

Historic Horse Racing Slot Machine Fact Sheet

www.StopPredatoryGambling.org/portfolio/Idaho

1. Historic Horse Racing Slot Machines Violate the Idaho Constitution

Constitution:

<https://legislature.idaho.gov/statutesrules/idconst/artiii/sect20/>

Section 20. GAMBLING PROHIBITED.

(1) Gambling is contrary to public policy and is strictly prohibited except for the following:

- a. A state lottery
- b. **Pari-mutuel betting** if conducted in conformity with enabling legislation; and
- c. Bingo and raffle games

(2) No activities permitted by subsection (1) shall employ any form of casino gambling including, but not limited to, blackjack, craps, roulette, poker, bacarrat, keno and slot machines, or employ any electronic or electromechanical imitation or simulation of any form of casino gambling.

Petition proposal language:

<https://sos.idaho.gov/elect/ints/2018/init04.html>

54-2512A. “(3) Notwithstanding any other provision of Idaho law, a historical horse racing terminal as described in sub-section (2) above is not a slot machine or an electronic or electromechanical imitation or simulation of any form of casino gambling.”
- Could the constitutional prohibition against taxing firearms be defined away by a law that taxes rifles and says, “Notwithstanding any other provision of Idaho law, rifles are not firearms”?

Legislative actions:

- 2013: Approved betting on “Historic Horse Racing” as a version of simulcasting
- 2015: Banned the machines when they saw they functioned like rapid-bet slot machines

Attorney General opinion:

<http://www.ag.idaho.gov/publications/op-guide-cert/2018/C011218.pdf>

Ignores the greater issue that the proposed gambling machines imitate slot machines, but raises a second issue: “The status of historical horse racing as legally permissible pari-mutual betting ... is uncertain and likely to draw a legal challenge” (p 3)

Historical horse racing proponents admit their machines imitate slot machines:

“They’ve taken parimutual racing and used a lot of great technology to put bells and whistles and dress it up like a slot machine,” said Jim Bernard, Manager of Intermountain Racing (Sandy Downs), Idaho Falls, on KIDK 3 Eyewitness News, Jan 8, 2015:

https://www.youtube.com/watch?v=M5iA4_ua82M

“It looks like a slot machine because it’s supposed to look like a slot machine,” said then-Idaho Racing Commission Director Frank Lamb (Idaho Press-Tribune, 12-22-14).

Video of historical horse racing slot machines in action: <https://youtu.be/8oPIxLfDroo>

2. The proposal is not good public policy

“Why Casinos Matter” <http://www.americanvalues.org/search/item.php?id=1981>

Recent look at economic impacts: <http://lfpres.com/opinion/columnists/simpson-dont-bet-on-new-casinos-benefits>

- The proposal calls for subsidizing an unprofitable activity with an illegal activity
- Gambling’s side-effects include addiction, bankruptcy, crime and corruption
- Gambling causes about as many job losses in an economy as the jobs it creates or saves
- More Idahoans will become addicted than the number who will be employed
- Boise today is considered one of the safest cities in the world; why threaten that?
- Negative economic development

3. The proposal has been promoted deceptively

- In the legislature, where “Idaho House Committee says it was ‘duped’ on instant racing” (Idaho Statesman, Jan 29, 2014)
- To petition signers, who were told their signature would “save horse racing.” Petition carriers did not mention that horse racing is legal in Idaho and that their proposal would subsidize it with high-speed electronic gambling machines
- Idaho horse racing is a \$5 million small business without slot machines. That’s a drop in the bucket of Idaho’s \$25 billion ag economy (<https://www.uidaho.edu/cals/about/idaho-agriculture>).
- The proponent’s economic impact report addresses neither the cannibalization effect of gambling revenues (slot machines attract no new money to an economy; dollars gambled are dollars not spent on main street) nor the external social costs that generally outweigh any claims of positive economic contributions from gambling by three to one (“Gambling in America: Costs and Benefits,” Baylor University Economist Earl Grinols, p 175)
- Most of the jobs “saved” are low-wage, seasonal
- The “Findings and Purposes” of the petition claims that the horse gambling machines would be “limited to existing race tracks” but the language of the law contains no such limits. Additional locations with 8 days of live horse racing could open anywhere in the state

4. Steps Idahoans can take to remove their names from the horse slot petition

<https://legislature.idaho.gov/statutesrules/idstat/Title34/T34CH18/SECT34-1803B/>

If a petition signer feels misled and does not want their signature to support the petition, they can send a note to their county clerk (contact info at <https://idahovotes.gov/county-clerks/>), then write, “Please remove my name from the historic horse racing petition.” They should include their name as signed, their address, and their signature. This must be done before signatures are verified later this May.