

Robert J. Haynes, President, Massachusetts AFL-CIO  
*Testimony on before the Joint Committee on Economic Development and Emerging  
Technologies*

Wednesday, May 4<sup>th</sup> ~ 10 AM ~ Gardner Auditorium, State House

Thank you Chairman Wagner, Chairwoman Spilka, and members of the Committee.

For the record my name is Robert Haynes and I am President of the Massachusetts AFL-CIO. I have the honor and privilege to head an organization that represents nearly 400,000 working families from over 750 local unions in the building and construction trades, public, and industrial and service sectors. In addition to our own members, the Massachusetts AFL-CIO strives daily to fight for and speak on behalf of the best interests of all working families in the Commonwealth. We are a "quality of life" organization. That is what I'd like to discuss with you here today.

Today I will try to be as brief as possible because I know there are many proponents of expanded gaming who have come here to speak to you about the overwhelming merits of this kind of long-overdue economic development.

I am here to testify in support of establishing expanded gaming in the Commonwealth of Massachusetts because our state desperately needs quality jobs and substantial revenue, which you know. I am appreciative that this Committee understands the grave responsibility you have to give this legislation the thoughtful attention it needs and deserves. This Committee has a duty to allow this process to provide for a full debate of the issue. In order for the legislature to put its intelligence and expertise to work on coming up with the best possible expanded gaming legislation, this Committee must advance any bill through the process in a way that allows the debate to continue in a comprehensive and expedient manner, but one that produces real results at long last.

There should always be real debate on all serious economic development initiatives. As our elected leaders I appreciate that you are living up to your responsibility to listen to your citizens. I urge you not to forget that I'm sitting here on behalf of voters, of citizens, of families in support of expanded gaming. I represent real people and real families who participate in our society and believe that creating this new sector will help create substantial jobs and raise substantial revenues.

Today I want to focus on why working families in this Commonwealth support expanded gaming. Let me be clear: The Massachusetts AFL-CIO and labor unions in this Commonwealth do not support casinos for casinos sake. We support quality, high-road economic development. That is what expanded gaming has the potential to be if we will finally give it the opportunity.

Massachusetts is still very much in dire need of job creation. Not just any job creation, but family-sustaining job creation. Everyone knows the stories and the patterns of people leaving this state in droves. We've recently lost a congressional district as further evidence. Everyone knows the statistics of the historically bad job market and the worst-in-generations downturn in the economy. We need to create jobs with which people can raise families so that people can afford to stay in this Commonwealth. We need jobs with family-sustaining wages and benefits, with health care, pensions and retirement security, and workforce training programs so that working people can attain the quality of life they deserve. The construction and permanent jobs that will result from expanded gaming are essential to the families of this Commonwealth.

employers to be awarded licenses for expanded gaming facilities. The ability to operate these businesses should only be given to the very best kinds of employers and corporate citizens. Because the Commonwealth would be awarding license holders a tremendous opportunity to make a profit we have the right and responsibility to demand the highest standards from these businesses.

These are provisions that can be put into legislation to ensure that this is high quality economic development. We urge you to include these kinds of provisions in any final legislation: We ask that destination resort casino facilities require Project Labor Agreements, Job Quality Standards that are worthy of our families, Responsible Procurement Policies, privately-financed workforce development training funds provided by the license holders, as well as neutrality by the employer towards the workers' choice to unionize, and a seat at the table for the Massachusetts AFL-CIO on any boards that are created in this legislation.

While there may be enthusiastic debates about how and where to dedicate these additional revenues, we cannot get to that debate unless we first support the establishment of expanded gaming. I, for one, want to have that debate about what our priorities should be for the added revenues we will create with expanded gaming. We all know the hard truth that our state would already have these revenues if we supported this economic development opportunity the first time around...and the second. We really hope the old adage, "Third times the charm" is true on this issue.

Our roads and bridges and other forms of transportation and infrastructure are in dire need of more funding.

Our schools need more investments to give our children the education they need to succeed in this ever-changing economy.

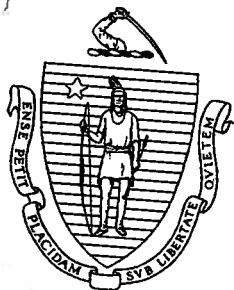
Our public employees need additional revenues to ensure that they get the health care and pensions and wages they deserve for the hard work they do for all of us, and so that the relentless assault on their basic rights can finally come to a halt.

There is plenty of time to debate where the money should go. What there is not is a question of whether or not we need the money.

There is no question that this Commonwealth has many needs and I urge the legislature to make the strategic, correct decision to create an expanded gaming sector in order to create good jobs, grow our entire state economy, and add much-needed public revenues to our state coffers.

Over the past two debates on this issue we have sought to convince you of how hungry we are for help, for a chance, for a future here in this Commonwealth for working people. We are still as hungry and in need of the opportunities resident in expanded gaming as we have ever been. This is the kind of investment and economic development that the Massachusetts AFL-CIO can enthusiastically support. Expanded gaming represents new jobs, new revenues, and new opportunities for this Commonwealth.

We are eager to help create the best possible bill and urge you to contact us as you deliberate about this important issue. I hope you will please report high-quality expanded gaming legislation out of your esteemed committee both favorably and expeditiously. Thank you.



MARtha COAKLEY  
ATTORNEY GENERAL

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**Testimony of Attorney General Martha Coakley**  
**Expanded Gaming in the Commonwealth**  
**Joint Committee on Economic Development and Emerging Technologies**  
**May 4, 2011**

Good morning Chairwoman Spilka, Chairman Wagner, and members of the Joint Committee.

Thank you for the opportunity to join you today to comment on the various proposals to expand gaming in the Commonwealth.

Since 2009, I have had the opportunity to testify before two separate committees on this topic. At those hearings, I expressed my belief that in order for the Legislature to effectively implement legalized gaming in the Commonwealth, it must set forth the proper structures and tools to ensure that the public is protected, including: (1) a comprehensive regulatory and licensing regime; and (2) public protection mechanisms for law enforcement, consumer protection and public health.

