinarians and owners are moving to states with higher purses and better incentives. Texas racetracks have laid off employees and cut benefits in order to keep their doors open, and some have had to shut down their racing operations completely. The industry simply cannot compete in the current environment.

Quick Facts

- Over the last decade the number of licenses issued for owners, breeders, and trainers by the Texas Racing Commission has dropped by more than 50%.
- Since 2001 the number of Thoroughbred mares bred in the state of Texas has dropped nearly 50%.
- Texas has seen a 42% decline in the number of registered foals over the last 8 years.
- Since 1998, after slot machines were legalized, Louisiana has seen a 81% increase in the number of thoroughbred mares bred.
- In the past 10 years, following the approval of slot machines, New Mexico has seen an 155% increase in the number of registered foals in the state.

Denton County: Valor Farms has lost 40% of its horse breeding business in the last five years. The farm's best customers are leaving Texas for other states that allow slot machines at racetracks. "With Texas racing purses going the wrong way," says general manager Ken Carson, "we're losing a reputation and an industry." Valor has four prize stallions that sire 75 foals per year. But purses in Louisiana, Oklahoma and New Mexico have swelled, and Texas purses have plummeted. The result: Louisiana-bred racehorses are selling for twice as much as those bred in Texas, and the number of licensed racehorse owners in Texas dropped by more than 1,000 in 2008.

The Dallas Morning News

FEBRUARY 16, 2009



The Problem: An Industry in Decline

The graphs below illustrate the decline in the Texas racing industry in terms of the money being won by owners at racetracks (purses) and the number of live racing days.

PURSE COMPARISONS: 2008

<i>State</i>	<i>2008 Purse Average</i>
<i>Texas</i>	<i>\$129,504</i>
<i>New Mexico</i>	<i>\$216,927</i>
<i>Louisiana</i>	<i>\$222,649</i>
<i>Oklahoma</i>	<i>\$143,267</i>

NUMBER OF LIVE RACING DAYS

<i>State</i>	<i>2003 Live Racing Days</i>	<i>2008 Live Racing Days</i>	<i>% Change</i>
<i>Texas</i>	<i>332</i>	<i>271</i>	<i>(18.37%)</i>
<i>New Mexico</i>	<i>391</i>	<i>465</i>	<i>+ 18.93%</i>
<i>Louisiana</i>	<i>249</i>	<i>293</i>	<i>+ 17.67%</i>
<i>Oklahoma</i>	<i>196</i>	<i>265</i>	<i>+ 35.20%</i>



