

Racing & Gaming Transcript

12-2-2021

SPEAKERS

Jean Raymond, Ed Kinowski, Sandra Winney, Skip Carlson, Dan Pemrick, Jeff Cannizzo, Benny Zlotnick, Tom Richardson

Benny Zlotnick

Okay, I can see by the clock on the wall it's three o'clock so I'd like to welcome everybody to the Racing and Gaming committee meeting for December 2. Bridget, can you take attendance please? Thank you. A quorum is present. So we will move on to the approval of the minutes of October 7 meeting. Need a motion to approve those minutes?

Dan Pemrick

So moved.

Benny Zlotnick

Thank you, Dan.

Sandra Winney

I'll second that motion.

Benny Zlotnick

Okay. All in favor?

Several Supervisors

Aye.

Benny Zlotnick

Any opposed? All right. Thank you, folks. Moving on. Recently, we've had some news come down that the folks downstate have wanted to change the tax laws, something along the lines of that, and moving funds away from our big economic drivers, two of our big economic drivers here in the County, both, both the standardbred and the thoroughbred racetrack. So I've asked both gentlemen who spoke earlier this year to us to come tonight, this afternoon anyway, and give us a little bit of insight as to what harm could actually happen if this bill is this proposed bill is passed. So we have Jeff, I'm going to get it wrong again, Cannizzo from NYRA and Skip Carlson from the from the Casino. So, Mr. Cannizzo, if you'd like to give us a couple of minutes, that'd be great.

Jeff Cannizzo

Thank you. Thank you to the committee. So we're here to present a concern for, there's a bill number 8468 in the Assembly, that has been introduced by Assemblywoman Rosenthal, from New York City, this bill currently does not have a same as in the Senate so it's a one house bill. But that bill would single handedly destroy all of the racing industry. When I say all of the racing industry, I mean, both the standardbred side and the thoroughbred side. The bill, simply put, would defund our VLT legislation, and laws and tax codes, such that the money that flows through to our industry from video lottery terminals, which is in excess of \$200 million dollars annually, across all tracks in the state of New York, to all breeders and breeding funds in the state of New York, and to all horsemen and purses in the state of New York, that was put in place way back in 2001, that has been the lifeline for both standardbred and thoroughbred industry as we know it. It funds a significant portion of NYRA's purses, which is what drives horses and people here in the summer, which is the factor that trickles down to all of the economics, economics of communities that you're a part of. So this legislation would defund our entire programs across all breeding and racing in the state and really be the impetus behind, you know, completely changing the landscape as we know it for racing and breeding. So NYRA is, of course opposed to this legislation amongst the rest of the industry and we're here looking for your support in opposition of the current bill that's in play.

Benny Zlotnick

Thank you. Mr. Carlson.

Skip Carlson

Thank you, Chairman. And it's always a pleasure to come here because, and I think I say this just about every time I come here, because if it wasn't for the Saratoga County Board of Supervisors, we would not exist today. That's plain and simple. 100% fact, and it happened in 2003 and I, every time I come here, I remember that and I always want to thank everyone. So I, I appreciate the opportunity to come down here and speak before you. So I'm, I'm going to probably just reiterate some of the points that Jeff made, but it would be catastrophic to us. So I'm gonna I'm just going to give you a few statistics that, and Jeff can maybe after I'm done maybe he can tell you how much it would what percentage it is a purses of NYRA, but the video gaming revenue that funds the purses that Saratoga harness or Saratoga Casino Hotel, it's 85% of our purses, 85%. So if that money would go away, it would be absolutely catastrophic to our industry, absolutely catastrophic. So, you know, I'm not to give you a big huge insight to this, but you know, we have our live racing, handles is very small, we have a signal out where we take, we send our signal out to other tracks, we take signals in, we have regional OTB commissions. And believe it or not, what has become a major part of our purses now is market origin commissions that result from people in New York State betting with out of state ADWS, it's been become a substantial part. And the other part is OTB commissions. So all those things that I just mentioned, result in 15% of the purses, and it's hard to normalize things after what we've all gone through in the last two years, so we've been closer part of the last two years, but on a normalized basis, our purses are about 15 to 16 million. And, you know, so 15% of that would be what we'd be racing for if this went away. And just to give you an indication, back in 2003, before Saratoga County Board of Supervisors passed the legislation, our purses were 3.1 million, so we've gone from 3.1 million to 15 to 16 million significant increase. And just to give you an, the last percentage I'll give you is we pay approximately, because it varies throughout the year, we pay 8% of the gross gaming revenues from

VLTs, go to purses 8%. So I will tell you, the group that is lobbying for this money to go to other causes, you know, it's probably not, it's not going to happen in the short term, but as an industry, we should be very aware of people that are passionate about what they do. And these people that are it, that they've created, they probably got four or five organizations that they've that are working together, it's just not PETA like it used to be, these are organizations that are well funded, they are politically savvy and as I said, they're passionate that in their mind racing is, I don't want to say it's evil, but they just think it is you know, that there are some issues that they have that it is just not fair to the horses, and that, you know, whether it's the drug use or whatever the you know, the number of things that they bring up, but I think it's incumbent upon us to come up with a plan to show how racing is economically viable and important to our communities. And I think you know, we're in the process of doing that. So I really appreciate your support and I think we're here, maybe you can ask us a few questions, if you have any questions about what they you know what this is all about.

