

# OPPOSE: HB 1095 & HB 1152 - Racetrack Gambling Expansion

## *Focus on the Family Action – Legislative Brief*

February 4, 2009

### **HB 1152 - CONCERNING HORSE RACING**

House sponsorship: **Sonnenberg**; Senate sponsorship: **Tochtrop**

- New advanced-deposit wagering via the internet
- Wagers placed on new instant racing machines or "historical simulcast terminals"
- Reduces live race days from 65 to 45
- Expands simulcast operation days from 250 to 360 days
- Establishes two new funds to for horse interests
- Distributes 31% of adjusted gross proceeds to CO community colleges based on enrollment

### **HB 1152 – Race Track Casino – Bad Fiscal Policy**

Pari-mutuel racing across the nation has in steep decline for the past decade or more. Colorado's four remaining horse and dog tracks are no different. Accurately deemed, "Another generation's sport," many racetracks are turning into casinos or "racinos" to prop up an ailing industry with little demand. Adding addictive pari-mutuel slot machines to racetracks – converting them into casinos - is bad fiscal policy and is opposed by the National Gambling Impact Study Commission in its final report (Rec. 3.12, see <http://govinfo.library.unt.edu/ngisc/reports/3.pdf>).

### **Slot Machines In Pari-mutuel Disguise**

Many consider simulcast machines or instant racing terminals to be a slot machine in pari-mutuel clothes. With the advent of new video technology, the line becomes even more blurred. Side by side, the average person could not tell the difference between a slot and an instant racing machine. The Wyoming Supreme Court called the pari-mutuel industry's bluff with this decision:

#### **Wyoming Supreme Court Ruling (2006): Instant Racing Machines Are Slots**

*"Wyoming Downs argued that 'Instant Racing' terminals are a mere accoutrement of pari-mutuel wagering and that the governing statutes must be construed so as to embrace new 'inventions' or 'technologies.' We agree with the district court's tacit conclusion that we are not dealing with a new technology here, we are dealing with a slot machine that attempts to mimic traditional pari-mutuel wagering. Although it may be a good try, we are not so easily beguiled."*

[Supreme Court, State of Wyoming, May 4, 2006, WY 55, WYOMING DOWNS RODEO EVENTS, LLC, a Nevada limited liability company; and WYOMING HORSERACING, INC., a Wyoming corporation, v. STATE OF WYOMING; and JON R. FORWOOD, DISTRICT ATTORNEY, FIRST JUDICIAL DISTRICT, STATE OF WYOMING, decision, pp. 12-13, ¶18.]

### **MORE GAMBLING DESTROYS MORE FAMILIES**

- The availability of a casino within 50 miles is associated with double the prevalence of problem and pathological gamblers
- Colorado has so many gambling addicts, that it opened the Center for Addictions, Dependency and Rehabilitation – CEDAR (near I-225 and Colfax)
- Every pathological gambler negatively affects between 10 and 17 individuals, including family, employers and government
- Casinos in Colorado get approximately 96% of their revenues from video slot machines
- Nationally, about 61% of casino revenues come from the top 10% of the heaviest gamblers
- Between on quarter and one half of compulsive gamblers' spouses have been abused
- Lifetime divorce rates for addicted gamblers are two to three times higher than the national average
- One in five pathological gamblers - and one in ten of their spouses - attempt suicide

***Focus on the Family Action urges you to protect families in Colorado by opposing racetrack gambling expansion bill: HB 1152.***

