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NEW YORK RACING BY THE NUMBERS IN 2000

MARCH 2002



80 New Scotland Avenue
Albany, NY 12208

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NEW YORK RACING BY THE NUMBERS IN 2000

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MARCH 2002

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New York Racing By the Numbers in 2000

The purpose of the accompanying tables is to provide some perspective on the decline in popular interest in wagering on horse racing in New York State. Using data from the annual reports of the State Racing and Wagering Board plus the annual reports of its predecessors, the State Racing Commission, and the State Harness Racing Commission,¹ the tables are designed to show what has happened to horse racing in New York over the second half of the twentieth century. The tables do not offer a pretty picture. Once you account for inflation [utilizing real dollars], handle on horse racing in New York has been falling steadily for over 25 years. In fact, handle on racing has fallen so much in real terms that handle was 18.1% higher in 1950 (before winter racing, before exotic wagers², before OTB, before Finger Lakes, Monticello and Vernon Downs, and well before anyone dreamt of simulcasting) than it was in 2000. In 1975, when OTB was in its infancy outside New York City, overall real racing handle was nearly three times higher in New York State than it is today.

While the racetracks have been hit hardest by the loss of interest in horse racing, the OTB's have not been a major source of growth in the industry. 72.1% of the bets in New York were made through OTB in 2000 as compared with 35.6% in 1975. Yet total OTB handle was in real terms 47% higher in 1975, and real New York City OTB handle was 143.5% higher in 1975 than it was in 2000.

There are four trends that need to be emphasized. The first is the fact that the harness tracks in New York have become a disaster area. For each year of the ten year period ending in 1975, harness racing had a higher handle in the state than thoroughbred racing.³ In 2000, harness handle accounted for merely 18.8% of total handle in New York. Even before making an adjustment for the cost of living, Vernon, Yonkers, and Monticello had lower facility handle in 2000 than they had in 1960. Real handle at harness tracks was 1696.6% higher in 1975 than it was in 2000. Attendance at harness tracks in 2000 was approximately 1/15th of what it was in

¹The Racing and Wagering Board was established in 1973. Prior to that year, separate commissions regulated horse racing and wagering in New York. Harness racing was regulated by the Harness Racing Commission, and thoroughbred racing was regulated by the Racing Commission.

²In 1950, the only authorized wagers were win, place show, and the daily double.

³Harness racing handle was also higher than thoroughbred handle in the state for the years of 1958 and 1959.

1975. People may argue about the reasons for the decline in harness racing. They may argue about the necessity for video lotteries to assist harness tracks, but there should be no argument that the harness tracks - if they are to remain in existence in New York - certainly are in dire need of assistance.

Secondly, the state of New York has not benefitted from the falloff in racing interest. In order to keep the tracks viable, the state has had to lower the burden on the race tracks. The state, in real terms, received 1440.2% more revenue from pari-mutuel taxes in 1975 than it received in 2000. The racetracks are no longer significant contributors to the fisc of New York.

Third, the decade of the 1990's was a particularly bad one for the thoroughbred tracks in New York. Real thoroughbred handle dropped by 57.4% from 1990 to 2000. While this was a slightly better performance than the harness tracks, it still is a precipitous drop from where it stood a decade ago. Thoroughbred attendance dropped by nearly half. Outside of the Saratoga meeting and the Belmont Stakes, there are few bright spots for on-track thoroughbred racing.

Finally, while many innovations - such as in-home televised racing and out-of-state full card simulcasts were enacted in the 1990's - these innovations did not increase real handle even at the OTB's. New York City OTB which had the benefit of these innovations - plus no surcharge on telephone wagers - saw its real handle decrease by 20% in the 1990's. In fact, the four OTB corporations with in-home TV (New York City, Nassau, Suffolk, and Capital) saw their real handle decrease by 21.6% in the 1990's. While they did somewhat better than the OTB's without in-home TV, the fact is that these innovations did not increase racing handle. For the decade of the 1990's, real handle dropped at OTB by 22.1% and by 37.5% throughout New York.

