

## Study Shows Large Economic Impact of Racing Industry

### SPIRIT OF JEFFERSON Farmer's ADVOCATE

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A study commissioned by the Charles Town Horsemen's Benevolent and Protective Association (HBPA) released this week shows that the racing industry provides a large financial contribution as well as thousands of jobs in the Eastern Panhandle.

According to the study, titled "The Economic Impact of the Charles Town Thoroughbred Race Horse Industry on the Charles Town Economy," completed by Dr. Richard Thalheimer, of Thalheimer Research Associates, racing contributes more than \$173 million in economic impact and provides 3,658 jobs locally. This study is an update to a previous study done by Thalheimer in 2000.

The study limits the impact of the parimutuel race horse industry and does not include slot machine gaming, Thalheimer said at a presentation of the results last Thursday. He said that over the past five years, there has been a large increase in horse farms in the area, from 55 in 2000 to 140 today. These farms, along with the services related to the raising and racing of horses, helps broaden the economic base in the area.

HBPA President Randy Funkhouser addressed those gathered for the study presentation, saying how proud he and the organization are to be partners with Penn National Gaming who have helped expand the live racing in Charles Town. As Thalheimer pointed out, without gaming other than horse racing, it is difficult to maintain a successful racing industry. The addition of slot machines at Charles Town bring in funds which contribute to the purses in racing.

The funds that racing bring in also are important to the economy. Funkhouser said, "The study clearly demonstrates that the economic importance of the thoroughbred industry is critical to the state and local economy. It is much greater than just the monies that are dedicated by statute from the money wagered at the tracks and redirected to education, senior programs, tourism and local governments."

The study examined the importance of the purse fund to the continued development of the thoroughbred industry and noted the critical issues facing the industry such as the passage of slot machine legislation in neighboring Pennsylvania and possibly Maryland which will have direct impact on West Virginia.

Funkhouser commented, "The original legislation to allow video lottery games at West Virginia race tracks was directly tied to preserve and enhance live racing." These comments came as Funkhouser spoke of the possibility of table game legislation which would allow the expansion of gaming at Charles Town Races and Slots to include table games. He said that the HBPA would consider helping support passage of such legislation only if the legislation included three things. One of those items would be the guarantee to preserve and enhance Live racing.

Funkhouser also mentioned that a second consideration in having the horsemen support table game legislation would be a local referendum, a matter which has come up over the past several legislative sessions when there has been an attempt to pass the table game legislation.

Thirdly, Funkhouser said, there should be a correction to the iniquities in 2001 and 2005 in legislation which cost the horse industry more than \$40 million from the purse fund. Less money went to the purse fund because of statutory changes in the funneling of the money and the workers' compensation diversion. The study indicated that the race track's share of gross terminal revenue for purses was 43% lower in 2006 than in 2000. Most recently, the study said, the

amount aid from VLT revenues to regular purses decreased from fiscal year 2005 to fiscal year 2006.

The study said that "as a result of the reduction in the horse industry's share of gross terminal revenue, the state's share increased from about 31% in fiscal 2000 to about 41% in fiscal 2006, an increase of 32%.

Thalheimer said that with the impending introduction of racino gaming (racing and other forms of gaming such as slots), in Pennsylvania threatens to reduce employment, spending, and profitability of racing and breeding operations in West Virginia. "If purses and breeder awards continue to fall because of the decreased share in VLT revenues and increased competition from racinos and casinos in neighboring states, the recent gains made by the Charles Town racing and breeding industry will not be expected to continue, and in fact, may be reversed.

Attorney for the HBPA Clem Martin stressed the economic impact of racing and horse farming as well as the importance to the county's green space. "This industry is a way to maintain green space and a quality way of life. These are values we all want in our community."

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