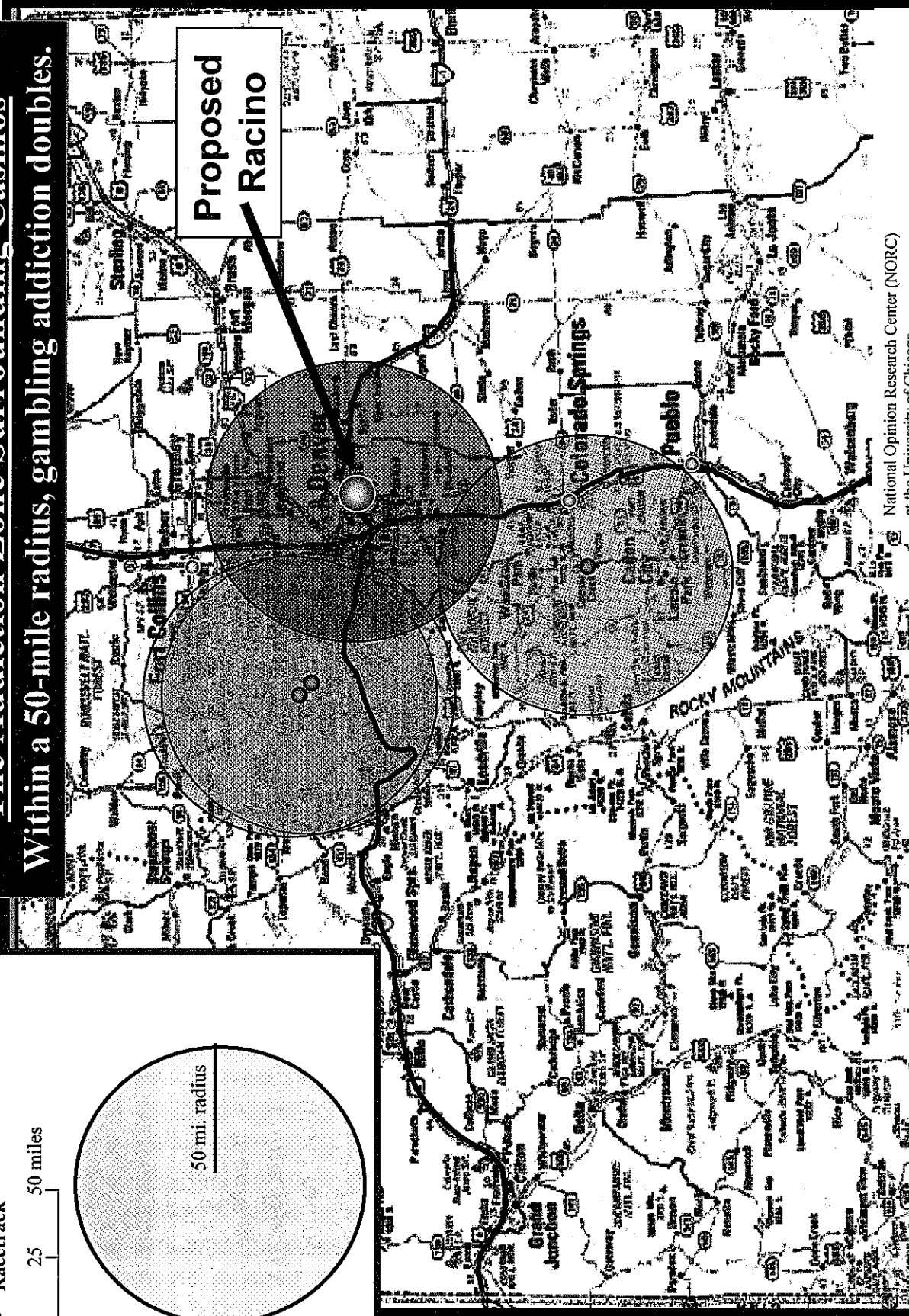
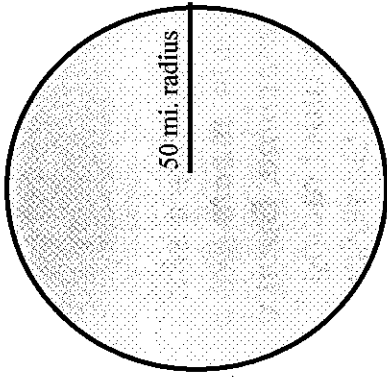
Please visit our Web site at [www.CitizenLink.org/FOSI/gambling](http://www.CitizenLink.org/FOSI/gambling) for more information.

