



## HISTORY OF GREYHOUND RACING IN ARKANSAS

### Overview

Southland Park has been open in West Memphis, Arkansas since 1956, and is the state's only greyhound racing facility. It was initially run by a group of investors led by Cecil Ray Edmonds. By 1970, Emprise Corporation, a company controlled by the Jacobs family of Buffalo, New York, had acquired 47% of Southland's holdings. This occurred despite efforts of the Arkansas Racing Commission to prevent ownership by interests outside of the state and to revoke Southland's franchise. Emprise was convicted of conspiracy charges in a federal district court in California in April 1972, but successfully defended its ownership of Southland. In the late 1970s, Emprise became Delaware North Corporation, the current owner of Southland.<sup>1</sup>



Greyhound racing at Southland had been profitable until the early 1990s, when Las Vegas-style casinos began operating in Tunica, Mississippi, approximately 40 miles southeast of the West Memphis dog track. Southland's live wagering handle dropped from \$212 million in 1990 to \$86 million in 2004.<sup>2</sup> However, a series of track-friendly legislative changes have allowed the track to stay in business. This includes decreased tax burdens, simulcast racing, Instant Racing, and legislation allowing electronic games of skill.



Southland Greyhound Park

The legal battle over gambling has been ongoing in Arkansas for more than 100 years. The Arkansas constitution states that lotteries - defined by the Arkansas Supreme Court as games of chance<sup>3</sup> - are illegal.<sup>4</sup> Therefore, the only way to legalize gambling is through an amendment of the Constitution or court ruling. Such amendments, which must be approved by voters, are usually added to the ballot through residents' petitions. A 1958 Arkansas Supreme Court case<sup>5</sup> held that because judgment is exercised by bettors, pari-mutuel greyhound wagering is legal.

Today, Southland Park Gaming and Racing offers simulcast gambling on greyhound and thoroughbred races seven days a week and gambling on 116 live dog races a week, Monday through Saturday. The park is located on a 140 acre facility. While located in Arkansas, it is only ten minutes from downtown Memphis, Tennessee, and much of its clientele comes from outside the state. Southland seats 10,000 fans and has a standing capacity of some 22,000. The park was newly renovated in November 2006 and has offered electronic games of skill since then.<sup>6</sup>

1 Grant Tennille, Dog gone? Southland's fortunes are fading, but all is not lost, *Arkansas Democrat-Gazette*, October 30, 1994.

2 Pamela Perkins, *Commercial Appeal*, and Michelle Hillen, *Arkansas Democrat-Gazette*, cited in *Greyhound Network News*, Fall 2006.

3 Longstreth v. Cook, 220 S.W. 2d 433 (Ark. 1949).

4 Arkansas Constitution Art. 19 §14.

5 Scott v. Dunaway 311 S.W. 2d 305 (Ark. 1958).

6 Southland website, <http://www.southlandgreyhound.com>, last visited on October 8, 2009.

## Humane Issues

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- **May 1991**

Bryan Freeland, attorney for the Arkansas Racing Commission, says that the ARC has no policy regarding humane treatment of greyhounds, and that a state law regulating the killing of greyhounds would be unconstitutional because they are private property.<sup>7</sup>

- **May 1991**

The Arkansas Democrat-Gazette publishes a lengthy investigative article on the dog racing industry. In the story, the Secretary of Racing at Southland Park is quoted as saying, "Some will be killed. That is, unfortunately, a big part of our business that has been a blight on it." The article reports that the state has 90 registered greyhound breeders and owners, and that 500 to 1,000 greyhounds race each day at the Southland track.<sup>8</sup>

- **May 2003**

Six emaciated greyhounds are discovered by the Paragould Animal Welfare Society on a defunct breeding farm in Greene County. All are heartworm positive and between four and five years old, according to ear tattoos. The dogs did not have access to food and water and are rescued by the Missouri chapter of Greyhound Pets of America after being surrendered by the farm's caretaker. In addition, a dead female greyhound is found in a crate in an outbuilding, two dead male greyhounds are found in a shed, and two broken freezers contain the decomposing bodies of an estimated twenty greyhounds.<sup>9</sup>

- **July 2003**

Over thirty dogs at Southland are sick from kennel cough. Although all greyhounds at the track are quarantined until the outbreak is over, the track refuses a request by advocacy group Greyhound Protection League to halt races until the greyhounds recover.<sup>10</sup>