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Industry Handle Figures

Total Handle Figures for Horse Racing in New York: (Table I-A)

Actual Numbers	2000 Equivalent	Relationship to 2000
1950 452,912,117	3,236,057,075	18.1% higher
1960 1,037,191,621	6,034,380,850	120.3% higher
1975 2,547,769,635	8,155,410,601	197.8% higher
1990 3,326,000,805	4,383,669,060	60% higher
2000 2,738,984,205	2,738, 984,205	

OTB Handle (Table I-B)

	2000 equivalent	Relationship to 2000
1975 906,858,411	2,902,853,773	47% higher
1990 1,923,707,516	2,535,446,506	28.4% higher
2000 1,975,061,754	1,975,061,754	

Total Facility Handle at Racetracks (Table I-C)

	2000 Equivalent	Relationship to 2000
1950 (606 programs) 452,912,117	3,236,057,075	323.6% higher
1960 (908 programs) 1,037,191,621	6,034,380,850	689.9% higher
1975 (1,623 programs) 1,640,911,224	5,252,556,828	587.6% higher
1990 (1,662 programs) 1,402,293,289	1,848,222,554	141.9% higher
2000 (1,278 programs) 763,922,471	763,922,471	

Total Facility Handle at Harness Tracks (Table I-D)

	2000 Equivalent	Relationship to 2000
1950 144,410,653	1,031,814,115	568.4% higher
1960 505,663,411	2,942,949,725	1905.8% higher
1975 866,405,027	2,773,362,491	1696.6% higher
1990 440,241,696	580,238,555	275.9% higher
2000 154,364,274	154,364,274	

Total Facility Handle at Thoroughbred Tracks (Table I-E)

1950	308,501,464	2,204,242,960	3.08.4% higher
1960	531,528,210	3,088,178,900	472.2% higher
1975	774,506,197	2,479,194,336	359.3% higher
1990	962,051,593	1,267,983,999	134.9% higher
2000	539,740,759	539,740,759	

Total Facility Handle at Selected Locales

	Programs	Handle	NYRA (Table II-A) ⁴ 2000 Equivalent	Relationship to 2000
1950	(194)	305,724,197	2,184,399,387	329.7% higher
1960	(218)	532,528,210	3,098,249,125	509.5% higher
1975	(263)	719,161,204	2,302,035,014	352.8% higher
1990	(312)	909,550,169	1,198,787,122	135.8% higher
2000	(258)	508,352,991	508,352,991	

⁴The New York Racing Association was not established until 1955. The statistics for 1955 include handle for the meetings at what would become the NYRA tracks: Aqueduct, Belmont, Jamaica, and Saratoga. The statistics for the hunt meets are not included in this table. The 1960 data includes all thoroughbred racing in New York

Buffalo (Table II-B)

Programs	Handle	2000 Equivalent	Relationship to 2000
1960 (80)	22,401,187	130,330,106	481.7% higher
1975 (147)	40,271,744	128,909,853	475.4% higher
1990 (128)	24,645,761	32,483,113	45% higher
2000 (143)	22,403,168	22,403,168	

Monticello (Table II-C)

Programs	Handle	2000 Equivalent	Relationship to 2000
1960 (88)	24,777,401	144,154,919	582.4% higher
1975 (238)	88,016,061	281,739,411	1233.7% higher
1990 (230)	46,405,635	61,162,626	189.5% higher
2000 (213)	21,124,621	21,124,621	

Saratoga Harness (Table II-D)⁵

Programs Handle	2000 Equivalent	Relationship to 2000
1960 (109) 17,238,600	100,294,174	367.5% higher
1975 (181) 45,776,890	146,531,824	583.1% higher
1990 (182) 48,844,931	64,377,619	200.1% higher
2000 (143) 21,451,042	21,451,042	

Vernon (Table II-E)

Programs Handle	2000 Equivalent	Relationship to 2000
1960 (105) 24,028,451	139,797,527	672.4% higher
1975 (165) 46,501,290	148,850,629	722.4% higher
1990 (155) 33,793,402	44,539,703	146.1% higher
2000 (93) 18,098,808	18,098,808	

⁵The statistics for Saratoga Harness for 1960 and 1975 include the two meetings held at Saratoga. The longer meeting was conducted by Saratoga. A shorter meeting in the fall was held by Orange County at Saratoga.

