

'Historic' horse racing bill out of gate

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DENVER — A who's who of Colorado's \$1.6 billion horse industry, including former Denver Nuggets player and coach Dan Issel, waited for several hours at the State Capitol Wednesday to convince a majority of the House Agriculture Committee that their industry needs saving with a new form of betting on horse racing.

It worked.

The House Agriculture, Livestock and Natural Resources Committee voted 8-3 Wednesday night to endorse a bill that would allow instant wagering on "historic" races at the one track and two off-track betting parlors that currently have simulcast racing.

"This is an opportunity to utilize gambling as an enticement to racing and rebuild our horse racing industry in Colorado," said House Bill 1152's sponsor Rep. Jerry Sonnenberg, R-Sterling. "Right now we are losing out to New Mexico and Arizona."

Sonnenberg's bill would allow online betting from an established account and allow patrons to bet on the outcome of digitally-recorded races previously held at licensed horse tracks. All identifying information for the historic races would be deleted so the patron would not know the outcome in advance.

Opponents argued the measure would allow the creation of "racinos" in violation of the state constitution that limits casino-style gambling to three historic mountain towns.

A six-hour hearing on another bill dealing with so-called puppy mills delayed the start of the hearing on Sonnenberg's bill until after 6:30 p.m.

Among those who waited to testify were Dr. Jim Heird, director of teaching and outreach of the Colorado State University equine center and president of the Colorado Horse Development Authority; Vaughn Cook, who with his wife Dr. Jill Cook, runs one of the largest horse breeding farms in Colorado; leaders of several horse associations; and Issel, who represented the Thoroughbred Owners and Breeders Association of Colorado.

"Colorado is one of the greatest places in the world to raise a race horse," said Issel, who lives in Castle Rock. "But because of the economic conditions, we are losing jobs, horses and trainers to neighboring states, primarily New Mexico. It's becoming increasingly more difficult to race in Colorado."

An attorney for the Colorado Gaming Association, Mark Grueskin, warned the bill would allow slot-machine style gambling in violation of the state constitution. He said the betting machines that the racing industry wants to use at Arapahoe Park and two OTB sites meet all six criteria for the definition of slot machines.

"Every element is satisfied in the constitutional definition of slot machines," Grueskin said. "If all the players have an equal chance of winning, then knowledge doesn't matter. That makes it all luck and no skill."

A representative from the Colorado Springs-based Focus on the Family also testified against the bill as an expansion of gambling that would hurt families.

“This is a deceptive ploy by the horse industry to convert race tracks to casinos,” said Chad Hills, FOF’s analyst for gambling research and public policy. “I’m here on behalf of the thousands of families who will experience the negative impacts of racinos.”

Also opposed were Arapahoe County Commissioner Rod Bockenfeld, who read statements of opposition from the entire county commission and Sheriff Grayson Robinson, and Cunningham Fire Protection District Chief Ira Rhodes.

The officials said the expansion of gambling at Arapahoe Park did not fit in with the neighborhood and could lead to an increase of crime or safety issues.

“This allows the placement of instant-racing machines that are similar to slot machines,” Bockenfeld said. “A change of use for this facility is incompatible with the local community.”

Tony Gasich of the Rocky Mountain Quarter Horse Association said the bill grew out of discussions among several horse groups about how to revive the industry.

“This is not a gambling bill; it a horsemen’s bill,” Gasich said. “This is not going to put a big hurt on the casinos. It just something a bunch of us pieced together to try to help the industry.”

Heird said the equine industry is one of the top five agricultural segments in the state and makes a \$1.6 billion contribution to the state’s economy. He said the bill could help entice new research investments to Colorado.

Sonnenberg’s star witness, however, may have been Louis Cella, president of the Oaklawn Park Race Track in Hot Springs, Ark. His family-owned business developed the instant-betting machines that he claimed saved Oaklawn and other horse tracks across the country from closing.

“We created instant racing at Oaklawn, not to get around some type of law, but as an evolution of racing. It is an evolution of simulcasting,” Cella said. “Racing can survive, but it must adapt and change in order to maintain the fan base.”

Sonnenberg’s bill next goes to the House Finance Committee for further consideration of the fiscal implications.

“I came into this thinking I didn’t have the votes,” said Sonnenberg after the three-hour hearing that ended at 9:30 p.m. “Clearly, the patience of all these people who waited so long to be here had an impact.”