- **July 2004**

Southland Greyhound Park cancels all matinee races on July 21<sup>st</sup> because of illness, which is spreading throughout the nation's greyhound tracks after a disease outbreak at Florida tracks.<sup>11</sup>

- **November 2007**

The deaths of seven greyhounds at Southland Park are disclosed at a public meeting of the Arkansas Racing Commission (ARC). A fight had started in the male turnout pen in 100-degree-plus temperature and the dogs died from overheating. One dog is already dead when the veterinarian arrives, and six others are euthanized. Southland discontinues its contract for 2008 with the kennel operator overseeing the turnout pen after the incident.<sup>12</sup>

7 Tony Pitts and Joe Nabbefeld, Adoption is greyhounds' only hope, 'Retired' racers usually shot, *Arkansas Democrat-Gazette*, May 30, 1991.

8 Tony Pitts and Joe Nabbefeld, Adoption is greyhounds' only hope, 'Retired' racers usually shot, *Arkansas Democrat-Gazette*, May 30, 1991.

9 Greene County Sheriff's Department Incident Report and Personal Accounts of Shultz and Lavery, as cited in *Greyhound Network News*, Summer 2003.

10 Kenneth Heard, Kennel cough ailing greyhounds at track, Dogs quarantined; Races to continue, *Arkansas Democrat-Gazette*, July 20, 2003.

11 KATV Little Rock, as cited in *Greyhound Network News* Spring 2004.

12 Andrew Demillo, *Associated Press, Commercial Appeal*, November 7, 2007.

## Laws & Regulations: How Dog Racing is Regulated in Arkansas

Currently, the Arkansas Greyhound Racing Law<sup>13</sup> authorizes pari-mutuel wagering on dog racing. The recent legislation authorizing electronic games of skill, however, inextricably links the new electronic games at Southland with live racing: "In order to conduct wagering on electronic games of skill during a calendar year, the franchise holder must have been licensed by the Arkansas Racing Commission to conduct a live racing meet within the calendar year or the immediately preceding calendar year."<sup>14</sup>

## A Timeline: History of Dog Racing in Arkansas, 1989-2007

- **February 1989**

The Arkansas Racing Commission approves Southland's application for the longest greyhound racing season in state history. No simulcast races are held in 1989.<sup>15</sup>

- **October 1994**

Since the establishment of casinos in nearby Tunica, Mississippi in 1992, Southland's total handle (amount of money wagered) and attendance have both dropped by 41%. The number of employees (80% of whom must be from Arkansas) has also dropped, from 500 to 247. Former general manager of Southland, Tom Blayney, says that over 65% of the park's clientele come from nearby Tennessee. While the park has seating for 10,000, attendance has dropped to an average of 2,200 per performance.

In an attempt to raise revenues, Southland and Oaklawn (the state's horse racing track) sponsor Amendment 4, which would allow casino-style games of chance at Arkansas tracks. On October 14, the Arkansas Supreme Court takes the Amendment off of the November ballot, questioning the wording of the ballot title. Southland management estimates that as a result, it will lose \$210,000 in 1994. Speculation continues that the track may be forced to close.<sup>16</sup>

- **February 1995**

In an attempt to improve revenues, a bill cutting the state's tax of Southland's pari-mutuel handle from 7% to 3% is signed into law on February 16, 1995. If the handle rises about \$125 million, the tax reverts to 7%. In response to the new law, Southland begins to offer free admission and parking.<sup>17</sup>

- **December 1998**

Former state representative Brian McGee (D-Marion) is sentenced by a federal judge to eighteen months in prison for extortion and tax evasion. The extortion charge is a result of McGee's acceptance of \$2,000 in late 1994 from two greyhound owners in exchange for legislation favorable to Southland Park.<sup>18</sup>

13 Arkansas Code § 23-111-101 et seq.

14 Arkansas Code § 23-113-201(b)(1).

15 Southland starts March 16, *Arkansas Democrat-Gazette*, February 28, 1989.

16 Grant Tennille, Dog gone? Southland's fortunes are fading, but all is not lost, *Arkansas Democrat-Gazette*, October 30, 1994.

17 Grant Tennille, Tax break greases way for Southland gamblers, *Arkansas Democrat-Gazette*, February 19, 1995.

18 Linda Satter, Ex-Rep. McGee gets 18 months in prison for tax evasion, extortion, *Arkansas Democrat-Gazette*, December 22, 1998.