I would like to reiterate that message to the Committee here today and offer specific considerations, recommendations and updates.

**Regulatory Structure/Licensing/Oversight**

We must consider whether legislation to legalize gambling will designate an executive agency or an independent commission to regulate gambling entities. If the Legislature chooses to establish an independent commission, care must be taken to consider how that commission/agency is structured and steps must be taken to protect against conflicts of interest in

commission members.

We should also examine whether additional ethics protections are needed for gambling regulators above and beyond those already in our state ethics laws. For example, in Michigan, gambling regulators are subject to an independent set code of ethics. Moreover, as you analyze the process for licensing, please consider what type of details the legislation should provide for the licensing process. For example, are locations of gambling venues established in the legislation itself, or by the commission/agency? What types of qualifications should bidders be required to meet to bid for a license? And what rules are needed to ensure that companies with poor records do not bid?

Other things to consider are the types of background checks that should be required for employees of gambling facilities, the types of financial audits and other oversight that should be required of gambling facilities, and processes for debarment or de-licensing of a gambling facility for serious violations.

#### **Law Enforcement Tools: Economic Crimes Bill**

In addition to the regulatory mechanisms, it is also is critical that we have the statutory structures in place to address the types of financial and other crimes that may be associated with legalized gambling. My office has filed legislation that we believe will provide law enforcement with the tools to most effectively combat this criminal activity. The bill, *An Act to Combat Economic Crime*, includes the crimes of money laundering and enterprise crimes, and proposes much needed updates to our wire interception law. Today, as you grapple again with the various expanded gambling proposals, I am here to reiterate my belief that any expanded gambling legislation must include the provisions of this Economic Crimes bill.

Money laundering involves concealing the source of illegally obtained money, and is

prohibited by federal law and in 28 states across the country. This activity has proven to be critical in the furtherance of large-scale, illegal enterprises such as terrorism, narcotics trafficking and other organized crime, and is particularly prevalent where casino gaming is legal, as enormous sums of money flow through these facilities. Among other measures, the bill makes it a crime to knowingly engage in a financial transaction derived from criminal activity with the intent to promote, carry on, or facilitate criminal activity.

The legislation also focuses on traditional and non-traditional criminal enterprises and organizations, including so-called organized crime families and traditional street gangs, identity theft rings, large-scale drug, gun and human trafficking groups. Many of these organizations have sophisticated structures and extensive supporting networks, allowing them to engage in such criminal activities as money laundering, illegal gaming, running drugs and firearms, credit card and identity theft, and other types of fraud. The bill will prohibit patterns of certain crimes committed by corrupt enterprises, allowing the ring leaders and major players, who control and direct the enterprise but often do not partake in the actual commission of the crime, to be deterred and held accountable, as does federal law and 32 states across the country. Like money laundering, we are sure to experience a rise in these enterprises should the Legislature legalize gambling in the Commonwealth.

The last provision of my Economic Crimes bill updates our wire interception law, which was last amended in 1968. In the 40 years since then, there have been many changes in our society, both in technology and the sophisticated way in which criminals work. We must acknowledge these advances and make appropriate updates to our laws, while at the same time ensuring that people's rights are protected. Even the Supreme Judicial Court acknowledged in a recent decision that the wire intercept law is antiquated and must be updated. By making minor updates

to the current law, and mandating judicial approval for wiretaps involving one-party consent, we strike the right balance. I therefore urge you to include the wiretap updates in any expanded gambling bill you may pass.

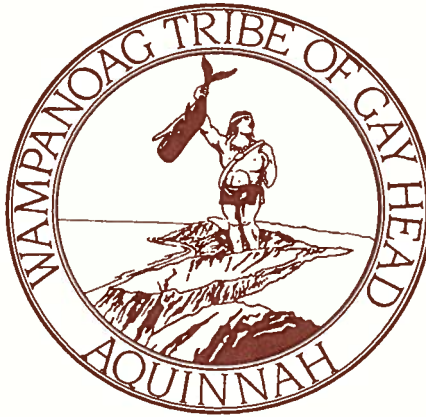
Finally, I will reiterate my testimony of two years ago about the cost of this endeavor: All of these structures, oversight mechanisms, and law enforcement and public health considerations will cost money. Without estimating costs of operating a gambling commission/agency and a licensing regime, of overseeing gambling operations, enforcing gaming violations, and protecting public health, we cannot fully estimate the benefit of gambling to Massachusetts. Funding streams should be dedicated for the various consumer protections that the legislation calls for, such as the provisions for substance abuse treatment, exclusion lists, and financial auditing of licensees as well as the regulatory entity itself. We should be careful not to underestimate such costs, as we must be prepared to adequately pay them.

If the Legislature does move forward with legalized gambling in the Commonwealth, our office will work to ensure that the regulatory oversight system and the gaming business itself is operating with highest level of public integrity and fairness.

I am happy to work with you and your colleagues as you hear from other stakeholders to ensure that any final legislation has the most comprehensive and effective regulatory and public protection mechanisms possible. Thank you.

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AQUINNAH, MA 02535-1546

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## **AQUINNAH WAMPANOAG GAMING CORPORATION**

May 4, 2011

RE: Written testimony

Joint Committee on Economic Development and Emerging Technologies

**Chairperson Honorable Senator Spilka**  
**Chairperson Honorable Representative Wagner**  
**Honorable Committee Members**

The Wampanoag Tribe of Gay Head (Aquinnah) is submitting written testimony in reference to Casino Gambling in the Commonwealth of Massachusetts.

The Aquinnah people are part of the Great Wampanoag Nation; the indigenous people who's aboriginal ancestral territory spans from the lands now known as Eastern Rhode Island, north to just south of Boston, all of Southeastern Massachusetts, Cape Cod and the Islands.

The Wampanoag Tribe of Gay Head (Aquinnah) was Federally Recognized in April 1987.