# The Addiction Zone Surrounding Casinos

Within a 50-mile radius, gambling addiction doubles.

● Casino Communities  
● Racetrack

0 25 50 miles



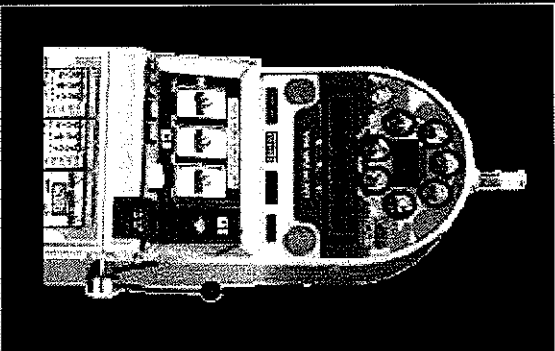
National Opinion Research Center (NORC)

at the University of Chicago,  
"Gambling Impact and Behavior Survey - Highlights,"  
NORC Report to the National Gambling Impact Study Commission,  
1 April 1999,  
PDF File, p. ix. <<http://www.norc.uchicago.edu/new/pdf/high.pdf>>

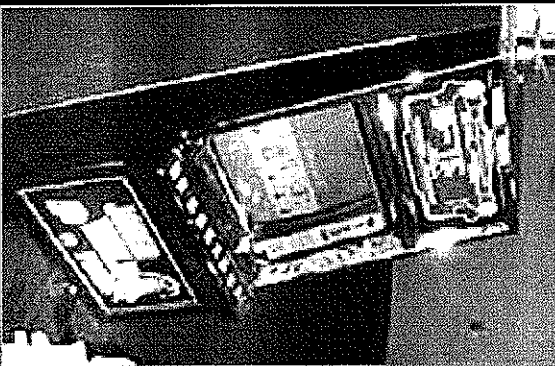
# COLORADO CASINOS

# Instant Racing Machine or Slot?

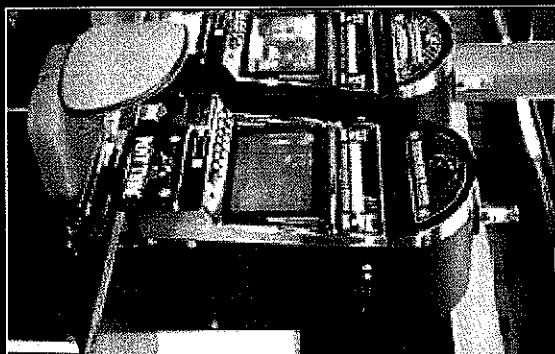
## IT'S BLACK & WHITE



Traditional Slot Machine



Video Lottery Terminal



Instant Racing Machine

A SLOT is A SLOT is A SLOT

**It cannot be what it is not.**

*"It looks like a slot machine. It acts like a slot machine. But it's*

*pari-mutuel racing."*

*—Magna Gambling  
Chairman, Frank Stronach*

**Supreme Court Statement,  
State of Wyoming, May 4,  
2006**

*"... We are dealing with  
a slot machine that  
attempts to mimic  
traditional pari-mutuel  
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# Colorado's "Silent" Addiction

