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May 12, 2021

Representative Julie Alexander
Chair, Agriculture Committee
Michigan House of Representatives

Via email: Dakota Soda, Committee Clerk, dsoda@house.mi.gov

Re: Opposition to HBs 4923-24, House Agriculture Committee Meeting, May 12, 2021

Dear Rep. Alexander, Committee Members and Bill Sponsors:

Thank you for the opportunity to provide information to the committee. Attorneys for Animals, Inc. (AFA) is a Michigan non-profit and 501(c)(3) organization of legal professionals and animal advocates. The organization's Board of Directors voted to **oppose HBs 4923 and 4924**.

This bill is one of several in the Michigan Legislature that uses the authority of the state to revive the horse racing industry. These two bills support the industry by revising the "Lawful Internet Gaming Act" (HB 4293) and "Lawful Sports Betting Act" (HB 4924) to remove the cap on money allocated to the Agriculture Equine Industry Development Fund. The industry's gain here is a potential loss to the internet sports betting fund, which funds, *inter alia*, the school aid fund and the compulsive gaming prevention fund.ⁱ

We believe that this is bad policy and a misuse of state resources. Supporting this industry means a lost opportunity for the state to use its scarce resources for the public benefit.ⁱⁱ

The horse racing industry essentially admits it cannot survive without massive government intervention.ⁱⁱⁱ Even horse racing "insiders" question the long-term viability of the industry.^{iv}

Horse Abuse: The industry is abusive to horses. The number of horses dying at the Santa Anita Racetrack in California since late 2018 received wide attention. The alarming rate of death continued into 2020 (until stopped by the pandemic) but has picked up again in the 2021 season, where 8 horses have died as of April 19.^v Our own state has a recent history of horse racing deaths. A horse died in September 2019^{vi} at Northville Downs, Michigan's sole remaining track. Another died there in July 2018.^{vii} Since 2015, when only one racetrack (Hazel Park Raceway) and one harness-racing track (Northville Downs) were open, reports obtained through FOIA requests reveal:

- 2017: 5 deaths at Hazel Park.^{viii}
- 2016: 3 deaths (all Hazel Park)^{ix}

- 2015: 3 deaths (2 at Hazel Park, 1 at Northville)^x

The causes of death include “suspensory rupture”, the horse having been run in four races prior to dying and “epistaxis” (bled from the nose); “large vessel rupture”; “post-race, ruptured artery”^{xi}.

Economics: In Michigan alone, seven racetracks have closed since 2000.^{xii} We urge committee members to consider two recent examples of attempts to open (or re-open) racetracks in assessing the viability of these businesses, even with government support:

- A Flint-area company has plans to re-open a racetrack that closed some years ago. Despite efforts over the past few years, the company is unable to secure a license from the Michigan Gaming Control Board which denied its most recent application in late October 2020, because the application lacked necessary information.^{xiii} The venture can only survive if this bill passes.^{xiv} However, if this bill does not pass, there are other uses for this property by the current owner. The City Manager has said that “Swartz Creek is in a better position to help redevelop Sports Creek if [the owner] decides the property isn’t worth reopening as a racetrack.”
- The failed effort in Wayne County to develop a racetrack near the airport is instructive. Wayne County provided significant financial support and ended up losing money as the racetrack closed after only two years with the developer walking away.^{xv}

Drug Use in the Industry: A well-known problem, two examples illustrate the scope of the issue: Just this week, the 2021 Kentucky Derby Winner has tested positive for a banned substance. In late 2020, after sponsorship by then Senate Majority Leader Mitch McConnell, Congress passed the Horse Integrity and Safety Act, which will apply nationwide standards to combat the rampant problem of doping.

If these bills pass, it will be because the legislature is betting that their intervention will transform the industry and is willing to ignore the harm caused to horses. The pain and suffering caused to horses by this industry is of questionable financial benefit to the state. The legislature should not be in the business of supporting this type of endeavor.

We urge committee members to consider whether this legislature should pass measures that only postpone its demise. We urge that this bill not be reported out of committee.

Very Truly Yours,



Beatrice M. Friedlander, JD
President

ⁱ [MCL §432.416](#), the Internet Sports Betting Fund, provides the following allocation: (b) After the expenditure under subdivision (a), each year, \$500,000.00 to the compulsive gaming prevention fund created in section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

(c) After the expenditures under subdivisions (a) and (b), each year, \$2,000,000.00 to the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(d) All money remaining in the fund after the expenditures under subdivisions (a) to (c) is to be deposited into the state school aid fund established under section 11 of article IX of the state constitution of 1963.