The Tribe has reservation lands, which are lands held in trust for the Tribe by the United States Government, which is located in the town of Aquinnah on the Island of Martha's Vineyard.

We are the Commonwealth of Massachusetts' first federally recognized Indian Tribe and the only tribe with lands held in trust.

The Tribe has been pursuing opportunities to promote economic development for our people and the citizens of Massachusetts for over 10 years. Our intention has been to establish and build a resort style gaming facility in Southeastern Massachusetts as the catalyst to develop diversified economic development initiatives.

The Aquinnah Wampanoag is committed to enhance the economy of the host and surrounding communities as well as the Commonwealth and is committed to the continuation of our good reputation and relationship with all who may potentially be affected or benefited by our efforts.

The Aquinnah Wampanoag intend to take land into trust for the purposes of gaming on mainland property located in Southeastern Massachusetts.

Southeastern Massachusetts is the Tribe's aboriginal land. Sixty percent of our Tribal members reside in the Greater New Bedford-Fall River area.

The INDIAN GAMING REGULATORY ACT (IGRA) was enacted in October 1988 one year and six months after the Tribe gained its federal recognition by the United States of America in April of 1987, which affords all the rights and benefits the federal government grants to Federally recognized Tribes.

The Wampanoag Tribe of Gay Head (Aquinnah) would like to restate its continued effort to pursue a class III resort style gaming facility in Massachusetts once class III gaming is legalized.

The Tribe will continue to pursue its rights to game on Indian land and its Indian Gaming right under PUBLIC LAW 100-497 the INDIAN GAMING REGULATORY ACT (IGRA).

As stated in section 2701 of IGRA;



The Congress finds that

- (4) a principle goal of Federal Indian policy is to promote tribal economic development, tribal self sufficiency, and a strong tribal government; and
- (5) Indian Tribes have the exclusive right to regulate gaming on Indian lands if gaming activities is not specifically prohibited by Federal law and is conducted within a state which does not, as a matter of criminal law and public policy prohibit such gaming activities.

With this in mind the Aquinnah Wampanoag Tribe would like to inform the governing body of Massachusetts that we remain interested in pursuing gaming in the Commonwealth, and we would like to further affirm that our intent is to remain in our aboriginal ancestral territory located in the Southeastern Massachusetts region.

As the legalized gaming debate once again comes to the forefront of the Massachusetts Legislature, the Aquinnah Wampanoag Gaming Corporation on behalf of the Wampanoag Tribe of Gay Head (Aquinnah) would like to restate the tribes interest to establish a gaming facility and would ask that the governing body to consider including the Tribe in the final Gaming bill, and to work together with the tribe to promote this economic development initiative which would be beneficial not only to the Tribe but the Commonwealth of Massachusetts.

We are hopeful that together we can build a better future for all our citizens.

Thank you your time and consideration.

Respectfully,  
Submitted



Naomi R.A. Carney, Chairperson  
Aquinnah Wampanoag Gaming Corporation

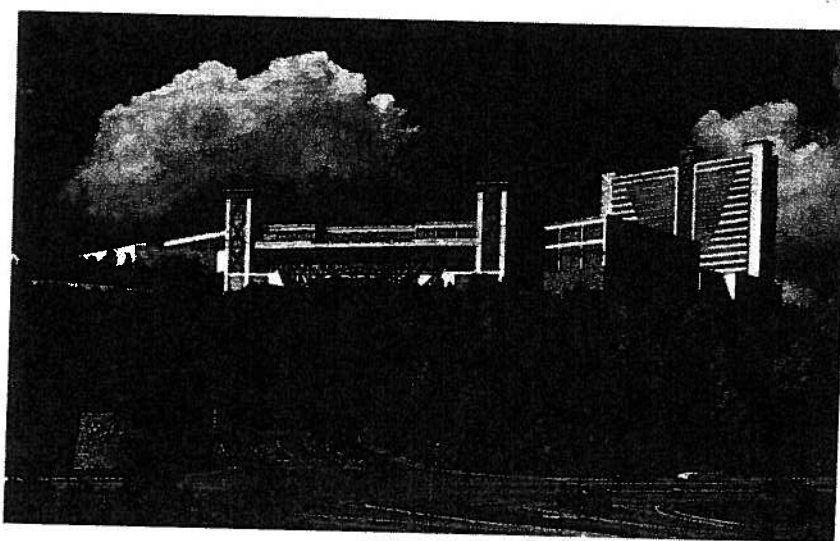
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# Place Your Bet II

## The Potential Regional Competitive Advantage of a Non-Smoking Policy for Massachusetts Casinos

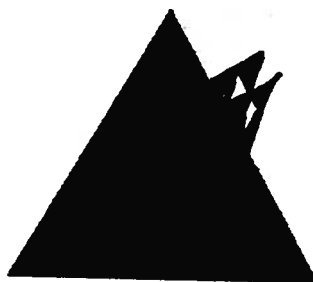
NEW ENGLAND GAMING RESEARCH PROJECT

4th Biennial New England Gaming Behavior Survey



Prepared

By



**CENTER FOR POLICY ANALYSIS  
UNIVERSITY OF MASSACHUSETTS  
DARTMOUTH**

March, 2011

Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

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## Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

