



Governor Wolf's Budget Proposal Would Result in the End of Horseracing in the Commonwealth and Have a Devastating Impact on the Agriculture Industry

HARRISBURG, PA (February 4, 2021): Governor Tom Wolf's proposed FY 2021-22 budget – which seeks to raid \$199 million from the Race Horse Development Trust Fund -- would result in the end of horseracing in Pennsylvania, an integral part of the state's agriculture industry that supports hundreds of small businesses and 20,000 family-sustaining jobs. The proposed budget repeats a recommendation the Wolf Administration put forth last year that failed to gain traction in the legislature.

"It is hard to fathom why the Wolf Administration would once again put forward a fundamentally flawed proposal that was widely dismissed and failed to gain any meaningful support last year in the legislature," said Pete Peterson, spokesperson for the Pennsylvania Equine Coalition, an organization representing the six Thoroughbred and Standardbred horsemen and breeder associations in the state. "This proposal would result in the end horseracing, which supports 20,000 jobs, delivers an annual \$1.6 billion economic impact, and preserves hundreds of thousands of acres of open space."

Peterson noted that the effects would be felt well beyond Pennsylvanians who work at a race track or breed horses. Purse money earned by a horse enables the owner to buy hay and straw from farmers, feed from local feed mills, as well as pay the horse's jockey, trainer, blacksmith, groom, veterinarian, and equine dentist. In addition, countless small businesses in the manufacturing, retail and construction industries count horsemen and breeders among their major customers for horse trailers and vehicles, feed equipment, riding tack and other supplies, the construction or repair of barns and fencing, and more.

"Given the current economic climate, we should be looking for ways to provide support to struggling working families and small businesses, not threatening their jobs and livelihoods," said Peterson. "Eliminating horseracing and breeding would have far-reaching negative impacts throughout the agriculture industry, Pennsylvania's leading economic sector, as well as the broader state economy. Pennsylvanians who work in or rely on the horseracing industry to support their families already face financial challenges due to the COVID-related shutdown of race tracks and casinos last year and this proposal will only add to their stress."

"Everyone recognizes that college debt and rising tuition rates are major problems, but you don't fix one debt problem by putting an entire sector of the agriculture industry out of business and thousands of people out of work," said Peterson.

Beyond the economic ramifications, Peterson noted that the Administration's proposal to divert non-tax dollars from the Race Horse Development Trust Fund (RHDTF) for purposes other than what they were intended also faces a significant legal hurdle. In 2017, the General Assembly passed – and Governor Wolf signed into law - legislation (Act 42) that specifically states the amounts in the RHDTF “are not funds of the Commonwealth” and that “the Commonwealth shall not be rightfully entitled” to the RHDTF funds. The General Assembly and Governor approved that trust fund protection language in order to spur new long-term investment in Pennsylvania's racing and breeding industry by providing increased economic certainty for investors. Now, no more than four years later, the Governor appears to be suggesting that the Commonwealth reverse its commitment.

“Given the proposal's far-reaching negative impacts on Pennsylvania's agricultural industry and the significant legal issues it faces, we are optimistic that the legislature will again reject this proposal,” said Peterson. “But by merely floating this idea, the Administration is hurting working families that are already reeling from the effects of COVID-19. These next few months are an extremely important time for horse breeders, as customers are deciding right now whether they want to breed their horses here in Pennsylvania or in other states such as New York, Virginia, Maryland, or Kentucky. Putting this idea out there – even though it has little chance of success – will result in real financial harm to our breeding farms here in Pennsylvania.”

About the Pennsylvania Equine Coalition

The Pennsylvania Equine Coalition is a statewide organization that represents more than 10,000 owners, trainers, drivers, and breeders in Pennsylvania's horse racing and breeding industry. Our member organizations include the state's six horsemen and breeder associations, including: the Pennsylvania Harness Horsemen's Association, the Pennsylvania Thoroughbred Horsemen's Association, the Standardbred Breeders Association of Pennsylvania, the Pennsylvania Horse Breeders Association, the Meadows Standardbred Owners Association, and the Pennsylvania Horsemen's Benevolent and Protective Association.

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