

Key Issues Affecting the Future of Racing in New Jersey

July 2003

Following are the key issues identified and prioritized at the July 24, 2003 Roundtable hosted by the Rutgers University Equine Science Center, as well as points addressed in the three focus areas of discussion.

- 1) Identify additional funding sources for racing programs and promotion. Suggestions were:
 - a. Progressive slot machine program at Atlantic City casinos
 - b. Tapping into parking fees
 - c. Allocating a portion of the Internet sales tax, if such a tax becomes law
- 2) Promote cooperation and reduce competition between the racing industry and the Atlantic City casinos and the New Jersey lottery. Recognize that the real competition is the gaming industry of New Jersey vs. those of surrounding states.
- 3) Move to implement the legislation that would allow off-track wagering at racetracks, in view of the reduction in racing days
- 4) Increase the fan base through marketing programs (i.e., increased marketing funding) and tourism promotion devoted to racing
- 5) Dedicate funding to increased purses and breeding incentives
- 6) Examine the cost to the industry (track managements, owner, breeders and trainers) of state-mandated regulations
- 7) Emphasize the strong connection between land preservation and a viable racing industry; address Right To Farm and environmental issues
- 8) Find funding for a state-supported training center for the horse industry workforce
- 9) Examine the means of ensuring the integrity of the product
- 10) Educate legislators and the public regarding the value of a healthy racing industry

I. Issues Regarding Policy and Regulation of Racing

Major impediments:

- Shortage of funding for tracks
- The industry is highly regulated, and cost of regulation is high
- Limited understanding that racing is an agribusiness in addition to being a sport
- State allows cross-competition in gaming: casinos and lottery games
- State has resisted policy changes (e.g., horse industry representatives on Racing Commission; additional funding to tracks; regulations affecting horse ownership)
- Policing of racing industry has had a negative effect on public perception
- State has not drawn the connection between racing and land preservation
- Conflicts with municipalities on Right To Farm issues discourages horse operations

Needs and challenges:

- Identify additional funding sources; make sure additional funds are directed to horse industry
- Legislature should fund breeders' awards to encourage breeding
- Rules regarding breeding should be eased: allow stallions from other states; reduce the amount of time mares must spend in NJ
- State needs to evaluate competition from other states; NJ is surrounded by competition from NY, PA, MD and DE
- Install off-track wagering facilities
- Install video lottery terminals (dedicated slots), which the casinos could operate
- Tie casino industry to racing industry -- both are gaming enterprises

Horse industry solutions:

- Educate legislators to understand the needs of the industry
- Emphasize to the public and legislators the "added value" of racing; its broad and significant economic impact beyond the track
 - Tax revenues generated and what they're used for
 - Generation of jobs
 - Support of supplier businesses
 - Open space preservation
 - Recreational opportunities
- Work with the Department of Agriculture to address breeding issues
- Increase funding for Sire Stakes program
- Support the Rutgers Equine Science Center

II. Issues Regarding Marketing and Growth of Racing

Major impediments:

- Shortage of funding
- Inadequate, unappealing facilities, and not enough money to upgrade them
- Waning consumer interest in racing/product
- Racing is a fan-driven business rather than a dollar-driven business

Needs and challenges:

- Identify additional funding sources
- Increase total racing revenues
- Revive consumer interest in racing
- Make sure track-goers have a clean, pleasant experience with good food

- Use publicity to tap into younger, more female market
- Expand the promotion of “Month of the Horse”

Horse industry solutions:

- Educate legislators to understand the needs of the industry
- Emphasize to the public and legislators the “added value” of racing; its broad and significant economic impact beyond the track
 - Tax revenues generated and what they’re used for
 - Generation of jobs
 - Open space preservation
 - Recreational opportunities

III. Issues Regarding Operations and Management of Racing

Major impediments:

- Shortage of funding for breeding programs
- Shortage of funding for purses; can’t finish racing days. URGENT action needed.
- Funds for breeders are decreasing each year
- Number of stallions standing in NJ is decreasing – down to 22
- Illegal medications are a major problem, particularly the perception that they are widely used
- Tracks cannot operate year-round
- Lack of cooperation between thoroughbred and standardbred segments

Needs and challenges:

- Identify additional funding sources
- Increase total racing revenues; do not divert purse money (which attracts horses) to subsidize breeding programs
- Develop account wagering program
- Install off-track wagering facilities
- Install video lottery terminals, which the casinos could operate
- Create a year-round use for tracks – perhaps training center
- Sustain the Meadowlands – it’s one of the finest racetrack facilities in the country; retain NJSEA as operator

Horse industry solutions:

- Educate legislators to understand the needs of the industry
- Emphasize to the public and legislators the “added value” of racing; its broad and significant economic impact beyond the track
 - Tax revenues generated and what they’re used for
 - Generation of jobs
 - Support of supplier businesses
 - Open space preservation
 - Recreational opportunities
- Work with the Department of Agriculture to address breeding issues

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