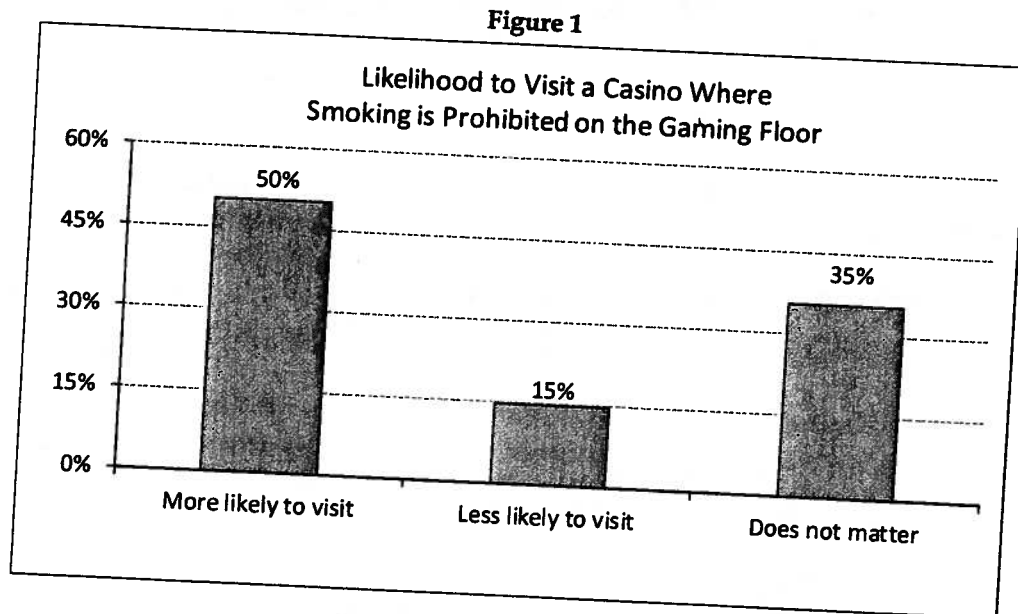
### 2.00 LIKELIHOOD OF VISITING A CASINO WHERE SMOKING IS PROHIBITED ON THE GAMING FLOOR

A random sample of Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island residents who report that they had participated in any form of legal gambling in the last 12 months (N=1,923) were asked the following question:

"All things being equal in terms of size, gaming options and distance from your home, if smoking were prohibited on the gaming floor, would you be more likely or less likely to visit a casino where smoking is prohibited, or does it not matter?" (Overall margin of error +/-2.2%).

#### 2.10 LIKELIHOOD OF VISITING BY ALL RESPONDENTS

- Half of residents (50%) in the five states surveyed who report that they gambled in the last 12 months indicate that they would be more likely to visit a casino where smoking is prohibited on the gaming floor, while 15 percent indicate that they would be less likely to visit and 35 percent indicate that it does not matter (see Figure 1).<sup>3</sup>



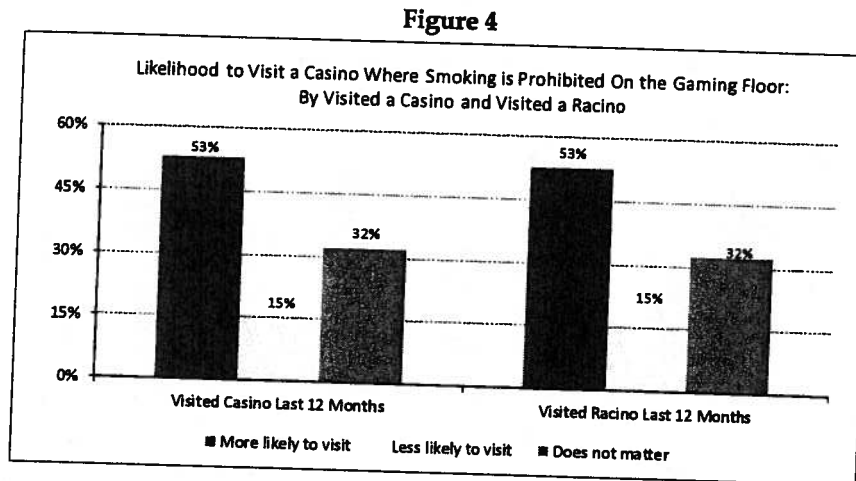
<sup>3</sup> The Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance System (BRFSS) reports the following smoking rates for adults 18 years of age and older (2007-2008): Connecticut: 15.9%, Maine: 18.2%, Massachusetts: 16.1%, New Hampshire: 17.1%, Rhode Island: 17.4%. See: [http://www.cdc.gov/tobacco/data\\_statistics/state\\_data/state\\_highlights/2010/pdfs/highlights2010.pdf](http://www.cdc.gov/tobacco/data_statistics/state_data/state_highlights/2010/pdfs/highlights2010.pdf)



## Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

### 2.40 LIKELIHOOD VISITING BY CASINO AND RACINO PATRONS

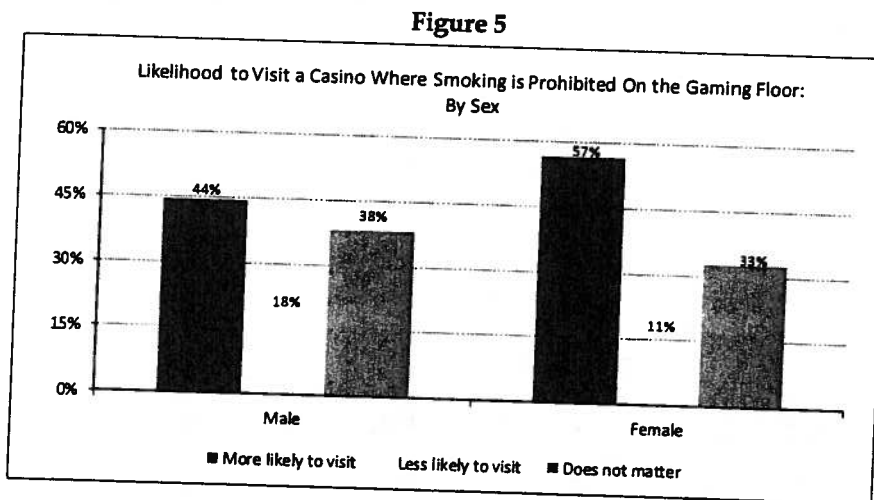
- There is no statistically significant difference in terms of a person's likelihood to visit a casino where smoking is prohibited on the gaming floor and whether they have visited a casino or visited a racino in the last 12 months (see Figure 4).<sup>4</sup>



### 2.50 LIKELIHOOD OF VISITING BY DEMOGRAPHIC BACKGROUND<sup>5</sup>

#### 2.51 BY SEX

- A higher percentage of women (57%) would visit a casino where smoking is prohibited on the gaming floor than would men (44%) (see Figure 5).