Jeff Cannizzo

And before we do that, I want to thank you for doing that, because it plugged in a few numbers that I want to tell you about two for NYRA. So the same VLT money is 38% of NYRA's purses, which is \$60 million annually. Right? The Saratoga meet as you know it, and what again, what drives everyone to this community for 40 days and beyond, would not exist the way that it does today. So 38% of our purse account would come that way. And then the other important part, that's very important, is we have a capital fund CAPEX fund that comes from VLT revenue. That CAPEX fund is exactly why you've seen and heard some of the things I think I've talked about this past year, improvements to Saratoga Race Course. So the buildings, the infrastructure, the track, the 1863 Club, for example, and a variety of other projects we have planned, are all single handedly funded through that source of revenue as well.

Benny Zlotnick

Thanks. I remember we had our meeting in October, you came with some results or statistics from the track. If you could send that back to me, I can hand it I can forward it back forwarded on to these guys again, so they can see that and we can hand it up to the committee moving up when we when we do that so that the economic impact of, not only just taking the lottery money out of here, but the jobs and you know, extra expenditures and all the other ancillary items that are that are affected by this, you know, could be affected by this, that we will have a little bit of backup for them.

Jeff Cannizzo

Will do.

Benny Zlotnick

Great. Thanks. Anybody have any questions for these gentlemen this afternoon?

Tom Richardson

Not a question for these gentlemen, but another thing you might want to try to find out to Benny is from Todd Shimkus what kind of an impact that would have on all of the hotels and the tourism and everything else, because I think if something like this were to happen, you would see a huge decline in

Saratoga Springs, which, which is one of the biggest generators in Saratoga County, obviously. So but you might want to talk to Todd also to get some numbers from him to see what he thinks might happen.

Benny Zlotnick

Okay, thanks.

Tom Richardson

That'll give you more ammunition moving forward.

Ed Kinowski

Mr. Chairman? From here, where do you anticipate us sending some documentation or some form of documentation up through Economic Development or direct to Law and Finance for proposal of resolution for us to send forward?

Benny Zlotnick

Well, I'm going to kind of take everything that and everybody's been talking about for a few minutes here, talk to our attorney afterwards and see what we can write up to either take up to either one Economic Development or Legislative

Ed Kinowski

Legislative and Research.

Benny Zlotnick

Yep.

Ed Kinowski

Yep. Okay. Very good.

Benny Zlotnick

And obviously, they they're going to have something that's supporting that too, but I think if we could hand something up to those committees, that would be good, too.

Ed Kinowski

Yeah. Rosenthal's been a kind of like a champion of many activist items coming up defunding funding the police, and a whole bunch of other things and I can't imagine this going, but it's like you say, they're politically savvy, they're well funded and they, they can twist things around quite a bit. And we've got to be very proactive in this arena. So we need to do that. So thank you.

Benny Zlotnick

So with that, I would like to have, go ahead Jean.

Jean Raymond

I, could I take a minute, just to I know, you're aware of this but just to inform those of you on the committee who are not aware that simultaneously, in updating the legislative and research program for

next year at the request of our legislators that they have it earlier, as the staff was updating this same issue came up and was included in a discussion, and has been added to the legislative program as well, so that everybody's going to be in favor of this. And I don't know, I apologize for being a few minutes late but there are many other local governments besides Saratoga County, in the towns and villages, and cities that will be affected. This revenue, I don't have a listing, I don't know, I'm sure you guys know who it is but there are, this is going to resonate across the state. I suspect it won't go too far when, when people become aware of it. And I think we are proud of ourselves and in particular, Matt and Benny, who are on the cutting edge of getting this issue out ahead of even the budget or anything, I compliment you.

Benny Zlotnick

Thank you. Um, so with that, I guess maybe we need a motion to kind of or to draw up something to pass up to our to our two committees.

Sandra Winney

I'll make that motion, Ben.

Benny Zlotnick

Okay. Thank you, Sandy.

Ed Kinowski

Sound good. I'll certainly second it.

Benny Zlotnick

Thank you. All in favor.

Several Supervisors

Aye.

Benny Zlotnick

Thank you. Yeah. So I'll get together with you guys later today or tomorrow morning and see if we can we can work it up and pass it on, pass it on up the line here so that we're all pulling on the same direction here.

Sandra Winney

That'd be great.

Benny Zlotnick

Does anybody have any thing else? Okay, seeing none, I will entertain a motion to adjourn.

Ed Kinowski

I'll make that motion, Ed Kinowski.

Dan Pemrick

Second, Dan Pemrick.

Benny Zlotnick

Okay, thanks, Dan. All in favor.

Several Supervisors

Aye.

Benny Zlotnick

Thank you, gentlemen. Thank you for coming. Appreciate your time.

Skip Carlson

Thank you. Thank you for your time and your concern.

Jeff Cannizzo

Thank you.