

**House Agriculture Committee
Testimony for SB 504 and 505
May 18, 2016**

Example of the Potential Impact of SB 504 on a Michigan Based Business;

Background: Robert Gorham DVM, Kalamazoo, Michigan and Mast Thoroughbreds, Caledonia, Michigan, have partnered together in raising and racing thoroughbred horses for the past 18 years.

Initially and thru 2010, all of our efforts took place in Michigan, including breeding, raising, training, and racing. In 2006, Great Lakes Downs in Muskegon closed, soon thereafter replaced by Pinnacle Race Course in Romulus, which failed in 2010. Thoroughbred racing then moved to Mt. Pleasant for a few years, eventually finding a permanent home at Hazel Park in 2014. Throughout that time, purse monies continued a steady decline, and given that purse money is the income stream for thoroughbred racing operations, substantial racing entities, including ours, left the state to pursue a livable income stream in other states, namely Indiana and Ohio, both of which have legislatively approved casinos at their racetracks.

SB 504 is a bill designed to reinvigorate Michigan horse racing. It provides for income generated at Hazel Park to remain at Hazel Park for purposes of providing purse money for thoroughbred racing.

So, what's the impact? Currently we are racing over 75 thoroughbred horses on a regular basis. In 2015, we ranked 63rd nationwide in purse money generated. We employ in excess of 30 people. We breed 15-20 mares per year with stud fees ranging from \$2,000-\$40,000 each. Unfortunately, even though we have farms here in Michigan, 90% of those efforts are expended in Indiana, Ohio, and Kentucky. Correspondingly, most of those dollars are being expended outside our state.

If this bill passes, it has the potential of improving the income stream substantially! Would we rather be doing our work here in Michigan? Absolutely! With a solid income stream, would we consider redirecting our efforts "back home" to Michigan? Absolutely!

Let's make it happen! SB 504 is a good start!!

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