The Problem: An Industry in Decline
An industry worth saving

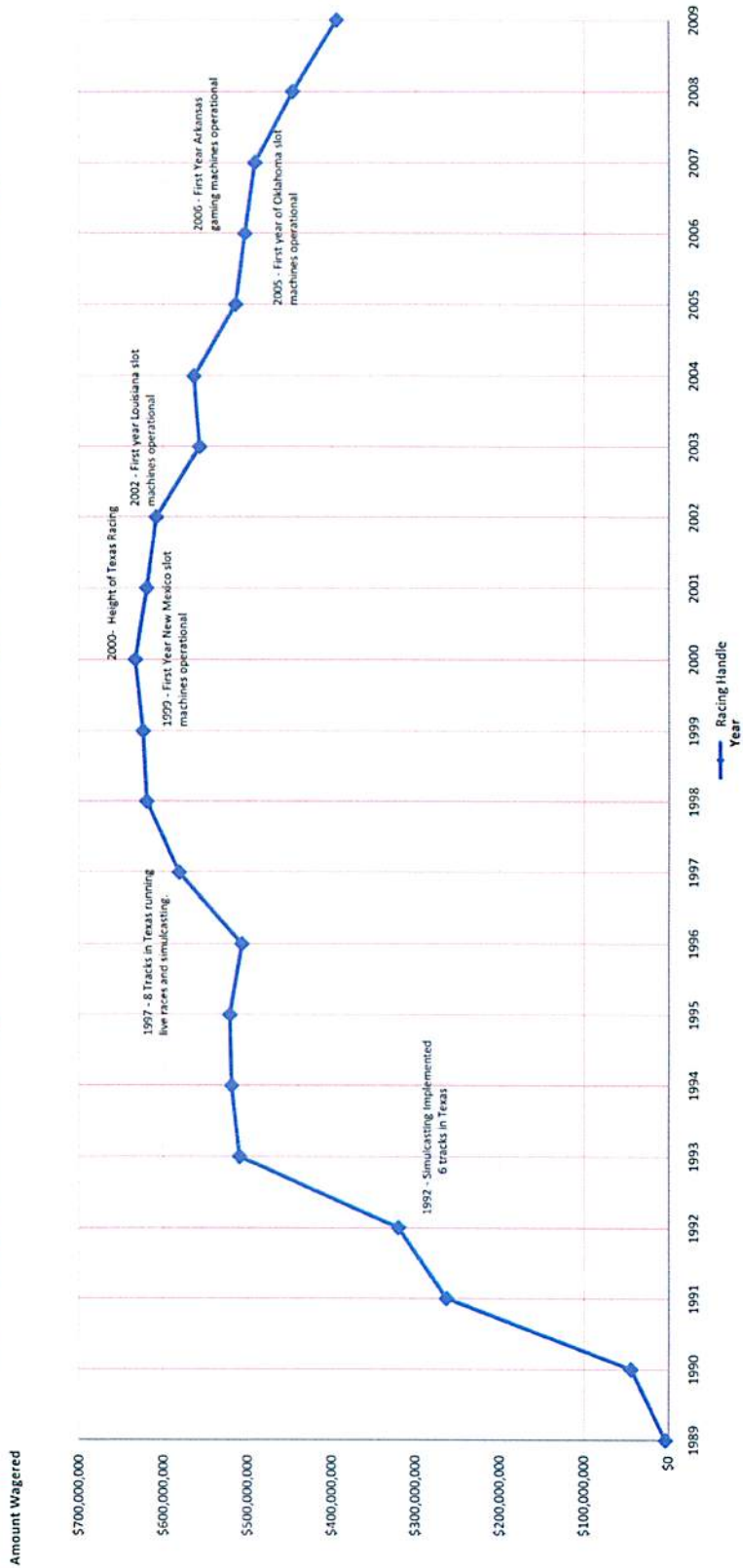


Despite being hammered by our neighboring states, racing and its related businesses are still an important part of the Texas economy. Conservative estimates show that the Texas racing/agribusiness industry contributes \$5.5 billion a year to the Texas economy, as well as 36,000 jobs. These jobs span more than 40 sectors of the state's economy.

The racing industry represents the livelihood of tens of thousands of Texas families and more than one hundred years of heritage and tradition. The racing industry is not the only industry being hurt. Thousands of Texans own horses and depend on them for their livelihood, recreation and companionship. Veterinarians, farriers, feed store owners and many other Texans are being negatively impacted.



Decline of Texas Racing Parallels the Approval of Slot Machines in Surrounding States

