

Could 'decoupling' lead to closing Ebro track?

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EBRO — A new study on gaming in Florida predicts six dog tracks, including Ebro Greyhound Park, will end live racing if the state eliminates a law requiring tracks run a minimum number of races to operate a poker room.

The study, which is only a draft report by the Spectrum Gaming Group, was released Tuesday and is the second part of a review of gambling in Florida. The state Legislature commissioned the \$388,845 report earlier this year.

Dog tracks and animal advocates alike have pushed for "decoupling" — removing ties between live pari-mutuel races and the right to operate a card room — for some time. The study concludes that if the Legislature passed decoupling legislation, Ebro would end live races within three years.

But the track disagrees.

Mark Hess, associate manager, said as long as greyhound racing is profitable, Ebro will continue to run the dogs. And he believes racing will continue to make money, even if decoupling passes.

"We're in a unique situation," he said. "I mean there are millions of tourists that visit Panama City Beach every year, and they come from states that don't have greyhound racing, and they really enjoy coming out and watching the dogs run."

During the summer months, he said 75 percent of the people at the track are tourists and this year in June and July attendance approached 2,000 some nights.

"Ebro does support the decoupling of racing," Hess said. "The main reason for that is it allows us to do business like a normal business would ... it allows us to run days that are profitable and not run days that aren't profitable."

The track is required to run 167 performances during the state's fiscal year, from July through June, but the track applied for 178 performances to ensure it has a cushion. Each performance includes eight races.

Hess said the number of performances would likely drop to around 100 if decoupling took effect. That's a 44 decrease, based on the 178 performances it applied for this year.

"We don't know for sure (what would happen)," Hess said. "We would have to take a good look at it, and we're not really going to spend the time to look at it until decoupling really exists."

Bleak picture

The draft report paints a particularly bleak picture for greyhound racing, an industry that has been in precipitous decline for years. It predicts six of the state's 13 greyhound tracks would end racing if decoupling passed.

Including dog tracks, the state has a total of 25 pari-mutuel facilities, which the study predicts would drop to 15 if decoupling passed — three of six jai alai frontons and a

quarter-horse track running barrel races would also cease performances.

“The facilities that stop offering live pari-mutuel events would continue to operate a poker room or a casino, as those sectors are profitable and have been earning enough revenue to cover the losses incurred from offering live racing/games,” the study said.

The study also said track operators did not believe ending the races would hurt their cardrooms and noted that racing attendance, for the most part, is no longer taken.

Ebrowas among three tracks where the amount wagered on live racing was “nearly non-existent,” the study said.

Beyond the six tracks predicted to close if decoupling passed, the study predicted three more would substantially cutback their dog races: Flagler at 33 percent, Naples at 50 percent and Daytona at 10 percent.

Costing taxpayers

The report found that greyhound tracks are not contributing to state tax revenue, but rather are costing it money, when tax credits and regulatory expenses are factored in. The industry received \$12.3 million in tax credits in fiscal year 2012-13.

The study estimated it cost the state \$4.1 million to regulate greyhound racing in fiscal year 2011-12, while receiving only \$3.1 million in tax revenue — a \$1 million net loss.

If other non-operating regulatory expenses were considered, the state would have lost an additional \$3.3 million, the study said, noting Ebro only paid \$21,545 in state taxes.

“Literally the taxpayers are taking a loss on greyhound racing today,” said Carey Theil, executive director of GREY2K USA.

Theil, who is cited in the study, heads an organization fighting to end greyhound racing and to ensure dogs still in the industry are treated humanely. A staunch proponent of decoupling, he plans to emphasize the toll the greyhound industry is taking not just on dogs but state coffers when he meets with lawmakers heading into next year’s legislative session.

The Legislature plans to craft a comprehensive gaming proposal that will draw heavily on the Spectrum study and Theil wants to see decoupling included in it. He said it has “good chance” of getting in.

“Every taxpayer in the state is losing money so that dogs can run around a track while no one bets,” Theil said, adding that decoupling “is something that shouldn’t be controversial.”