

Horse racing and casinos

Off-track betting regions

The owners of New Jersey's racetracks, including Atlantic City Race Course, are assigned off-track wagering licenses and territories by the N.J. Sports and Exposition Authority. In a complex agreement, the tracks can operate 15 businesses that offer off-track betting in a sports bar atmosphere.

This map shows the license territories for each racetrack, the locations of three facilities that have opened so far and the number of licenses granted to each operator.

Middlesex and Ocean counties are divided between regions, and no off-track wagering is permitted in Monmouth County, where two tracks are located.

New Jersey Sports and Exposition Authority

Bergen, Essex, Hudson, Hunterdon, Morris, Passaic, Somerset, Sussex, Union, Warren and part of Middlesex counties.
(9 licenses)

Off-track betting site in Woodbridge.

Freehold Raceway

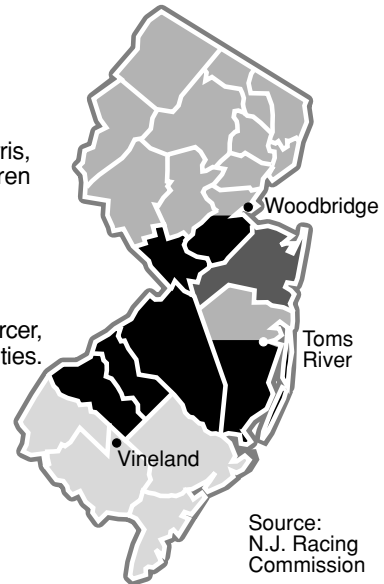
Burlington, Camden, Gloucester, Mercer, part of Middlesex and part of Ocean counties.
(4 licenses)

Off-track betting site in Toms River.

Atlantic City Race Course

Atlantic, Cape May, Cumberland and Salem counties.
(2 licenses)

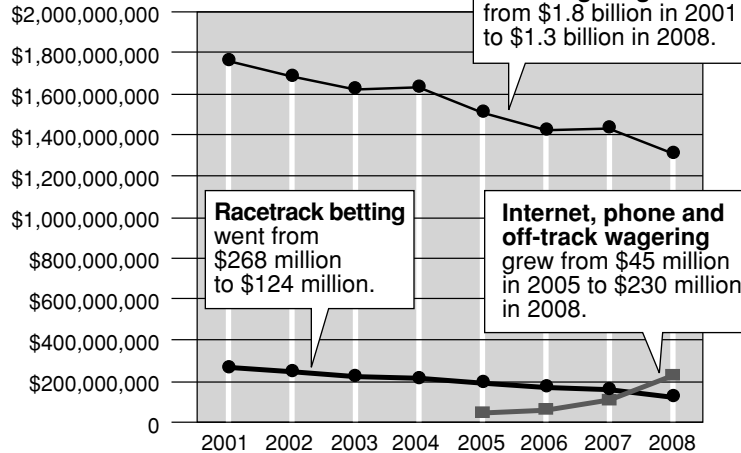
Off-track betting site in Vineland.



Source:
N.J. Racing
Commission

Diminishing returns

Analysis of New Jersey racetrack data shows that casino subsidies of racetrack purses paid to winning horse owners has not reversed declines in gambling revenue, racetrack attendance or bets being placed at the tracks. One bright spot has been the development of alternative betting on horse races through the Internet, telephones and off-track wagering facilities.



Attendance, in millions

2001	2.18
2002	2.11
2003	1.9
2004	2.01
2005	1.86
2006	1.75
2007	1.71
2008	1.5

Source:
N.J. Racing
Commission;
Press analysis

Changes to casino cash comps tax

A tax change approved by state government last year caps the 8 percent casino revenue tax charged on free-play credits provided on casino slot machines. The tax will be charged on only the first \$90 million in slots credits provided industrywide.

First-quarter numbers from this year and last show casinos are shifting complimentary giveaways from totally taxable cash comps to the free-play credits. The change was made as part of a deal that calls for casinos to subsidize horse racing purses. Figures are in the millions.

	Giveaways		Free-play slot credits	
	2008	2009	2008	2009
January	\$40.8	\$23.3	\$4.9	\$23.2
February	\$41.8	\$22.0	\$5.4	\$21.1
March	\$44.1	\$23.7	\$6.6	\$23.6
First quarter	\$126.7	\$68.9	\$17.0	\$67.9
Year-to-year change	-46%		300%	

Sources: N.J. Casino Control Commission, Press analysis

Comparing horses, casinos

This chart compares jobs, payroll, property values and taxes generated by the horse and casino industries. Horse industry numbers come from a 2007 Rutgers University Equine Science Center report. The casino numbers are based on Casino Control Commission documents and Press analysis. All data other than property values include spinoff or indirect economic benefits.

	Horse industry	Casino industry
Money generated for economy	\$1.1 billion	\$3.9 billion in N.J.; \$3 billion elsewhere
Jobs provided	13,000	64,000
Wages generated	\$351 million*	\$1.7 billion
Value of property	\$4 billion	\$14 billion
State taxes paid annually	\$63.1 million	\$790.8 million

* Based on an average \$27,000 salary computed with N.J. Labor Department data.

Press graphic by John Fronjian and Tim Faherty