

Submitter: Dave Nelson

On Behalf Of: HB 2510

Committee: House Committee On Economic Development and Small Business

Measure: HB2510

Chair Bynum and members of the committee my name is Dave Nelson, I live at 7479 Nelson Lane, Turner Oregon. I'm here to support HB 2510 and the amendments.

Just for background I'm a member of the Board of Directors of Oregon Quarter Horse Racing Association, the Pacific Coast Quarter Horse Racing Association (California), the American Quarter Horse Association and its Racing committee and was the contract lobbyist for Portland Meadows from 1975 – 2006.

I will try to give you horse racing perspective wagering in Oregon and the advent of gambling and it's affect on horse racing.

1933 Oregon legislature passed parimutuel wagering act with state tax revenue to help county fairs. The first commercial race track was Multnomah Greyhound Park; Portland Meadows was built in 1947. The primary distinction between a commercial race track and a fair type race meet was the level of taxation and the amount of regulation (backside security, etc)

1984 The lottery was approved. It was in direct competition with the race tracks and resulted in a 9% reduction in wagering at the tracks.

1988 Congress [passed the Indian Gaming Regulatory Act, commonly referred to as IGRA. IGRA permitted Tribal casinos, but restricted games offered to only what was permitted in each state. No tribal casinos were built in Oregon.

1991 Oregon Leg passed video poker operated by the lottery. By IGRA reference this also permitted tribal casinos to operate video slot machines. A screen game is a screen game.

1997 By 1997, there were approximately 12,000 video gambling machine in operation in Oregon along with the other permitted casino games. The Lottery had placed 4,500 Video Lottery Terminals in the Portland area.

In the next few years ecumenical ministries suit over Dotties Delis claiming they constituted a casino which was prohibited in the Constitution. The Supreme court ruled that since there was no definition of a casino one could only be defined by their dominant purpose and dominant use.

Over the next 10 years as lottery and casino gambling increased and racetracks lost 50% of their wagering revenue.

1987 The Legislature permitted race tracks to establish off track wagering locations where races could be broadcast and patrons could wager.

1999 In 1999 the Legislature permitted operation of Advance Deposit Wagering (ADW) processing centers and their taxation by the Oregon Racing Commission as a means of financially helping local race tracks and to mitigate their losses due to lottery and casino gambling competition. An ADW is a computer processing where a patron in Idaho for example can place a wager on a race in Kentucky and it is

processed in Oregon.

About this time Oaklawn race track in Arkansas developed instant or historical racing machines in an effort to compete with their state sponsored gambling.

2003 Multnomah Greyhound Park tested 40 historical racing machines.

2005 lottery added video slots and increased the number of VLTS retailers could have to 6 machines.

Para-mutuel wagering dropped from \$120 million to \$60 million annually. All race tracks were affected. MGP closed, state fair racing closed as did racing at Klamath Falls and Lakeview.

COMPETITION CONTINUES TO GROW AS STATES SEEK MORE VOLUNTERY REVENUE. YOU HAVE ALL SEEN THE ADS

(SPORTS BETTING, DRAFTKINGS, FANDUEL , WIN \$100,000 OF TERRY'S MONEY , ETC.)

Gambling, betting, wagering whatever the name will continue to expand.

Horsemen and women want to be at the table and part of the discussion. We have our livelihood at stake.