<sup>4</sup> Many respondents are included in both groups, i.e. they have visited both a casino and a racino in the last 12 months.

<sup>5</sup> Respondents who have gambled in the last 12 months.

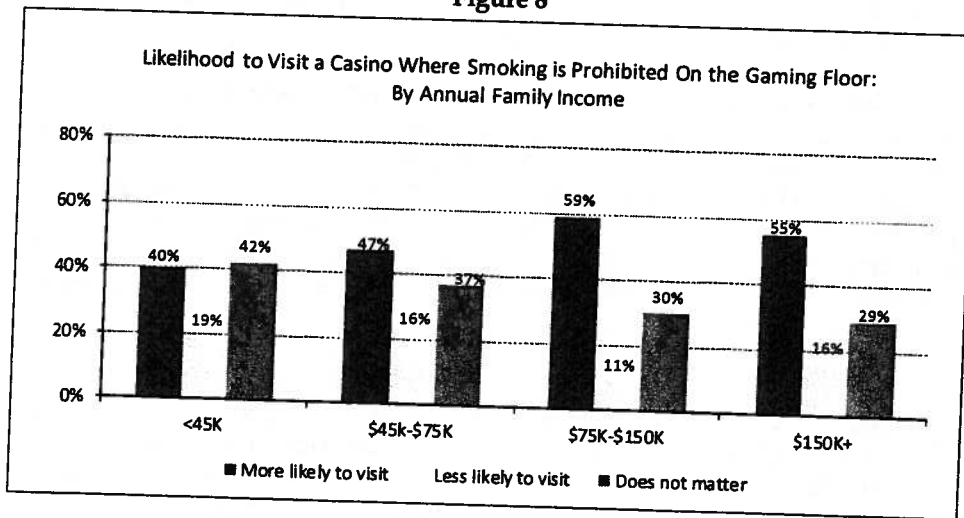


## Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

### 2.54 BY ANNUAL FAMILY INCOME

- Respondents with annual family incomes between \$75K and \$150K (59%) are most likely to indicate that they would be more likely to visit a casino where smoking is prohibited on the gaming floor (see Figure 8).

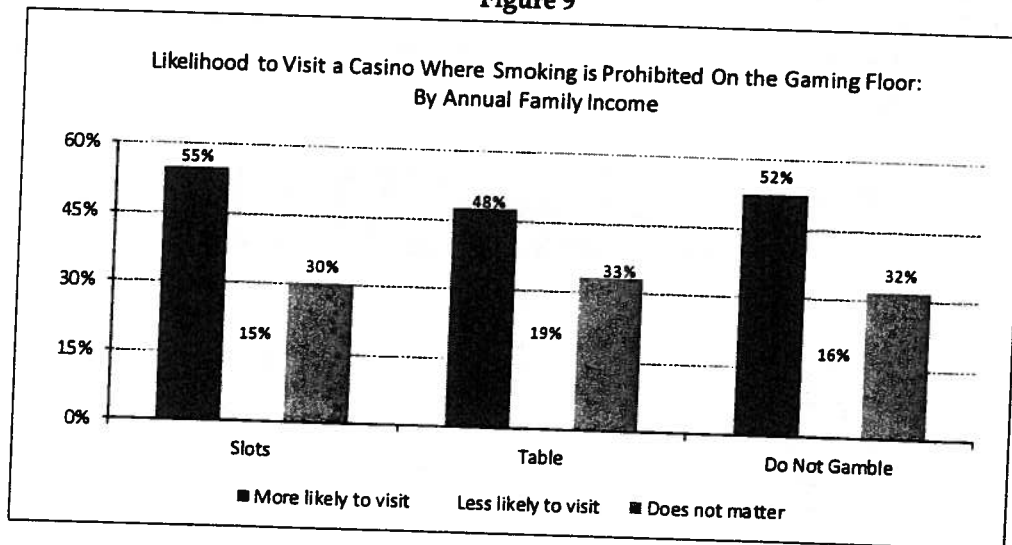
Figure 8



### 2.60 LIKELIHOOD OF VISITING BY TYPE OF GAME PLAYED

- A higher percentage of individuals who primarily play slot machines (55%) indicate that they would be more likely to visit a casino where smoking is prohibited on the gaming floor in comparison to individuals who primarily play table games (48%) (see Figure 9). This result is likely due to the fact that women, who are more likely to visit a casino where smoking is prohibited, play slot machines in greater numbers than men.

Figure 9



## Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

The Center for Policy Analysis uses the Genesys Sampling System to generate random telephone numbers. The Genesys Sampling System is used by many private and university-based polling and survey research organizations. The system uses a list of all possible telephone numbers in a particular geographic area (e.g., a state) to randomly generate a telephone sample for the designated geographic area. The New England Gaming Behavior Survey was conducted using a random digit dialing (RDD) sample. The RDD sample insures an equal and known probability of selection for every residential telephone number (listed and unlisted) in the sample geographic frame.

All telephone interviewers are trained by Center for Policy Analysis staff before they conduct telephone interviews for the survey. Senior-level staff at the Center for Policy Analysis monitor the interviewers at all times to ensure high quality data collection. Telephone interviews were conducted between 10:00 am and 8:00 pm on weekdays and between 10:00 am and 4:00 pm on Saturdays and Sundays. The Center's senior staff continually monitored the progress of interview outcomes to prevent problem cases that could interfere with the integrity of survey procedures. The survey procedures used by the Center for Policy Analysis adhere to the highest quality academic and government research standards.

The Center for Policy Analysis uses Computer Assisted Telephone Interviewing, or CATI, to conduct telephone surveys. Specifically, the Center for Policy Analysis uses WinCATI software from Sawtooth Technologies, which is one of the most widely used CATI systems in the world. Using WinCATI, telephone interviewers conduct interviews via computers, which provides highly reliable data because the computer controls the questionnaire, skip patterns are executed exactly as intended, responses are within range, and there are no missing data.