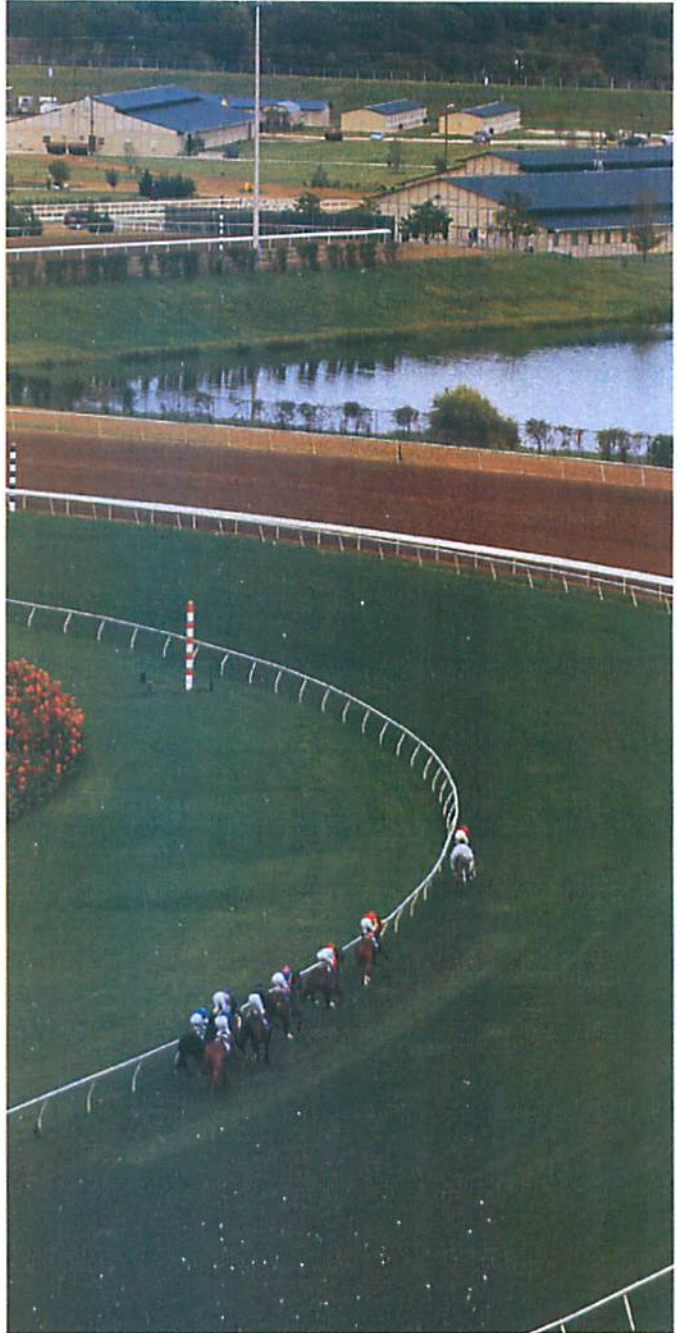


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The Solution

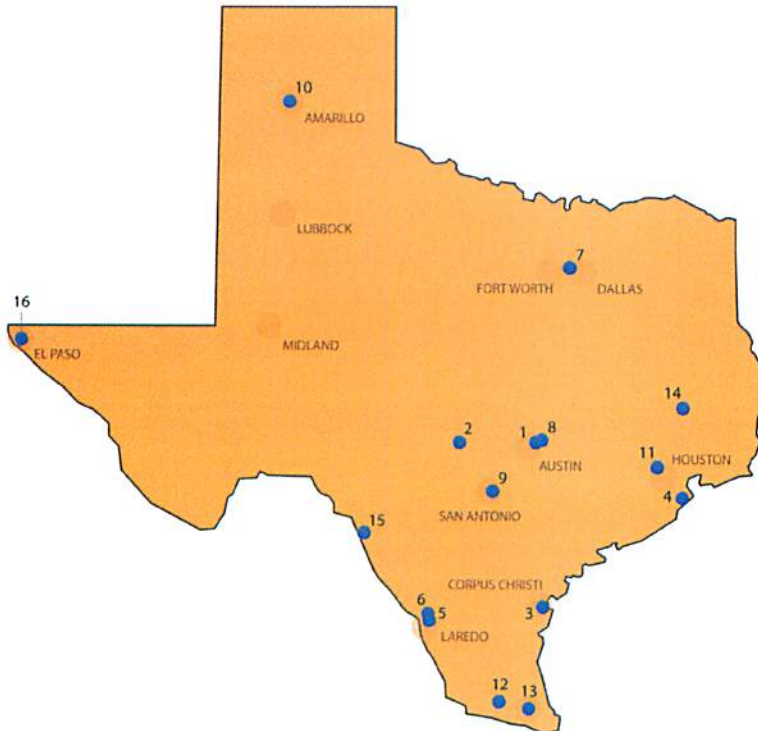
Groups representing the entire horse and greyhound industry, the Indian tribes of Texas, and thousands of other Texans who want a strong growing economy for our state have joined together to advocate for the passage of a constitutional amendment to allow voters to decide if they want state-controlled slot machines at the thirteen licensed racetracks and three federally recognized Indian Tribes.

State-controlled slot machines will add billions of dollars to the Texas economy, thousands of new jobs and hundreds of millions of dollars in additional state tax revenue each year. It is time to revitalize an important piece of our proud heritage, recapture the money that is leaving the state and bring home the benefits to every Texan.



How It Will Work

The proposed legislation would authorize state-controlled slot machines at sixteen locations. (No other new form of gambling would be authorized.) Among these, thirteen of the sites would be at racetracks where voter-approved gambling already occurs, and three would be on federally recognized Indian lands.



Track Licenses

1. Austin Jockey Club
2. Gillespie County Fair
3. Gulf Coast Racing
4. Gulf Greyhound Race Park
5. Laredo Downs
6. Laredo Race Park
7. Lone Star Park
8. Manor Downs
9. Retama Park

10. Saddlebrook Park
11. Sam Houston Race Park
12. Tesoros Race Park
13. Valley Race Park

Recognized Indian Tribes

14. Alabama-Coushatta Tribe of Texas
15. Kickapoo Traditional Tribe of Texas
16. Tigua Indians, Ysleta del Sur Pueblo



How It Will Work

State-controlled slot machines

Under the current proposal, all slot machines would be linked to a central computer system operated and controlled by the Texas Lottery Commission. This system will allow the state to continuously monitor all machines and disable a machine if necessary. A primary function of the central monitoring system would be to facilitate auditing and prevent irregularities. Day to day management and operation of the machines would be carried out by the licensed facility.