- **January 2000**  
The ARC approves Instant Racing machines, which allow wagering on past races, for use at Southland.<sup>19</sup> A police chief filed suit to shut down the machines, claiming they are just like slot machines, but it is later dismissed.<sup>20</sup>
- **April 2001**  
The state Senate approves a bill to reduce the state tax at Southland Park from 2 percent to 1 percent on simulcast racing. Southland would be required to spend the money on increasing purses, promotions, capital improvements and charitable contributions under the bill.<sup>21</sup>
- **April 2003**  
A bill to authorize electronic games of skill at Southland fails in the Arkansas House.<sup>22</sup>
- **May 2003**  
A revised electronic gaming proposal is approved by the House Rules Committee on May 6, but it is not approved by the full House before adjournment on May 12 and dies.<sup>23</sup>
- **March 2005**  
Act 1151 is signed into law by Governor Mike Huckabee. The Act provides that "cities or counties where horse racing or greyhound racing parks are located in Arkansas should have the opportunity to . . . promote economic development, tourism, and agribusiness by allowing the voters in these cities or counties to have the opportunity *by local election* to authorize horse racing or greyhound racing parks in their communities *to offer wagering on addition forms of electronic games of skill.*"<sup>24</sup>
- **November 2005**  
By a substantial margin, West Memphis voters approve offering electronic games of skill at Southland Park, pursuant to Act 1151. The new law allows Southland to keep 65% of post-payout revenue, estimated at \$26 million. Remaining revenues are allocated to subsidize greyhound breeders (14%), to the state (18%), county (0.5%), city (1.5%) and the ARC (1%). In West Memphis, an additional 1% is designated for charities and local school scholarships.<sup>25</sup>
- **May 2006**  
A Circuit Court judge in Crittenden County rules in favor of the ARC in a lawsuit brought by members of the Family Action Council Committee. The lawsuit was aimed at keeping Southland from offering electronic games of skill. Family Action had argued that the Act was an unconstitutional delegation of legislative power to two private racetracks and to the ARC.<sup>26</sup>

19 Robert Yates, Panel gives 'instant' OK to Oaklawn, Electronic wagering could start by Feb. 4, *Arkansas Democrat-Gazette*, January 14, 2000.

20 Chief won't appeal video gambling suit, *Arkansas Democrat-Gazette*, November 18, 2000.

21 Michael Rowett and Michael Wickline, Bill sets new rules for questioning kids, *Arkansas Democrat-Gazette*, April 11, 2001.

22 *Arkansas Democrat-Gazette*, cited in *Greyhound Network News*, Spring 2003.

23 *Associated Press*, *Arkansas Democrat-Gazette*, as cited in *Greyhound Network News*, Summer 2003.

24 Gallas v. Alexander, 263 S.W.3d 494 (Ark. 2007) (emphasis added).

25 Rodney Bowers and Kenneth Heard, Gambling machines get racing cities' OK, Hot Springs vote tight, W. Memphis gung-ho, *Arkansas-Democrat Gazette*, November 9, 2005.

26 Gallas v. Alexander, 263 S.W.3d 494 (Ark. 2007).

- **August 2006**

The Arkansas Racing Commission approves a request to change Southland Greyhound Park's name to Southland Park Gaming & Racing. The track's manager tells the ARC that he expects the expanded gaming options to double the weekly purses offered at the track.<sup>27</sup>

- **November 2006**

The newly renovated Southland Park Gaming & Racing reopens in West Memphis, offering electronic gambling and live entertainment, in addition to live dog racing and simulcast gambling. The re-opening is the culmination of a \$40 million renovation of the fifty-year-old track.<sup>28</sup>

- **September 2007**

The Arkansas Supreme Court upholds the law allowing electronic games of skill at local racetracks, rejecting an argument that the law is unconstitutional.<sup>29</sup>

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<sup>27</sup> Rodney Bowers, *Arkansas Democrat-Gazette*, and Ann Bergman, *Pine Bluff Commercial*, Ann Bergman, *Associated Press*, and Rob Moritz, *Arkansas News Bureau*, as cited in *Greyhound Network News*, Summer 2006.

<sup>28</sup> Pamela Perkins, *Commercial Appeal*, and Michelle Hillen, *Arkansas Democrat-Gazette*, as cited in *Greyhound Network News*, Fall 2006; *Associated Press*, November 8, 2006.

<sup>29</sup> *Gallas v. Alexander*, 263 S.W.3d 494 (Ark. 2007).