The final responses are weighted to account for sampling bias. Sampling bias is defined as the tendency of a sample to exclude some members of the sampling universe and over-represent others. In this study, females and older respondents are over-represented. Weighting the data allocates more "weight" to groups that are under-represented (e.g. younger males), while providing less weight to groups that are over-represented (e.g. older females). In other words, weighting adjusts the sample so that it looks more like the actual population of the study population as defined by the U.S. Census Bureau (2005-2009 American Community Survey estimates). All data in this report have been weighted to adjust for sex and age.

### **A3. Who funds the New England Gaming Research Project?**

The New England Gaming Research Project is funded entirely by the University of Massachusetts Dartmouth, including all research expenses and the salaries and wages of all individuals participating in the research project.

### **A4. Why study casino gaming?**

There are many reasons why the Center for Policy Analysis launched the New England Gaming Research Project:

First, casino gaming is a \$3.0 billion industry in New England that employs approximately 19,200 people at Foxwoods Resort Casino and Mohegan Sun Casino in Connecticut, at Rhode Island's video lottery terminal (VLT) parlors at Twin River and Newport Grand, and at Hollywood Slots in Bangor, Maine. The number of casino employees does not include the nearly 2,000 employees working at the region's non-slot pari-mutuel facilities in Massachusetts, Maine, and New Hampshire; nor does it include



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## *Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation*

Maine, which will soon become the state's second Class III gaming venue, although unlike Hollywood Slots in Bangor, Maine, the Oxford resort casino will also offer slot machines and table games.

Finally, in New Hampshire, the state's General Court again took up the issue of expanded gaming during its 2009 legislative session. A bill authorizing a resort casino in Hudson, New Hampshire, and three racinos in Belmont, Salem, and Seabrook passed the Senate, but the bill was decisively rejected in the New Hampshire House of Representatives.

For more information about the New England Gaming Research Project go to, <http://www.umassd.edu/seppce/centers/cfpa/newenglandgamingresearchproject/>.

### **About the Center for Policy Analysis**

The Center for Policy Analysis is a multidisciplinary research unit of the University of Massachusetts Dartmouth. Its mission is to promote economic, social, and political development by providing research and technical assistance to client organizations. The Center for Policy Analysis offers custom designed research and technical analysis in the areas of economic development, public management, program evaluation and public opinion research for government agencies, non-profit organizations, private businesses, and educational institutions. The Center for Policy Analysis has completed more than 300 research projects for various groups and agencies since 1992.

For more information about the Center for Policy Analysis and its work, go to <http://www.umassd.edu/seppce/centers/cfpa/>.





**Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation**

Q6. Have you participated in any form of legal gambling in the last 12 months such as casinos, the lottery, a racetrack or bingo? <gambling>

- 1 YES
- 2 NO (SKIP TO Q8)

Q7. Please tell me if you have participated in any of the following forms of gambling in the last 12 months. How about:

[Randomize]

	Yes	No	Don't Know	Refused
a. Scratch Tickets <scratch>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Other Lottery games such as Megabucks or Powerball <lottery>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Keno <keno1>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Casino gambling <casino>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Wagered on a dog or horse race <dog>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Bingo <bingo>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Wagering over the Internet <internet>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. Poker <poker>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i. Sports betting <sports>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7a All things being equal in terms of size, gaming options and distance from your home, if smoking were prohibited on the gaming floor, would you be more likely or less likely to visit a casino where smoking is prohibited, or does it not matter? <smoke>

- 1 MORE LIKELY
- 2 LESS LIKELY
- 3 DOES NOT MATTER
- 88 DON'T KNOW
- 99 REFUSED



Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

Q10b. Of the games you do play, what do you play most often, or do you play them all equally?  
<play\_fox2>

- 1 SLOTS
- 2 TABLE GAMES, NOT INCLUDING THE POKER ROOM
- 3 BINGO
- 4 POKER IN THE POKER ROOM
- 5 KENO
- 6 RACEBOOK
- 7 OTHER
- 8 PLAY THEM EQUALLY
- 88 DON'T KNOW
- 99 REFUSED

Q11. During the last 12 months, how many times did you visit Mohegan Sun Casino in Connecticut?  
\_\_\_\_\_ <mohvisit>

[Interviewer: Please write in "0" if respondent has not visited Mohegan Sun].

999 = refused

Q12. When you visit Mohegan Sun, do you usually spend money on any of the following items? How about:

[Randomize]

	Yes	No	Don't Know	Refused
a. Food and beverages <mohfood>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Hotel or lodging <mohhotel>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Retail purchases <mohretl>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Other entertainment such as shows, dancing, concerts <mohenter>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Gambling <mohgambl>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Spa services <mohspa>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

Q15. When you visit Twin River, do you usually spend money on any of the following items? How about:

[Randomize]

	Yes	No	Don't Know	Refused
a. Food and beverages <trfood>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Hotel or lodging <trhotel>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Retail purchases <trretl>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Other entertainment such as shows, dancing, concerts <trenter>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Gambling <trgambl>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16. During the last 12 months, how many times did you visit Newport Grand in Newport, Rhode Island? \_\_\_\_\_ <newvisit>

[Interviewer: Please write in "0" if respondent has not visited Newport Grand].