ⁱⁱ Consider that Gov. Wolf of Pennsylvania earlier this year proposed “a plan to divert millions of dollars that prop up Pennsylvania’s anemic horse racing industry in order to spend the money on a major new college tuition program. In his new budget plan, Wolf has proposed to shift \$199 million flowing from a special racing fund to pay for the educational assistance” <https://www.inquirer.com/news/wolf-horse-racing-subsidy-purses-disaster-college-tuition-20210203.html>

ⁱⁱⁱ See, for example, testimony at the Senate Agriculture Committee hearing, April 29, 2021, considering SBs 396-399., <https://misenate.viebit.com/player.php?hash=6Mhywdksuvy1> at approximately 00:21:00

^{iv}- Interview with *New York Times* reporter who covers horse racing, and says “horse racing has had lax regulation and the culture of drugs for decades”; “[the sport] is getting harder to love”; “there’s always been a promise for reform and change and it just never comes”; “they’re kind of putting themselves out of business, not only with all these scandals about doping and drugs...animal rights activists do not like to see this and I don’t blame them”; “there definitely needs to be a course correction and a culture reform.”

<https://www.wbur.org/hereandnow/2021/05/10/kentucky-derby-drug-test>

-JBK International, a consultant to the gaming industry asks “Can these racino operations survive long-term across the country?”, <https://jibk-intl.com/are-racino-operations-still-viable-investments/>

-The “senior blogger” at *The Little Red Feather Racing Blog* is a skeptic. Coming at the issue from a different perspective, he argues that the easy money from casinos will cause the industry to become complacent, and result in many track closures: “Horse racing has basically been relegated to a line item on a set of financial statements and treated as a cost of business. The day will come when racing isn’t playing with house money anymore, and that is when the real decisions are made. You have to know when to hold’em, know when to fold’em!”

<http://blog.littleredfeather.com/horse-racing-partnerships-101-racinos>

-“‘Racing is on life support,’ said Jonathan Stettin, a professional handicapper and columnist for the pastthewire.com website. ‘The decline in fan base has led to an environment where the tracks that survive and thrive are the ones with casinos, slots, other unconnected sources of revenue.’” <https://www.oregonlive.com/business/2021/04/return-of-horse-racing-makes-for-a-crowded-field-in-the-contest-for-oregon-gambling-dollar.html>

^v <https://www.latimes.com/sports/story/2021-04-19/eighth-horse-dies-santa-anita-multiplier>

^{vi}<https://horseracingwrongs.org/category/death-reports-michigan/>, a horse named Smarter Yet died on September 14, 2019 due to “warming up for a race – cardiovascular collapse” per the Michigan Gaming Control Board, via a FOIA request

^{vii} *Ibid*, a horse named Ounce Hanover died on July 21, 2018 due to “fractured front leg” per the Michigan Gaming Control Board, via a FOIA request

^{viii} <https://horseracingwrongs.org/2018/02/03/suspensory-rupture-carpus-fracture-epistaxis-hazel-parks-dead-2017/>

^{ix} <https://horseracingwrongs.org/2017/02/08/killed-at-hazel-park-2016/>

^x <https://horseracingwrongs.org/2016/01/30/dead-in-michigan-2015/>

^{xi} “Suspensory rupture”, the horse having been run in four races prior to dying and “epistaxis” (bled from the nose), *supra* at iv; “large vessel rupture”, *supra* at v; “post-race, ruptured artery”, *supra* at vi

^{xii} Saginaw Valley Downs, closed 2005 after 25 years of racing
Great Lakes Downs, closed 2007 after 18 years of racing
Jackson Harness Raceway, closed 2008 after 60 years of racing
Pinnacle Race Course, closed 2010 after 2 years of racing
Mount Pleasant Meadows, closed 2013 after 28 years of racing
Sports Creek Raceway, closed 2015 after 28 years of racing
Hazel Park, closed 2018 after 69 years of racing

Source: <https://horseracingwrongs.org/shuttered-u-s-racetracks-since-2000/>

^{xiii} <https://www.mlive.com/news/flint/2020/11/state-denies-sports-creek-racing-simulcast-licenses-for-2021.html>

^{xiv} “Swartz Creek City Manager Adam Zettel, said he’s been in contact with the company as recently as last month and believes the track won’t reopen unless the state changes a law that allows for betting on historical horse races” *ibid*. See also <https://www.mlive.com/news/flint/2020/01/sports-creek-owners-have-a-license-but-its-still-unclear-whether-they-race-in-2020.html>: “The officials have previously said state laws need to be changed to make horse racing viable again in Michigan, including making it easier for bettors to make wagers on their cell phones and allowing patrons to wager on races that have already occurred -- something that would allow for wagering even when live racing or simulcasting isn’t happening.”

^{xv} <https://www.freep.com/story/news/local/michigan/2019/12/19/former-race-track-property-sold/2687466001/>