



Governor rode a dead horse

By Jim Waters

Kentucky's horse racing industry faces serious challenges.

The amount of activity at Churchill Downs and Ellis and Turfway parks is fading like a speedy frontrunner in a mile-and-a-half race. Purses get thinner, trainers leave for out-of-state tracks, breeding incentives dwindle and crowds do the same.

Chuck Stinnett, the Henderson Gleaner business editor, reported recently that [Ellis Park drew 8,500 people with free admission to an event last year](#) featuring jockeys racing camels and ostriches between horse races. It made for the biggest crowd in 20 years, but still less than half the record 18,000 who paid to watch races on Labor Day in 1951.

Those kinds of crowds made Kentucky the horse racing capital of the world. And for a long time, other states conceded that title. Now states such as Indiana, West Virginia and Pennsylvania want bigger pieces of a shrinking pie.

Like Mine that Bird on race day, these states have come out of nowhere to put their horse-racing operations on steroids with mammoth breeding incentives and bigger purses paid for largely by "racinos" — video gaming terminals at the tracks.

Churchill Downs remains the focus of the entire nation each first Saturday in May. The rest of the year, it struggles but manages to stay afloat. However, owners of smaller tracks such as Ellis Park say they might close their operations since politicians haven't give them a bailout by passing a law allowing "racinos" at Kentucky's tracks.

Businessman Ron Geary, who's already reduced the number of racing days during this year's live meet by more than half, says Ellis Park will close after Labor Day. Yet Geary knew when he bought the track that it was already losing money.

Geary wanted a bailout from Frankfort during the recent special session, claiming he didn't grasp how competitive the industry was when took over Ellis Park.

But should we usher in what Rev. Bob Russell, former pastor of Louisville's Southeast Christian Church — one of the nation's largest congregations — called "the crack cocaine of gambling" just because Geary is afraid his risk might not pay off? Why not give slots to every failing business?

Gov. Steve Beshear called the Legislature back into session to help provide some indirect corporate welfare to wealthy horse-track owners such as Geary. He was hoping lawmakers would vote to allow "racinos" at Kentucky's tracks.

But the numbers didn't back Beshear's claims about the impact of expanded gambling.

To increase racing purses by \$94 million, as the governor claimed his plan would, gambling at horse tracks would have to increase from the current \$470 million to a whopping \$5.3 billion. Even if every dollar currently wagered in other states by Kentuckians were recouped, it would still amount to less than \$1 billion.

Also, an analysis by [Jeff Hooke and Associates](#) shows that only 26 percent of the revenue in Beshear's plan would come from Kentuckians currently crossing the border to play in other states, meaning that 41 percent would have to come from *new* slot players.

Smart gamblers wouldn't have bet on that happening.

I was suspicious of the governor's plan because he didn't want to allow on the special-session agenda an [alternative proposal by Senate President David Williams, R-Burkesville](#), which would fatten Kentucky's racing purses by \$80 million *without expanded gambling*.

A wise elder once told me: "If you're confident in your stance, don't fear a debate. If you're right, your assertions will endure the scrutiny and remain standing when the dust settles."

The governor's plan bit that dust.

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