



STANDBRED OWNERS ASSOCIATION OF NEW YORK

Testimony from Joe Faraldo regarding a constitutional amendment to allow full casino gaming in NYS

“Any constitutional amendment must include legislatively mandated protections and support for racing and agriculture and the 40,000 jobs they generate in NYS.”

September 7, 2011

Thank you Chairman Bonacic and Committee members for the opportunity to testify today. Many of the 40,000 New Yorkers employed in the state’s critically important racing, equine and agriculture industries are extremely concerned about their futures and their livelihoods, and so we are very grateful to be able to share our thoughts and concerns about a proposed constitutional amendment to allow full casino gaming in New York.

My name is Joe Faraldo and I am the President of the Standardbred Owners Association. I am here today not only on behalf of the SOA and thousands of members of the Empire State Harness Horsemen’s Alliance, but also as a proud member of a newly-forming statewide advocacy group – the New York Horse Racing and Agriculture Industry Alliance – that will be comprised of New York State horsemen, breeders, and agricultural industry representatives.

So while we know you have heard today from the NY Gaming Association that represents the interests of nine racino owners, you will now also start hearing – for the first time – from an Alliance that represents the tens of thousands of New York horse owners, trainers, veterinarians, farmers, feed suppliers, breeders, grooms, blacksmiths and others who could potentially see their livelihoods threatened should a constitutional amendment be adopted without specific protections and support for New York racing.

Put as simply as possible, while a proposed constitutional amendment could certainly represent an opportunity to expand upon the significant gains we have seen in our New York racing and agriculture industries as a direct result of the thoughtful, racing-based VLT initiative put in place by the Legislature, it could also have the exact opposite effect if New York does not make the right economic choice and take specific, pro-active steps to protect our racing and agricultural industries.

The agricultural and racing investments made in New York State as a result of higher purses from the VLTs are not a matter of theory or conjecture. They are the very real \$9 million in capital improvements and \$11 million in stallions invested at Blue Chip Farms in Orange County; the brand new, \$8 million dollar training center Mark Ford recently built in Middletown, which has created dozens of new full time jobs; or the \$4 million spent transforming an abandoned horse farm in Pine Bush into an active training center that has succeeded in luring dozens of trainers away from competing states right here to New York.

These unprecedented agricultural investments are having a huge job creation and economic multiplier effect across the state, and every last bit of this is the direct result of the higher purses generated by VLTs.

Therefore, to avoid cannibalizing our strong and growing racing industry – and potentially erase all of these years of job growth and economic gains – then any resolution to allow full-scale commercial casinos must include strong, detailed language mandating that these new gaming opportunities provide similar contributions to the state’s job-intensive racing and agriculture industries as currently exist in the VLT law. Without such mandated contributions, any resulting shift from existing VLT wagering to these new, competing full-scale casino wagering vehicles will undoubtedly decimate racing and, by extension, our agricultural industry.

It is, quite frankly, economically illogical to consider trading off tens of thousands of existing racing, agricultural and equine-related jobs in exchange for increased profits for casino owners and a limited number of new positions for blackjack dealers, croupiers and pit bosses.

Furthermore, we must consider what additional hidden costs might be involved in any promise of new casino-related jobs. For example, if the racino operators are angling for reduced tax rates as a trade off for these additional jobs, then what is the fiscal impact of shifting play from popular lottery table games like roulette to full casino versions of these table games with potentially lower tax rates? How will that impact revenue to the state and to education? And how will the state protect our racing and agriculture industries as part of this transition?

These types of questions – and the need to effectively balance the various interests of the state, public school students, the racino operators, the racing industry, and agriculture in New York State, as the existing VLT program has done – are critical to the process and to the policy discussion we are starting today.

So with New York continuing to face unprecedented economic challenges – and with “jobs, jobs, jobs” serving as the state’s current public policy mantra – we in the NY Horse Racing and Agriculture Industry Alliance look forward to working closely with you on the issue of a potential constitutional amendment. We remain committed to the belief that any such initiative must generate important funding for education in New York and simultaneously protect and promote New York racing, jobs and agriculture.

Once again, on behalf of more than 40,000 industry representatives across New York State, thank you for the opportunity to share our thoughts.

FOR MORE INFORMATION, PLEASE CONTACT JOE FARALDO AT 718-544-6800 OR THE SOA’S LEGISLATIVE REPRESENTATIVES, YOSWEIN NEW YORK, AT 212-233-5700.