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The Decoupling Myth

By Jeff Kottkamp

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Florida has always been a very conservative state when it comes to gambling. Voters in the state rejected casino gambling three times (1978, 1986 & 1994). The state aggressively challenged the Seminole Tribe when they opened a high stakes bingo parlor in 1979. Even the state lottery was not approved until 1984.

Pursuant to Article X section 7 of the state Constitution---the expansion of gambling in Florida is prohibited. The only way to legally increase the reach of gambling is by Constitutional amendment. Despite this constitutional roadblock---there is currently an effort underway at the State Capitol to push the largest expansion of gambling in Florida's history.

Supporters of the expansion of gambling call their effort "decoupling". They want to "decouple" greyhound racing and greyhound race tracks. Or put another way---they want to operate as gambling facilities without having live greyhound races as is currently required by law. In reality---they want to create 14 mini-casinos in Florida---all without voter approval.

Those pushing decoupling use two arguments to support their position. First, they say that requiring dog tracks to have dog races violates free market principles. Let's be clear---there is *nothing* free market about

gambling. It is a highly regulated industry for a reason.

Today's racetracks were "grandfathered" when the state's current Constitution was passed in 1968. A handful of dog tracks have been given the exclusive privilege to operate their facilities, have received millions of dollars in tax breaks, and have made billions of dollars in profits all without competition. In exchange for this exclusive privilege the tracks agreed to operate under a certain set of rules---rules they now want to drastically change.

Decoupling is not really about the free market---it's about gambling permit portability. If race tracks are free to operate as gambling facilities without being required to have live races (the very purpose for their existence) in a very short period of time we would see a massive expansion of casino-style gambling in Florida as the race tracks cut deals with casino operators.

Next those supporting the expansion of gambling through "decoupling" argue that greyhound racing is losing money. Frankly, there is really no way for anyone to know exactly how much is currently being wagered on greyhound racing let alone how much tracks are making. That is because as much as half of the wagers are being diverted from the counters of race tracks to a system of gambling called Advanced Deposit Wagering or ADW.

Not only does ADW distort the amount being wagered---it robs the taxpayers of Florida since no taxes are paid on bets made using ADW. At least one estimate indicates that Florida is losing as much as \$100 million in tax revenue as a result of ADW. It raises the question---is ADW being used to distort the numbers so gambling expansion supporters can argue decoupling is needed because race tracks are losing money?

Those supporting the expansion of gambling through decoupling say Florida is already a gambling state---so what's the harm in having more gambling? In reality---Florida is a family friendly state that happens to have some forms of gambling.

We will have more than 100 million visitors again this year---because we are a destination for family vacations----not because we have some forms of gambling. Expanding gambling through decoupling would

seriously jeopardize our family friendly atmosphere and in turn would cause great harm to our state's economy. For that reason alone decoupling is a very bad idea.

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