

TDN Q&A

TDN INTERVIEW: STEVE BESHEAR

The race to be the next governor of Kentucky is heating up, with native Kentuckian Steve Beshear, a Democrat from Dawson Springs, opposing Republican incumbent Ernie Fletcher. The 62-year-old Beshear's resume is replete with experience in state government. He served in Kentucky's House of Representatives from 1974 through 1979 before being elected as Attorney General of the state, a role in which he served from 1980 to 1984. In 1983, Beshear was elected lieutenant governor on a ticket topped by Democrat Martha Layne Collins. Beshear failed to gain the Democratic



Steve Beshear
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nomination for governor four years later as part of a crowded, contentious primary field, and returned to the private sector to practice law. Last December, Beshear announced his candidacy for governor for the 2007 election and in May earned the Democratic nomination. In an early-August poll by the Lexington-based *The Lane Report*, Beshear was leading Fletcher by some 18 points.

Last week, Beshear sat down for a phone interview with the *TDN's* Lucas Marquardt, and talked about his support of the horse industry in Kentucky and why he thinks expanded gambling can help the sport.

Growing up in Kentucky, do you have a background with horses? Ever been to the Derby?

My wife and I own some horses, but not race horses. My wife shows horses, and we both trail ride. We are among thousands of Kentuckians who own one or more horses. And I never got to go to the Derby until I was an adult, but I've now been a number of times.

Why is racing so important to Kentucky?

The horse industry in Kentucky has an approximately \$4-billion economic impact on our economy. It employs over 100,000 people directly and indirectly. In addition to the direct economic impact, it is one of the major tourist attractions in our state. So Thoroughbred farms, breeding operations and the race tracks all play an extremely important economic and tourism role in Kentucky.

As governor, do you feel there are ways you can further strengthen the Thoroughbred industry?

Well, the Thoroughbred industry is one of the signature industries of Kentucky, and I'm going to make sure it remains strong, and I'm going to take steps to make it stronger. I want to change our tax laws in Kentucky, so horses are treated the same as other agricultural animals. In that, the horse industry gets the same sales tax exemptions as other farmers in Kentucky.

Right now, if you go buy a bag of feed for a cow in the state, you don't pay the six percent sales tax in Kentucky. But if you buy the same bag of feed for a horse, you do. That's inequitable treatment of our horse industry, and we need to make sure that sales tax is removed from horse farming, just like it is for other farmers in the state. That, I think, will be a significant benefit to the horse industry, as well as people who own all kinds of horses in Kentucky.

Also, while we think Kentucky is the premier state for Thoroughbred business and Thoroughbred racing, other states have begun increasing their purses at the tracks, as well as creating owner and breeder incentives, which are beginning to affect the quality of racing in Kentucky and the quality of the horse industry here.

I am advocating the placing of limited casino gaming on the ballot in Kentucky, and allowing the people to vote on a constitutional amendment.

Right now, thousands of Kentuckians are going just across our borders every year and spending over \$1 billion dollars at gaming facilities in other states. I'm hopeful, by allowing limited gaming in Kentucky, we can capture that Kentucky money that's now going out of state. That would also create approximately \$500 million a year in additional tax revenue in Kentucky. My plan would be to use a part of that to enhance racing in the state, to create better purses, to create owner and breeder incentives, and in general to better support the horse industry in the state.

When you say "limited casino gaming," does that mean casinos restricted to video lottery terminals?

No, no. By limited, I mean in terms of locations. We would create only a limited number of licences, so there wouldn't be a proliferation of gaming everywhere. There would be a combination of race track locations and two or three free-standing locations along our borders, where we can take advantage of the surrounding states' populations. So we're recapturing the Kentucky dollar that's now leaving, and also attracting customers from across our borders. But these locations would have all of the types of gaming a casino would normally have, including table games like blackjack.

Are you envisioning these types of casinos at tracks like Churchill Downs?

My plan would call for several of the racetracks to have licences for these casinos, and obviously Churchill Downs would be one of the locations. You might well structure the legislation where the casino would be right at the race track, or within a certain proximity to the track.

Beshear Q&A cont.

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Does the same go for Keeneland, Ellis Park and Turfway Park?

Certainly most of the major tracks around the state, and perhaps all of them, but we haven't worked out those details yet.

Do you feel there's been an adequate dialog between the horse industry and politicians in Kentucky over the past five, 10 years?

Several years ago, the horse industry formed an organization called the Kentucky Equine Education Project, or KEEP. And that group has been very engaged in educating the public and the legislature about the benefits of the horse industry in general, and has been engaged in advocating a number of positions favorable to the horse industry, including the sales tax exemption.

KEEP also advocates for allowing casino gaming at race tracks in Kentucky, and have been involved in the education process on that issue. Obviously, the issue of casino gaming at tracks is a controversial one in our state, but fortunately, we have a process where people will get to express their opinions, because this issue would be placed on the ballot and everybody in Kentucky would be allowed to vote on expanded gaming within the state.

Would a vote on expanded gaming be held at a special election, or during the next general election?

It would be in the form of a constitutional amendment that would be placed on the ballot in the next regular election after it was passed by the legislature, so the people would have the opportunity to vote on this.

How has the support been from horsemen? Have you been getting positive feedback from the industry?

We're receiving overwhelming support from the horse industry for our campaign, both because of my support for the industry and because of our plan to move this state forward in the areas of education and economic development. We plan on designating where this additional tax revenue from gaming will be spent. It will be designated to be spent in certain areas, such as education and health care. A portion of it will be dedicated to promote the horse industry. And a portion of the money would go to each of our counties, for their infrastructure and economic development. So we're getting support not only because the policies are good for the horse industry, but also because it's good for Kentucky as a whole.