How It Will Work

Sharing the revenue

The proposal suggests that the gross revenue generated by slot machines be split between a state tax, the horsemen, greyhound owners, the Performance Horse Development Fund and the licensed facilities.

The State's Tax Revenue

The state will immediately collect tax revenue generated by slot machines. The only specified dedication is \$10 million each year to address problem and addictive gambling.

The Slot Machine Purse Fund

Revenue generated for purses and breed programs from slot machine operations at Texas tracks will be able to initially make Texas purses and breed incentive programs regionally competitive with our neighboring states of Louisiana, Arkansas, Oklahoma and New Mexico, and, in the long range, nationally competitive.

The Performance Horse Development Fund

Three Texas-based national equine organizations and the Department of Agriculture will share this revenue. These funds will primarily be used to generate larger prizes, fund growth within the state and strengthen scholarship programs for the non-racing horse industry. The allocation to the Texas Department of Agriculture will be used to create non-racing incentives to bolster the equine-related Texas agri-industry.

Operating Facilities

The portion of revenue received by licensed facilities will ensure that the debt is retired from expenses of building world class facilities, machine purchasing and that enough operating capital is generated. This will maximize the revenue and economic development projections, insuring success for the racing industry and the state. In addition, the Capital Improvement Fund will be established in order to maintain focus on first class racing and animal care facilities.



How It Will Work

The vision

Texas racetrack owners are committed to long-term investments. The racing industry currently employs approximately 36,000 individuals, and represents \$5.5 billion of economic activity in the state. With the revenue from state controlled slot machines, the industry plans to develop those investments even further.

Sam Houston Race Park Development Plans



Employing an open-air format with well planned intra-site transit, ingress and egress, the Master Plan distributes hidden parking and transportation infrastructure throughout the development.

Developing a destination that builds from the current racing and entertainment offering, the casino, hotel & spa and lifestyle retail features enhance the experience and combine with the residential, office and convention components to create a work and play environment. The 360-degree approach delivers a welcoming and inviting streetscape from every entrance.



New urbanism principles inspire multiple layers of pedestrian level amenities; urban street furniture, covered pathways, natural shade and other architectural features provide relief from the elements and instill a unique sense of place and identity.

How It Will Work

The vision

Along with the addition of slot machines, racetrack owners will create world class entertainment locations with cutting edge technology. Among their many amenities, these state of the art facilities would include shops, restaurants, entertainment venues, convention space and much more. In addition to the new investment in non-racing businesses and attractions, there will be significant renovations and expansion of current racing facilities to include redesigned paddocks and suite levels.

*Hollywood Casino at Penn National
Racecourse
Grantville, Pennsylvania*



*Hollywood Casino at Penn National
Racecourse
Grantville, Pennsylvania*

Why it Will Work *Texans win big*



The economic impact of state-controlled slot machines in Texas will be felt throughout the major metropolitan areas around the state, as well as in the Hill Country, the Valley, the Gulf Coast, the western tip of the state in El Paso and the Panhandle.

As the slot machine market matures, the legislature will have hundreds of millions in gaming revenue to spend on important needs like healthcare and public education.

Also, Texas can recapture most of the \$2.7 billion a year Texans spend on gambling in neighboring states.

Slot machines at Texas racetracks and Native American reservations will generate \$8.5 billion in economic activity and more than 70,000 new permanent jobs. This will bring the total economic impact of the racing industry to more than \$13 billion and 100,000 jobs.

The economic impact will span more than 40 sectors of the economy, from tourism, agriculture and manufacturing to transportation, construction and various service industries.



