

THE TEXAS THOROUGHBRED

The official publication of the Texas Thoroughbred Breeders' Association

Track betting a winner in 50 counties
By KAREN FORTER
Gov. Bill Clements' executive order...
tracks are 'off and running'
By ANNE PEARSON
Local horse-racing...
Racing opponents on the run
Central Texas voters favor betting on horses by wide margins
Racing industry related over vote
Experts predict national impact...
Texas is off to the races!
TEXAS BETS ON RACING
Dallas Times Herald
Wednesday, November 4, 1987
Voters buck longtime opposition to approve pari-mutuel wagering
Tracks prepare to offer racing by fall of '88
Pari-mutuel Horse Racing: Jobs for Texas breeders



LOCATIONS OF PROBABLE PARI-MUTUEL RACE TRACKS IN SOUTH TEXAS

PARI-MUTUEL 87

ON THE COVER
A picture tells a thousand words—in this case, a composite of newspaper headlines from all over Texas, heralding the passage of pari-mutuel racing. Design and photo by Anne Lang.

And...They're Off!

The starting gates of pari-mutuel racing burst open with a clang heard 'round the state as Texas voters approved the measure in an unprecedented turnout at the polls

Tuesday, November 3, 1987 will be recorded as one of the greatest days in Texas racing history as more than 1,200,000 citizens of the Lone Star State voted to bring pari-mutuel wagering back to Texas for the first time in 50 years.

An overwhelmingly large turnout of the state's registered voters resulted in a 57-43 percent margin of approval for Senate Bill 15, which will allow legalized gambling on horse and dog races in Texas. The issue was subjected to a statewide referendum after initial passage in a special 1986 budget session of the Texas Legislature.

Secretary of State Jack Rains, whose office had originally predicted a 14 percent voter turnout, said the ultimate turnout of over 30 percent — or 2.15 million voters — set a record for off-year elections.

"Not since Texans voted on a new state constitution [defeated in 1975] have more than one million citizens gone to the polls in an off-year election," Rains declared. Sharing the ballot with pari-mutuel was a statewide referendum on whether to return to an elected school board, and 25 constitutional amendments. The pari-mutuel referendum was generally viewed as the major drawing card at the polls across Texas.

Most precincts throughout the state were so unprepared for the large number of voters that, in many areas, votes were cast on paper napkins and photocopies of official ballots. In numerous counties, voters stood in line for more than an hour

By ANNE LANG

after polls closed, waiting for a chance to exercise their constitutional right. Consequently, statewide returns were still being tabulated well into the following day.

"If I could have written a script for election day, this would be it," said Jeff Steen, finance director for the Texas Horse Racing Association. "Good weather and high turnout in all areas."

Governor Bill Clements, who had remained neutral on the pari-mutuel issue since his election last fall, stated to the news media on November 3 that he did vote for pari-

mutuel. "It will mean jobs and capital investment for the state of Texas, and certainly our economy can use that kind of help right now," he said.

The governor went on to say he thought the enormous turnout was "just marvelous. It certainly shows that the people of Texas are interested in the issues and that's wonderful. They are discriminating. They obviously knew what they wanted to vote for and what they wanted to vote against."

Texas will become the 41st state to offer pari-mutuel horse racing. The activity was initially legalized in Texas back in 1933 during the Great Depression, but was repealed by the legislature in 1937 when the general economy began to recover.

Senator Ike Harris, sponsor of the racing bill, declared he was elated with the victory, which he attributed to "just longtime pushing, pushing, pushing. The other side made a dent with their animal cruelty stuff, but they peaked too early and faded."

House Speaker Pro Tempore Hugo Berlanga, also a sponsor of the racing bill, agreed with Harris, adding: "The central message we tried to push was that, number one, it would help diversify the Texas economy."

Fifty-six of the state's 254 counties included a local-option provision on their ballots, allowing voters to choose whether or not they desired pari-mutuel wagering in their respective counties. Out of those 56, there were 50 counties that approved the local-option proposal, in-



cluding those that contain the major cities of Houston, Fort Worth, San Antonio and Austin.

(Dallas County commissioners opted to postpone the local vote pending the outcome of the statewide referendum; reports indicate there will be a pari-mutuel election in Dallas County as early as January, or as late as next May.)