Yonkers (Table II-F)

Programs	Handle	2000 Equivalent	Relationship to 2000
1960 (114)	208,690,597	1,214,161,893	808.5% higher
1975 (159)	316,149,662	1,011,995,068	657.2% higher
1990 (353)	263,789,808	347,673,648	160.1% higher
2000 (256)	133,650,350	133,650,350	

New York City OTB (Table II-G)

Handle	2000 Equivalent	Relationship to 2000
1975 773,550,528	2,467,135,240	143.5% higher
1990 961,469,708	1,267,217,075	25.1% higher
2000 1,013,177,935	1,013,177,935	

Attendance Totals

Total Facility Attendance for Harness and Thoroughbred Tracks (Table III-A)

1950 7,784,765
1960 12,971,887
1975 14,210,037
1990 7,769,186
2000 3,122,313

Total Facility Attendance at Harness Tracks (Table III-B)⁶

1950 (409 programs) 3,544,581
1960 (690 programs) 7,380,263
1975 (1,190 programs) 8,169,492
1990 (1,189 programs) 2,941,932
2000 (853 programs) 555,129

Average Attendance at Selected Harness Tracks for Live Racing (Table III-C)

Monticello Average 1960 5,575 1975 3,979 1990 1,515 2000 302
Yonkers Average 1960 23,200 1975 15,073 1990 2,621 2000 732
Saratoga Harness Average 1960 3,497 1975 3,989 1990 1,963 2000 665
Vernon Average 1960 4,697 1975 4,306 1990 2,171 2000 1,025
Buffalo Average 1960 5,195 1975 3,571 1990 1,767 2000 733

Total Facility Attendance at Thoroughbred Tracks (Table III-D)

1950 (197 programs) 4,240,184
1960 (218 programs) 5,591,624
1975 (433 programs) 6,040,545
1990 (473 programs) 4,827,254
2000 (425 programs) 2,567,184

⁶For 1990, this table includes attendance at harness tracks for simulcasting of in-state thoroughbred programs.

NYRA Live Racing Average Attendance (Table III-E)⁷

1950 21,673
 1960 25,724
 1975 20,577
 1990 13,578
 2000 9,087

State Revenue from Pari-Mutuel Taxes (Table IV-A)

Revenue	2000 Equivalent	Relationship to 2000
1950 \$29,462,954.47	210,512,809	525.6% higher
1960 \$96,556, 493.07	561,765,676	1569.6% higher
1975 \$161,899,790.96	518,241,230	1440.2% higher
1990 \$53,599,122.60	70,248,243	108.8% higher
2000 \$33,647,559	33,647,559	

Division of Wagers

Location of Bettor (Table V-A)

	On-Track Live Racing	Inter-Track	OTB
1950	100%	0	0
1960	100%	0	0
1975	64.4%	0	35.6%
1990	38.4%	3.8%	57.8%
2000	16.9%	11%	72.1%

⁷The same constraints involving footnote four apply to this table.

Harness v. Thoroughbred Handle Percentage of NYS Handle (Table V-B)⁸

	Harness	Thoroughbred
1950	31.9%	69.1%
1960	48.8%	51.2%
1975	52.8%	47.2%
1990	22.1%	77.9%
2000	18.8%	81.2%

OTB Comparisons from 1990 -2000 (Table VI-A)

	1990 Handle	1990 Handle (2000 Dollars)	2000 Handle	Drop from
1990 NYCOTB	961,469,708	1,267,217,075	1,013,177,935	Down 20%
In-home OTB's	1,607,990,148	2,119,331,015	1,661,989,057	Down 21.6%
Upstate OTB's	550,523,905	725,590,506	535,545,587	Down 26.2%
Downstate OTB's	1,373,183,609	1,809,855,996	1,439,516,166	Down 20.5%
No In-home OTB's	315,717,367	416,115,489	313,072,696	Down 24.8%
All OTB's	1,923,707,516	2,535,446,506	1,975,061,754	Down 22.1%

⁸The annual report of the Racing and Wagering Board for 1975 does not break down the sources of OTB handle. Thus, the figures from 1975 are based solely on track handle.

All NY sources	3,326,000,805	4,383,669,060	2,738,984,205	Down 37.5%
Tracks	1,402,293,289	1,848,222,554	763,922,471	Down 58.7%
Thoroughbred Tracks	962,051,593	1,267,983,999	539,740,759	Down 57.4%
Harness Tracks	440,241,696	580,238, 555	154,364,274	Down 64