## **A Racetrack Casino Would Destroy More Lives And More Families In Colorado**

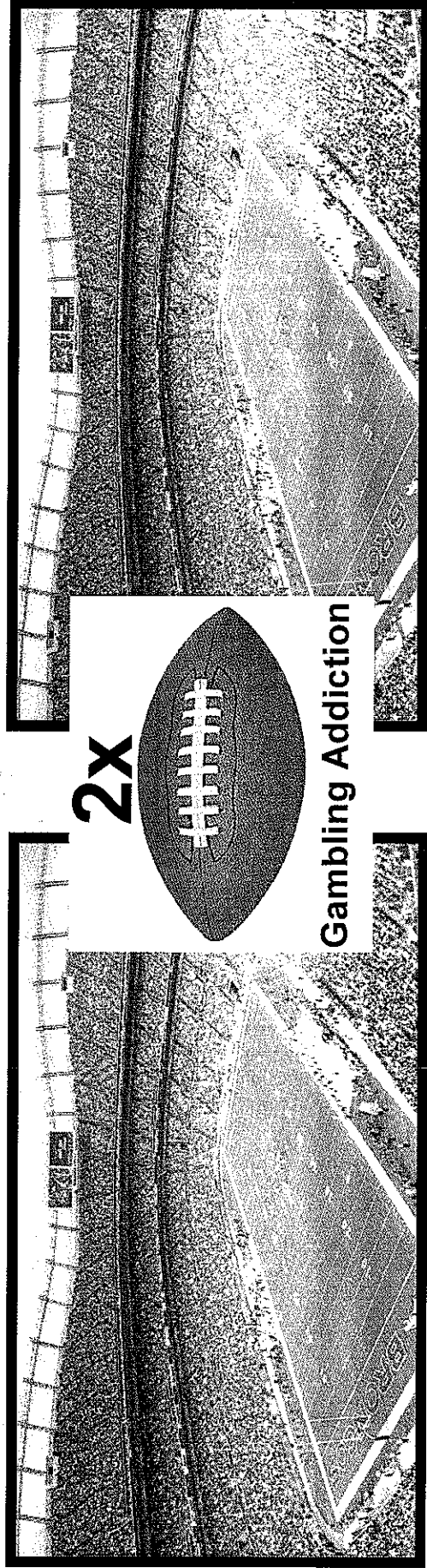
Excerpt from:

Dr. Rachel Volberg, Gambling and Problem Gambling in Colorado, Report to the Colorado Department of Revenue, 28 August 1997, pp. 36-37. (The study was published six years after the first casinos were built in Colorado.)  
"Overall, the lifetime prevalence of problem and pathological gambling in Colorado is 6.2% while the current prevalence rate in Colorado is 2.5%. The lifetime prevalence rate in Colorado is higher than in other Western states ..."

**By the Numbers: Current Estimate of Colorado's Problem and Pathological Gamblers**

**89,000 Adults + 54,000 Children = 144,000 Lives**

*Imagine filling Invesco Stadium twice to capacity with problem and pathological gamblers – that's roughly how many people are afflicted with gambling addictions in Colorado.*



# CRIME: The First Five Years After Gambling



# INCREASED CRIME



## BLACK HAWK (1990-95)

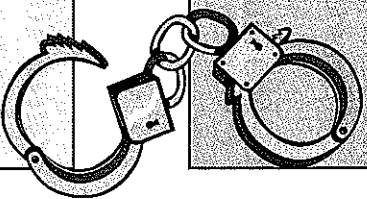
- Went from 0 staffed police to 29
- Went from 0 to 134 index crimes
- Police calls increased from 25 to over 15,000

## CENTRAL CITY (1990-95)

- Went from 2 staffed police to 16
- Went from 39 to 89 index crimes
- Arrests increased 275%

## CRIPPLE CREEK (1990-95)

- Went from 3 staffed police to 26
- Went from 0 to 164 index crimes
- Serious crime increased 287%