Why it Will Work *Jobs creation*

Detailed Economic Impact of Recaptured Texas Gaming (\$Millions)

TABLE 5: Detailed Economic Impact of Texas Gaming (\$Millions)

	Output	Value-Added	Earnings	Jobs
Agriculture, etc.	\$120.7	\$35.5	\$14.8	946
Mining	\$42.6	\$17.7	\$7.5	41
Utilities	\$170.6	\$101.4	\$29.9	195
Construction	\$52.0	\$23.3	\$18.5	292
Manufacturing	\$808.5	\$249.0	\$116.7	1,779
Wholesale Trade	\$280.1	\$179.7	\$84.7	982
Retail Trade	\$557.1	\$329.4	\$178.3	5,919
Transport & Warehousing	\$222.8	\$118.6	\$70.4	1,165
Information	\$257.0	\$138.9	\$64.9	722
Finance & Insurance	\$460.0	\$271.1	\$109.8	1,346
Real estate	\$741.3	\$557.9	\$49.2	1,008
Professional Services	\$289.9	\$202.4	\$125.2	1,560
Management of Firms	\$64.7	\$45.5	\$29.8	304
Administrative Services	\$180.2	\$128.8	\$71.9	1,941
Educational Services	\$59.7	\$33.4	\$25.6	666
Health care	\$376.4	\$233.9	\$173.1	3,012
Arts/Entertain/Recreation	\$2,413.0	\$1,576.8	\$912.5	24,444
Lodging & Food Services	\$1,174.1	\$596.0	\$435.8	29,596
Other Services	\$206.3	\$116.5	\$62.0	1,623
Total Annual	\$8,477.1	\$4,955.9	\$2,580.7	77,540

Source: TXP



Why it Will Work Texans believe in it

A statewide voter survey conducted in 2009 showed that 63 percent of voting Texans favor allowing slot machines at racetracks and Indian reservations — the level of support jumped to 75 percent when respondents learned that the proposal would create new jobs and recapture gaming dollars currently being spent by Texans in our neighboring states.

INITIAL SUPPORT LEVELS

<i>Group</i>	<i>Support</i>
Conservative Republicans	56%
Moderate-liberal Democrats	76%
African-Americans	67%
Anglos	62%
Hispanics	62%

INFORMED SUPPORT LEVELS

<i>Group</i>	<i>Support</i>
Conservative Republicans	68%
Moderate-liberal Democrats	84%
African-Americans	77%
Anglos	73%
Hispanics	79%

SUPPORT for NEW STATE TAX REVENUES

Asked to choose between slot machines and other sources of new state tax revenues, respondents stated the following preferences:

<i>New State Tax Revenue Type</i>	<i>Support</i>
Taxes on slot machine revenues	60%
Increasing state sales tax	13%
Increasing taxes on oil & gas production	13%
Personal income taxes	5%

The people of Texas want to vote on this issue.

An overwhelming 82 percent of respondents strongly supported being allowed to vote in a constitutional amendment referendum on whether to allow slot machines at the existing racetracks and Indian reservations.



Glossary

Breeder: A breeder raises and sells horses. In the course of raising horses, breeders pay farm hands, veterinarians, stud fees to other breeders, feed suppliers, animal transporters and other providers.

Handle: The total amount wagered on a race.

Horsemen: The men and women whose work deals directly with racehorses. This group includes owners, trainers, veterinarians and blacksmiths. Also included are persons who transport, equip and feed the horses, as well as those who grow feed.

Pari-mutuel wagering: A type of betting which allows individuals to bet against one another, rather than the house. The holders of winning tickets divide, in proportion to their individual wagers, the total amount bet on the race, net of track expenses. Bettors determine the final odds: e.g., if a large number of bets are placed on a winning animal, the payoff will be low because so many others share the winnings, and vice-versa.

Purse: The economic backbone of the industry. A purse is the total amount of money distributed after a race to the owners of the animals that finished in the top 4 or 5 positions. The winning owners use their purse income to pay the jockey, the animal trainer, the breeder who sold the animal to the owner, and the groom.

Simulcasting: The use of TV monitors at a track to show live races occurring at tracks across the country and around the world. Customers can bet on as many as 30 races per hour, as opposed to waiting 20 to 30 minutes between live races. All Class 1 tracks in Texas offer simulcasting. Though betting on live races is flat, year-round simulcasting has become the largest source of revenue for tracks.

Win, Place & Show: A “win” bet is a bet that a specific animal will win the race. If the win odds on the winning animal are 5 to 2, the payout will be approximately \$7 for every \$2 wagered (\$5 plus the return of the \$2 wagered).

A “place” bet is a bet that a particular animal will finish first or second. The winning payoffs for place bets are smaller than for win bets because the top two finishers share the money.

A “show” bet is a bet that a particular animal will finish in the top 3. The payoffs for show bets are smaller still, because the top 3 finishers share this pool.

