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TESTIMONY FROM NYS HARNESS HORSEMEN IN OPPOSITION TO ARTICLE VII REVENUE BILL PART LL

***“A corporate giveaway to a national casino company on
the backs of hardworking harness horsemen and agriculture.”***

February 23, 2021

The Empire State Harness Horsemen's Alliance, an organization comprised of harness horsemen, trainers, breeders, owners and agricultural representatives from all across New York State, would like to add its voice in strong opposition to Part LL of the Article VII Revenue Bill in the Governor's Executive Budget, which would relieve/modify Rivers Casino's statutory requirement to provide racing support payments to the horsemen at Saratoga Harness. We stand in solidarity today with the Saratoga Harness Horseperson's Association (SHHA), whose hard-working members rely on these legally required payments to support their families and who will suffer greatly if this proposed giveaway to a major national gaming company is allowed to proceed in the FY2022 budget. Furthermore, along with the negative impacts on individual horsemen and their families, this proposal will have detrimental effect on our state's critically important agriculture sector and set a hugely problematic precedent for the future of racing all across our state.

I will defer to my colleagues at the SHHA to detail the significant hardships that their members will suffer as a result of such a corporate giveaway to Rivers Casino (as the SHHA is a dedicated and passionate advocate for their members), and would instead like to reinforce the importance of the existing legislative structure and why this proposal would negatively impact statewide agriculture, breeding and job creation. History shows that immediately after New York enacted its video lottery gaming program in 2001, the state's harness horsemen predicted at a legislative hearing that increased racing purses and new breeding program awards would “trigger a renaissance for the horse racing industry in New York State.” Fast forward two decades and these positive predictions – higher purses, expanded agriculture, thriving breeding farms, and thousands of racing related jobs across New York State – have come true. Not only have VLTs generated hundreds of millions of dollars in funding for education across the state, but the state's harness industry has been reestablished as a national leader and the promise of a New York racing renaissance has become a reality.

Several years ago, when the state allowed full scale casinos within close proximity to existing VLT facilities/racetracks, they wisely instituted a legislative safety net, if you will, for racing and agriculture, to ensure that said casinos were legally mandated to make up any shortfall they caused in purses falling below 2013 purse levels. These casinos (including Rivers Casino) willingly agreed to such payments, but it became clear fairly soon that their own revenue projections were deliberately overblown and they almost immediately began whispering about their desire for relief from these critically important purse support payments (which again, helped to generate economic development impacts across the state).

In the wake of the COVID-19 pandemic, Rivers Casino has exploited this crisis as an opportunity to move their long-desired bailout request forward – a desire, again, which completely pre-dated the pandemic – and which the state simply cannot allow to happen. Their own missteps cannot be addressed on the backs of hard-working trainers, drivers, grooms and farmers and again, we simply do not understand the State's willingness to consider such a corporate giveaway (especially since it provides no benefit to the state).

We especially do not understand it within the context of the fact that another casino owner in New York State, Resorts World Catskills – which also has well-documented financial concerns based on shortfalls from their inflated initial projected income – is continuing to make their statutorily required purse support payments to the Monticello horsemen under Section 1355. While such payments were obviously (and rightly) suspended for the period in which their facility was closed – and after having unsuccessfully tried to secure a reduction in payments from the horsemen – the casino has since agreed in writing to resume full payments as of their re-opening with limited capacity.....which is exactly what should, and must, happen with Rivers Casino.

Finally, while this budget recommendation is specific to Rivers Casino and the Saratoga horsemen, it represents a dangerous precedent that could negatively impact racing and agriculture in New York for decades to come. A government-sanctioned giveback to a major national gaming company at the expense of racing industry stakeholders – and a legally-approved shift away from supporting racing – is the slipperiest of slopes in a state that has already seen documented evidence of track owners seeking to eliminate racing and jeopardize the economic multiplier effect we generate.

As I had testified last month at another legislative hearing, some track owners' views of racing are not a particularly well-kept secret, as evidenced in a news article several years ago when a racino owner was quoted on the record as admitting that "the tracks – including me, if I'm just wearing my 'track hat' – all want harness racing to disappear as quickly as possible" and "so they are going to do whatever they can do to make that happen."

While this admission may not be a surprise to astute watchers of the game, the cavalier manner in which he so easily dismissed an agriculture/harness industry that employs thousands of New Yorkers is stunning and should be required reading for legislators who have heard our horsemen's and breeder's concerns in recent years and care about the state's economy.

Again, today it may be Saratoga harness horsemen we are talking about, but tomorrow it could be Monticello, Tioga or even Yonkers and that simply makes no sense for the future of our industry or our state. Thank you.

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