Greyhound racing, according to Senate Bill 15, can only be conducted in the three coastal counties of Galveston, Nueces and Cameron. Local-option approval occurred in all three areas.

Major horse racing tracks (Class I status) can only be built in the Houston, Dallas/Fort Worth and San Antonio areas, where races could be held 45 days a year or more. Class II tracks, of which there are approximately 17 currently in operation throughout Texas, could race a maximum of 44 days a year. Fairground tracks (Class III) would be limited to 16 continuous racing days annually.

Existing tracks, such as Bandera Downs (north of San Antonio) and Manor Downs (east of Austin) are two of several tracks at the Class II level that are planning major improvements and hope to be set up for pari-mutuel wagering as early as the fall of 1988. Class I tracks are not expected to be completed and operational for another two to four years.

However, there cannot be any pari-mutuel racing in Texas until Governor Clements appoints a racing commission, which will have total authority over horse and greyhound racing, the licensing of tracks, the allocation of racing days, and betting regulations. Once appointed, the commission's first order of business will be to formulate rules governing racing in the state. They will subsequently review applications to build and operate Texas racetracks.

As of early December, the governor's office had received nearly 200 applications for the six-member commission, and Clements had indicated that the selection process will be meticulous, emphasizing his desire that pari-mutuel wagering in Texas will have "absolute integrity. Texas will accept nothing less, and neither will I. We will work to make the racing system second to none, and that means we will not tolerate anything

but the best," Clements stated.

"I can assure you that when I make these appointments, they will have in mind all of the constituencies of Texas."

THRA's Jeff Steen predicted a six-to-nine-month period during which the commission — once it is formed — will devise its rules and regulations and process license applications. These steps will all have to be completed before the first shovelful of dirt is thrown for the first Class I track.

"We do not have a specific time frame [in which the commission will be chosen]," Deputy Press Secretary Jay Rosser said in November. "We're just going to complete a list, check it twice, three or four times and try to find the best commission possible."

The racing commission will consist of six members who will be paid



only for expenses and will not be permitted to place bets on horse or dog races. These six include the Clements appointees who will serve six-year staggered terms: one small animal veterinarian, one large animal veterinarian, two citizens with horse racing knowledge, and two citizens with dog racing expertise. Ex-officio members who will round out the commission are, according to Senate Bill 15, the state comptroller of public accounts (currently Bob Bullock) and the chairman of the public safety commission (currently John Fainter).

An annual budget of \$250,000 will be granted to the commission.

Senator Harris has indicated to the media that he will recommend that the governor select commissioners who are on the "conservative side. [A commissioner] should be someone who is hard-nosed," and

who will advocate emphasis on breeding and raising horses, Harris said. He added that he thinks the commission should "guard against oversaturation" of racetracks and, in doing so, "they may make some people mad."

Texas Horse Racing Association Executive Director Ricky Knox, one of the key lobbyists during both the 1985 and 1987 pari-mutuel campaigns, stressed that the November 3 victory was not only a boost for Texas horsemen, but for the entire Texas citizenship.

"I think we're going to see economic growth, development and jobs as a result of this vote," he was quoted as saying on election night. Knox said that Texans for Economic Development, THRA's political arm, spent about \$900,000 on its campaign, which included a statewide phonebank, surveys and polls, a media blitz and numerous fundraisers, among other activities.

According to the fact sheet THRA distributed to the press, racing will annually contribute \$415 million directly to the state's economy and generate another \$1.24 billion indirectly. Nearly 11,000 jobs will be created from horse racing and the running and maintenance of tracks, with an additional 8,000 jobs in new construction and track improvements. THRA estimates initial spending for Texas farm construction and expansion will reach the \$200 million mark.

Over the next two years, \$562 million will be spent in real estate purchases and related construction, the report predicts. Between now and 1992, the state's share of pari-mutuel wagering will be \$110 million, annually (netting five cents from every dollar bet on horses, and six cents from every dollar bet on dogs). State tax revenues from sales, gasoline, hotels and other taxes resulting from pari-mutuel wagering will escalate by \$30 million each year, estimates show. 🐎

Coming in the months ahead: how the pari-mutuel bill specifically affects Texas Thoroughbred breeders. The TTBA Board of Directors is working diligently toward implementation of a new breeders' program that will be beneficial to all, and that will adhere to the terms and definitions stated in Senate Bill 15.