999 = refused

Q17. When you visit Newport Grand, do you usually spend money on any of the following items? How about:

[Randomize]

	Yes	No	Don't Know	Refused
a. Food and beverages <newfood>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Hotel or lodging <newhotel>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Retail purchases <newretl>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Other entertainment such as live music and dancing <newenter>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Gambling <newgambl>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

Q24. [MA residents only] Do you support or oppose the state legislature's plan to authorize three destination resort casinos in Southeastern Massachusetts, Western Massachusetts and Greater Boston and to allow a limited number of slot machines at two of the state's racetracks? <support\_leg>

- 1 SUPPORT [SKIP TO Q27]
- 2 OPPOSE [SKIP TO Q27]
- 3 UNDECIDED [SKIP TO Q27]
- 99 REFUSED [SKIP TO Q27]

Q25. [NH residents only] Do you support or oppose the legalization of casino gambling in the state of New Hampshire, or are you undecided? <nh\_support>

- 1 SUPPORT
- 2 OPPOSE
- 3 UNDECIDED
- 99 REFUSED

Q26. [NH residents only] Let's say that the state legislature legalized casino gambling in New Hampshire. On a scale of 1 to 10, with 1 being a poor location for a casino and 10 being a great location for a casino, how would you rate the following locations that have been proposed as possible sites for a casino? How about:

Hudson at the Green Meadow Golf Course <hudson>	1-10 ____	DK	RF
Salem at Rockingham Park <salem>	1-10 ____	DK	RF
Seabrook at Seabrook Park <seabrook>	1-10 ____	DK	RF
Belmont at the Lodge at Belmont <belmont>	1-10 ____	DK	RF
Loudon at the New Hampshire Motor Speedway <loudon>	1-10 ____	DK	RF
Downtown Berlin <berlin>	1-10 ____	DK	RF

Q27. Now I would like to ask you about some experiences you may have had because of gambling. Please keep in mind that your responses are strictly confidential.

Have you lost more than \$100 gambling in a single day or year? <100>

- 1 YES
- 2 NO (SKIP TO Q38)
- 88 DON'T KNOW (SKIP TO Q38)
- 99 REFUSED (SKIP TO Q38)



Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

- Q33. Has there ever been a period when, if you lost money gambling one day, you would return another day to get even? <return>
- 1 YES
  - 2 NO
  - 88 DON'T KNOW
  - 99 REFUSED
- Q34. Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling? <lied>
- 1 YES
  - 2 NO
  - 88 DON'T KNOW
  - 99 REFUSED
- Q35. Have you ever needed to ask family members or anyone else to loan you money or otherwise bail you out of a desperate money situation that was largely caused by your gambling? <loan>
- 1 YES
  - 2 NO
  - 88 DON'T KNOW
  - 99 REFUSED
- Q36. Has your gambling ever caused serious or repeated problems in your relationships with any of your family members or friends? <relation>
- 1 YES
  - 2 NO
  - 88 DON'T KNOW
  - 99 REFUSED
- Q37. Has your gambling ever caused you to lose a job, have trouble with your job, or miss out on an important job or career opportunity? <lose\_job>
- 1 YES
  - 2 NO
  - 88 DON'T KNOW
  - 99 REFUSED



Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation

Q43. How would you describe your political orientation? Would you say you are <orient>

[Interviewer: Read Choices]

- 1 VERY LIBERAL
- 2 LIBERAL
- 3 MODERATE
- 4 CONSERVATIVE
- 5 VERY CONSERVATIVE
- 88 DON'T KNOW
- 99 REFUSED

Q44. Which political party do you identify with most strongly? <party>

[Interviewer: Read Choices]

- 1 DEMOCRAT
- 2 REPUBLICAN
- 3 INDEPENDENT
- 4 OTHER (PLEASE INDICATE) \_\_\_\_\_
- 5 NONE
- 88 DON'T KNOW
- 99 REFUSED



*Place Your Bet II: The Potential Effect of Non-Smoking Policy on Casino Visitation*

**APPENDIX D: DEMOGRAPHIC PROFILE OF RESPONDENTS**

	CT			ME			MA			NH			RI		
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	
<b>Sex</b>															
Male	47	1,820	48	386	47	189	47	563	49	195	47	487	53	541	
Female	53	2,019	52	423	53	211	53	637	52	207	53	541	47	487	
Total	100	3,839	100	809	100	400	100	1,200	100	402	100	1,028	100	1,028	
<b>Age Cohort</b>															
18-34	27	1,010	26	203	24	95	29	334	27	105	27	273	31	315	
35-49	31	1,157	32	250	30	117	30	353	31	123	31	315	24	243	
50-64	24	903	24	191	26	101	23	271	25	97	24	243	18	180	
65+	18	679	18	142	20	78	18	207	18	70	18	17	NA	NA	
Refused	NA	90	NA	23	NA	9	NA	35	NA	7	NA	17	NA	NA	
Total	100	3,839	100	809	100	400	100	1,200	100	402	100	1,028	100	1,028	
<b>Family Income</b>															
<\$45K	35	1,109	36	230	43	150	31	300	34	115	38	313	26	216	
\$45-\$75K	26	804	23	149	28	97	26	258	25	84	26	239	29	239	
\$75K-\$150K	29	903	28	180	23	81	30	298	31	105	29	239	8	63	
\$150K+	11	338	14	90	6	22	13	128	11	36	8	197	NA	NA	
Refused	NA	685	NA	160	NA	50	NA	216	NA	62	NA	197	NA	NA	
Total	100	3,839	100	809	100	400	100	1,200	100	402	100	1,028	100	1,028	
<b>Education</b>															
<High School	4	144	4	34	2	10	3	33	1	4	6	64	27	275	
HS Diploma Only	25	946	27	219	30	119	20	242	22	90	27	275	30	307	
Some Coll./Associate's	30	1,146	28	229	31	123	31	372	29	114	30	307	37	376	
Bachelor's or Higher	41	1,581	40	323	37	146	46	542	48	194	37	376	NA	NA	
Refused	NA	22	NA	4	NA	2	NA	11	NA	0	NA	6	NA	NA	
Total	100	3,839	100	809	100	400	100	1,200	100	402	100	1,028	100	1,028	

Note: Percentages may not add to 100 percent due to rounding.



