

Pari-Mutuels = JOBS “Seminole Gaming Compact Must Not Kill Pari-Mutuels in the Process”

The Florida Legislature will soon debate the merits of a new Seminole Gaming Compact signed by the Governor that is projected to bring the State of Florida approximately \$1.5 billion in revenue over the span of five years. While these new dollars are certainly welcomed, legislators must consider the impacts this new agreement will have on Florida’s pari-mutuel industry. Associated Industries of Florida has always been supportive of expanding gaming in our state as long as there is an even playing field for all participants. At the heart of the debate are two issues:

1. **Unfair exclusivity awarded to the Seminole Tribe**
2. **Getting the Dollars Right**

Exclusivity Hurts Florida

Under the federal rules for Indian gaming, the Seminole Indian Tribe is entitled to offer one unique feature in their gaming options. This provision is reasonable and supported by AIF. It’s not fair to give the Seminoles the sweeping exclusivity over so many games (exclusive operation of table games in South Florida and slot machines in the rest of the state). The granting of so much exclusivity creates an unfair advantage to the Seminole facilities that further erodes our state’s pari-mutuel industry. Furthermore, the latest “negotiated” agreement attempts to give pari-mutuels new gaming options in the form of “historical race machines,” but under the agreement these games cannot be made to look like slot machines. In reality, these historical racing games are not as popular and are not as lucrative as other Class-II games, so they do not represent much of a draw for pari-mutuel customers.

Getting the Dollars Right

While payments to the state under this new proposed agreement are certainly higher

- **Exclusivity for any business is bad for the entire state.**
- **Parity for the pari-mutuel and Seminoles means ALL pari-mutuels — not just the ones located in Broward and Miami-Dade counties.**
- **Historical racing machines are NOT a viable alternative to electronic gaming machines.**
- **Florida’s pari-mutuel industry provides 30,000 jobs in 21 locales around the state — THIS INDUSTRY MUST BE PROTECTED**

than the paltry \$150 million per year negotiated by the Governor, more can be done to help maximize potential revenues from the pari-mutuel industry. In 2007-2008, revenue to the state from the pari-mutuel industry alone was \$167.8 million. According to a March 2009 Florida TaxWatch Study, “The total revenue losses to the State attributable to the expanded gaming at the Seminole casinos over ten years are estimated at \$713 million.” This projection only reflects slot machine revenue losses at South Florida tracks and not the total statewide impact. In addition, the Legislature is considering lowering the tax rate for certain pari-mutuels in Miami-Dade county. If the Legislature truly wants to help the pari-mutuels compete, then lower tax rates should be applied across the board — not just at certain facilities and for certain games.

The Bottom Line

Lawmakers should no longer turn a blind eye to the unregulated gaming that exists and examine responsible ways to expand gaming the right way. One of the best ways the Legislature can create more jobs, tax revenue, and economic growth is by ensuring that our existing pari-mutuel industry is allowed to compete with Indian gaming.

Floridians Agree

The AIF position is buttressed by a January 2010 Zogby poll showing that **over 60%** of Floridians surveyed in a statewide poll conducted in late December **agree** with the statement:

“If the Florida Legislature were to approve the Seminole Gaming Compact, do you think Florida’s pari-mutuel industry should be able to offer comparable games of chance?”

The statement was ‘strongly’ supported by over 40% of respondents, opposed by only 26.4% and 13.3% did not respond

Response	Frequency	%	Valid %	Cumulative %
Strongly agree	322	40.2	40.2	40.2
Somewhat agree	161	20.1	20.1	60.3
Somewhat disagree	65	8.2	8.2	68.5
Strongly disagree	146	18.2	18.2	86.7
Not Sure	107	13.3	13.3	100.0
Total	801	100	100	

Conducted by Zogby International, the poll surveyed by telephone 801 randomly-selected likely general election voters throughout Florida. It has a margin of error of +/- 3.5 percent.

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