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Southland Gaming Gets Exclusivity Extension Through 2041 for Video Lottery Gambling in St. Thomas as Horse Racing Measure Passes Senate

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Governor Albert Bryan has signaled his intention to sign into law a controversial bill that narrowly passed the Senate Thursday, which will allow horse racing to move forward while extending an already decadeslong exclusivity agreement for Southland Gaming, a St. Thomas-based company with strong influence in the district.

The bill was held during a March 22 session, but on Thursday it won approval after fierce and passionate debate. A number of lawmakers, including Senators Kurt Vialet, Kenneth Gittens and Janelle Sarauw continued to argue that the measure needed further review and that Southland Gaming shouldn't be given an extension to its exclusivity. Southland Gaming is the only company in St. Thomas that is allowed to provide video lottery terminal (VLT) gambling services, and the

latest agreement extends this monopoly through 2041. Many lawmakers saw that as a red flag.

“Unfortunately, Bill No. 34-0224 was being pushed as the only way to resume horseracing on St. Thomas – which is simply not true,” Mr. Gittens said in a release issued Thursday. “Anything that will tie this Government’s hands for two decades and involves tens of millions of dollars must be much more thoroughly vetted.”

The senator early during the session moved to send the measure back to the Committee of the Whole for further discussion, but that effort was blocked. “Hurry dog eat raw meat,” he said. “There is no reason why we can’t spend some more time working on this legislation, just as we did on the legislation to support the Government Employees Retirement System. We rejected that bill three times and the final result was legislation that will actually help ensure the solvency of the system.”

Senator Kurt Vialet said, “Nobody is saying that they are against horse racing. Nobody is saying that they don’t want this to move forward. We are talking about exclusivity until 2041 for VLTs, not for horse racing. We can give exclusivity for the operations of the racetrack until 2041 and Southland Gaming said no, the whole island not the racetrack.”

Mr. Gittens said he had a major concern about the way VLTs are regulated and that the agreement approved by the Legislature Thursday will make it more difficult to put them under the authority of the Casino Control Commission.

“The Court has ruled officially that Video Lottery Terminals and slot machines are exactly the same thing, yet on St. Croix we have the Casino Control Commission overseeing these machines, an inspector regularly examining these machines and present every time money is removed. It is a different story on St. Thomas and St. John where the Video Lottery Terminals are much more loosely monitored under the jurisdiction of the V.I. Lottery Office. We must not have different rules for our districts when it comes to regulating gambling,” he said.

Ms. Sauraw, who reminded senators that the Sherman Anti Trust Act does not allow for monopolies to be supported by government, stated, “The fundamental question today isn’t about horse racing; we have tagged horse racing onto a need for VLTs. We are using horse racing as a bargaining chip for more VLTs for another exclusive contract and the question today should be are we ratifying 19 years later a practice that was not lawful. We are bringing an existing practice into conformity.”

Senator Carla Joseph, who moved amendments, expressed her support for the bill and said removing the exclusivity clause would derail the entire legislation. She also said that the Senate in the past has supported bills that provide companies with exclusivity. “We as a body here have passed legislation in the past that gave exclusive rights,” she said to the objection of some lawmakers who could be heard disagreeing in the background. Ms. Joseph didn’t provide examples to support her argument.

“This is nothing abnormal. But the other thing is, I want to be clear that this will hamper the entire process because it is tied to the whole agreement,” she added, appearing to convey that Southland Gaming would accept nothing short of exclusive rights to VLTs. “That’s what it is, okay. And that’s what the issue is here. It’s very plain and simple.”

Senator Milton Potter, who at times became the voice of reason, admitted that he also had some concerns about the measure but those concerns, he said, would not stop him from giving his approval. “It’s not a perfect bill in the least but weighing both sides I believe that the bill is in the

best interest of the resumption of horse racing in the territory," he said. "I had the opportunity to speak to a number of horsemen and a vast majority of them supported the initiative."

He added, "Well-meaning Virgin Islanders can look at the same set of facts and come to different conclusions," he said.

The measure passed with eight senators voting in favor and seven against. Senator Javan James was the only St. Croix lawmaker who supported the measure.

- Marvin Blyden: Yes
- Samuel Carrion: No
- Dwayne DeGraff: Yes
- Novelle Francis: No
- Alma Francis-Heyliger: Yes
- Frett-Gregory: Yes
- Kenneth Gittens: No
- Javan James: Yes
- Franklin Johnson: No
- Carla Joseph: Yes
- Steven Payne, Sr.: Yes
- Milton Potter: Yes
- Janelle Sarauw: No
- Kurt Vialet: No
- Genevieve Whitaker: No

Meanwhile, Mr. Bryan issued a statement following the bill's passage signaling his support for the measure. "I want to thank Senate President Donna Frett-Gregory and the members of the 34th Legislature for passing this measure. With this approval, there is no longer anything in the way of getting the tracks on St. Croix and St. Thomas built and back into operation as quickly as possible. It is my expectation, now that the court case is settled, that Southland Gaming will move expeditiously on redeveloping Clinton Phipps Racetrack on St. Thomas and VIGL will do likewise with the Randall "Doc" James Racetrack on St. Croix," he said.