



# TROT PAC

NEW JERSEY HARNESS RACING'S POLITICAL ACTION COMMITTEE



## Building a World-Class Racino at the Meadowlands

### Benefits to the State of New Jersey

In the first fiscal year (*i.e.*, *fiscal year 2011*) the State of New Jersey would receive **\$600 Million** in exchange for the right to operate the Meadowlands Race Track and to install 5,000 VLTs (*video lottery terminals*) at the Meadowlands.

Tax revenues from this one operation at the Meadowland containing 5,000 VLTs would be approximately two times the gaming tax revenue from all Atlantic City casinos.

Tax revenue for fiscal year 2012 and thereafter is estimated to be at least **\$350 Million** per year.

There would be no investment for the State of New Jersey, no loan guarantees, no future sports authority budget deficits, and no future obligations for the State.

**1,000 new permanent full-time jobs** would be created to operate the racino and the newly refurbished racetrack.

**2,000 new construction jobs** would be created in all trades.

Up to **12,000 jobs** would be lost in the State if the Meadowlands closed and the racing and breeding industries were essentially shut down

**6,000 new jobs** in the racing and breeding industries estimate would be created even before the opening of the racino at the Meadowlands.

**Two new charitable foundations** would be created and would be funded with profits from the private company proposing to run the racino.

One foundation for senior citizens' prescription drug needs

One foundation for college scholarships

**Privatization** of the operation of the racetrack and racino would be similar to the route taken in all of our neighboring States.

Based on a Rutgers study in 2007, the racing and breeding industries currently pay \$115 Million in taxes to the State of New Jersey. With the economic multiplier effect, the total tax revenue annually is estimated at **\$780 Million**. This tax revenue would essentially evaporate if the Meadowlands Racetrack were closed.

Tax revenue from the racing and breeding industries would increase at least 50% if a racino becomes operational at the Meadowlands. Thus, tax revenues would increase to a total of **\$1.1 Billion**.

The difference in tax revenues between installing a racino and not doing so is estimated at **\$1.7 Billion** per year (*that is, \$1.1 Billion in taxes from the racing and breeding industries plus \$600 million from the racino operation itself*).

Building a world-class racino at the Meadowlands **leverages on New Jersey's natural resource** of population density. It also leverage on an asset – the Meadowlands Racetrack, which is internationally known with a world-class reputation. Like Pennsylvania, when Governor Rendell eliminated school tax for \$100,000 senior citizens using racino tax revenue, New Jersey lawmakers would be given the opportunity to **fulfill its promise to reduce property taxes** and stem the outflow of residents from leaving New Jersey for neighboring States.

Installing a racino makes New Jersey **competitive** with New York, Pennsylvania and Delaware, which have established 12 racinos and casinos on New Jersey borders and 32 racinos/casinos in the Northeast.

According to a study by the Corzine Administration (*Christiansen Study*), the impact on Atlantic City revenues if 5,000 VLTs were installed at the Meadowlands would be less than a **2% decrease**.

Currently, there are 176,000 acres of open space dedicated to support equine operations in New Jersey. A vibrant and competitive race breeding industry will **continue to support such open space**. Without such vibrant and competitive preservation, that open space will fall on the already overtaxed people of New Jersey.

## **Fast Facts on the Impact of Horse Racing in New Jersey: Impact on the Economy, Traditional Agriculture and Open Space**

*Prepared by Karyn Malinowski, Ph.D. – December 9, 2008*

### **Total economic impact of \$1.1 Billion annually**

Racing contributes to \$780 Million of that total (*\$502.3 Million from racetracks*)

### **Employment**

Nearly 13,000 jobs generated by the equine industry

Racing contributes to 7,000 jobs (*racetracks generate 3,820 jobs*)

7,200 equine operations in New Jersey (*not including racetracks*)

Value of land and capital - \$3.3 Billion

176,000 total acres reported by equine operations

700 racing-related facilities

57,000 agricultural acres related to racing (*34,000 on-site acres and 23,000 traditional agricultural acres used to grow food and bedding for horses*)

Value of land and capital of racing-related operations \$833 Million  
Value of land and capital of New Jersey racetracks \$476 Million

### **Tax generated**

Nearly \$160 Million are paid annually in federal, state and local taxes  
\$75 Million by New Jersey racetracks  
\$40 Million by New Jersey racing-related interests  
\$940,457 in sales tax from claimed horses at New Jersey tracks in 2007

### **Equine Animals**

42,500 equine animals in New Jersey  
Valued at \$582 Million  
12,500 in racing-related activities  
Valued at \$407 Million