The Colorado Division of Gaming

# RACETRACKS

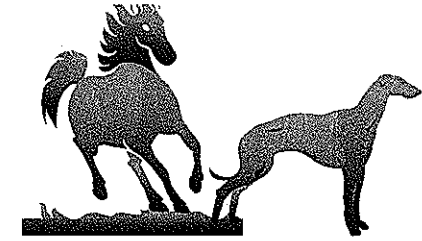
STATE OF COLORADO

2001 Annual Report

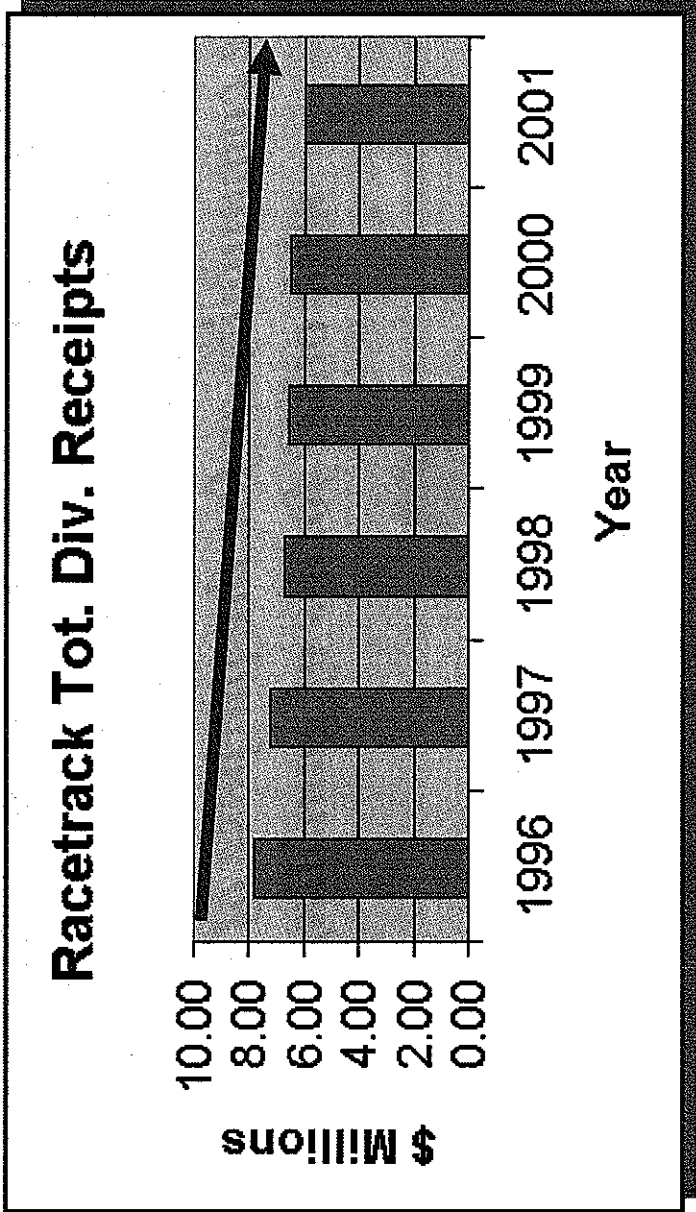


DIVISION OF RACING EVENTS  
 Department of Revenue  
 1081 Pierce Street, Suite 108  
 Lakewood, Colorado 80214-1494  
 (303) 205-2090  
 FAX (303) 205-2060

Year	Live Days	Pari-Mutuel Handle	Percent (compared to previous year)	Total Breakage	State Commission	Total Divisional Receipts
1996	843	d 258,295,605	+0.46	a 648,879.80	b&c 7,691,430.88	7,780,948.63
1997	860	d 251,868,450	-2.49	a 658,845.25	b&c 7,194,118.22	7,251,801.88
1998	f 667	d 235,104,817	-6.66	e 629,328.78	g 6,670,665.32	6,726,190.36
1999	f 652	d 244,568,401	+4.03	e 668,240.51	g 6,542,580.07	6,592,394.72
2000	f 659	d 241,368,462	-1.31	e 651,538.88	g 6,419,232.79	6,485,218.97
2001	f 859	d 233,123,732	-3.42	e 629,880.95	g 5,895,224.91	5,950,042.16



## DECLINE





**NATIONAL GAMBLING IMPACT STUDY COMMISSION**

800 North Capitol Street, N.W., Suite 450, Washington, D.C. 20002

Tel: 202-523-8217; Fax: 202-523-4394

June 18, 1999

**Recommendation 3.12**

*"The Commission recommends that states should refuse to allow the introduction of casino-style gambling into pari-mutuel facilities for the primary purpose of saving a pari-mutuel facility that the market has determined no longer serves the community or for the purpose of competing with other forms of gambling."*

**Racino**

