

Senate Bill 1340

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SB 1340 is a simple change to the current Texas Racing Act. It allows licensed but yet un-built horse racetracks in our state to offer pre-opening simulcasting for a period of time not to exceed six years before they begin live horse racing. The current statutory limit for this pre-opening simulcasting is only two years.

This bill does NOT expand the footprint of gaming in Texas; it does NOT authorize new forms of gaming, and does NOT authorize new racetrack locations. It is simply an extension of an existing authority previously granted by the legislature.

By offering pre-opening simulcasting for a number of years, licensed but yet un-built horse racetracks can prove a consistent and reliable revenue stream to potential lenders. In today's banking and financial environment, this proven source of consistent revenue has become a requirement to secure reasonable financing for the construction of a \$10 million to \$20 million horse racetrack facility.

By passage of SB 1340, the legislature will also provide for the generation of several million dollars in incremental purse money and breeders awards each year that our horse industry currently does not have, and desperately needs. It will be a very positive step to assisting our state's horse racing and breeding industries to move toward competitiveness with our neighboring states.

This is a pro-business, economic development bill that also helps agriculture and the horse industry in Texas.

SB 1340 has the support of the Amarillo, Texas-based American Quarter Horse Association (AQHA) which has over 281,000 members worldwide, with over 25,000 of those members here in Texas. SB 1340 also has the support of the Texas Quarter Horse Association, the Texas Thoroughbred Association and the Texas Horsemen's Partnership.

The horse industry in general in Texas, and our state's horse racing industry in particular, have been hit hard in recent years. Primarily fueled by competition

from alternative forms of gaming in our neighboring states, we have lost thousands of our Texas horses, and many agricultural jobs in Texas, as our state's horse racing industry has become less competitive with our neighboring states.

For example, in the late 1990's, we had over \$30 million in statewide purse money, or prize money, generated for our state's owners, breeders and trainers. In 2012, that number had fallen to approximately \$17 million annually.

Other meaningful indicators on the perilous position of our state's horse racing industry are evidenced in the following statistics:

From 2002 to 2011:

- Texas' annual Thoroughbred foal crop has declined by 59%.
- Texas' annual Quarter horse foal crop has declined by 27%
- The number of owners, trainers, jockeys and track workers licensed by the Texas Racing Commission has declined by 45%.

The Texas horse industry would greatly appreciate your support of SB 1340. It is a very positive step to help get us "back on track."