STATEMENT OF:  
CLYDE W. BARROW, PH.D.  
DIRECTOR, CENTER FOR POLICY ANALYSIS  
UNIVERSITY OF MASSACHUSETTS, DARTMOUTH  
BEFORE THE  
JOINT COMMITTEE ON ECONOMIC DEVELOPMENT & EMERGING  
TECHNOLOGIES  
187<sup>TH</sup> GENERAL COURT OF THE COMMONWEALTH OF MASSACHUSETTS  
Held in Gardner Auditorium, State House, Boston, Massachusetts, May 4, 2011

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Thank you for this opportunity to again share my observations with this committee on the perennial topic of expanding gaming in Massachusetts. I am testifying today as Director of the Center for Policy Analysis (CFPA) at the University of Massachusetts Dartmouth,<sup>1</sup> and as project manager of the center's New England Gaming Research Project. In 1995, we conducted our first patron origin analysis of Foxwoods Resort Casino, which was later extended to Mohegan Sun Casino, and to Twin River and Newport Grand in Rhode Island. Since that time (1995), we estimate that Massachusetts residents have spent more than \$16 billion in the states of Connecticut and Rhode Island, which given the effective tax rates in those states means that Bay State residents have contributed about \$4.5 billion in tax revenues

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<sup>1</sup> See, <http://www.umassd.edu/seppce/centers/cfpa/>. The Center for Policy Analysis was established in 1985 as a multidisciplinary research unit specializing in applied policy analysis. The Center for Policy Analysis provides research services, information support, and technical assistance to state and local government agencies, private business associations, non-profit organizations, and school departments. The CFPA has released approximately 200 applied policy reports over the last ten years in the areas of regional economic development, public management, polling, and program evaluation. The New England Gaming Research Project was launched by the Center for Policy Analysis with the February 2004 release of its first annual *New England Casino Gaming Update*. Its purpose is to provide policymakers, the general public, and the media with independent and objective research on the economic, fiscal, social, and community impacts of gaming in the New England and Northeastern regions. The Project is funded entirely by the University of Massachusetts Dartmouth.



to the general treasuries of Connecticut and Rhode Island. In fact, just yesterday we reported that for the seventh year in a row, Massachusetts residents patronizing New England's casinos and slot parlors, collectively, generated more gaming tax revenues to Connecticut, Rhode Island, and Maine state governments combined than did the residents of any other state despite not having a single gaming venue within its own borders.

### THE NEW ENGLAND CASINO INDUSTRY

Casino gaming is a \$3.0 billion industry in New England, including two tribal casinos in Connecticut, two racinos in Rhode Island,<sup>2</sup> and a small slot parlor in Bangor, Maine.<sup>3</sup> New England's two casinos and three slot parlors currently employ about 19,000 people. In calendar year 2010, the casino industry paid nearly \$667 million in gaming taxes to the states of Connecticut, Rhode Island, and Maine (see Table 1).

Table 1

New England Casino Revenues & Employment, CY 2010							
	Slot Win	Other Gaming	Total Gaming	NonGaming	Total Revenues	Payments to St/Loc Govts	Total Employment
Foxwoods	\$649,020,622	\$272,588,661	\$921,609,283	\$267,266,692	\$1,188,875,975	\$162,255,158	8,800
Mohegan Sun	\$736,157,953	\$291,518,549	\$1,027,676,502	\$227,116,507	\$1,254,793,009	\$184,039,486	8,800
Twin River	\$423,752,160	N/A	\$423,752,160	\$42,798,968	\$466,551,128	\$257,675,213	1,100
Newport Grand	\$53,297,539	N/A	\$53,297,539	\$4,796,779	\$58,094,318	\$33,961,192	200
Hollywood	\$61,667,214	N/A	\$61,667,214	\$6,228,389	\$67,895,603	\$28,684,014	303
Total	\$1,923,895,488	\$564,107,210	\$2,488,002,698	\$548,207,335	\$3,036,210,033	\$666,615,063	19,203

We estimate that the total New England gaming market (excluding non-gaming revenues) is approximately \$4.0 to \$4.3 billion under current market conditions depending on the number, location, and quality of any new gaming facilities (see Table 2). This means there is between \$1.0 billion and \$1.3 billion in unmet casino gaming demand within the

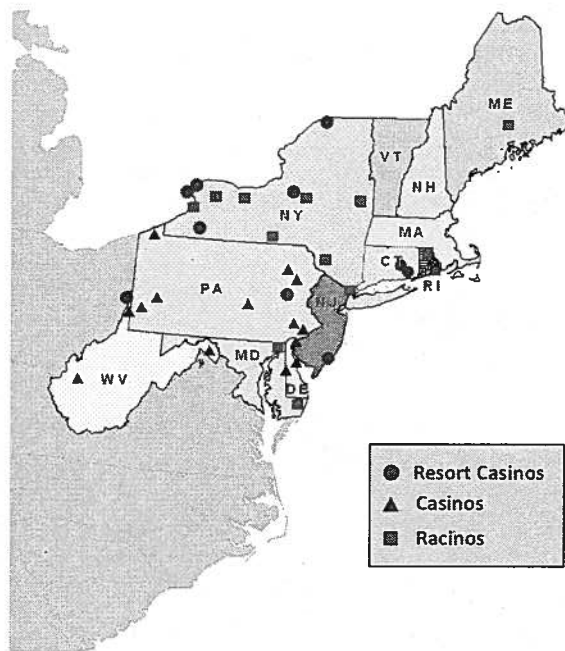
<sup>2</sup> Racinos are slot parlors located at pari-mutuel facilities, such as greyhound racing parks, horse racing tracks, or jai alai frontons.

<sup>3</sup> Slot parlors offer slot machines or video lottery terminals, but they do not offer table games (e.g., poker, roulette, black jack, baccarat, etc.). Slot parlors generally do not offer the same range of non-gambling amenities as a resort casino, such as a luxury hotel, gourmet dining, retail outlets, and entertainment venues.

region. Moreover, the estimate for unmet demand does not include the potential for strategically positioned Massachusetts casinos to capture or recapture much of the region's current gaming expenditures by Massachusetts, Rhode Island, Maine, New Hampshire, Vermont, and New York residents, as well as potential new tourism dollars. In other words, there continues to be sufficient market demand to support three resort casinos of the size proposed last year by the state legislature.

**Figure 1**

*Geographic Distribution of  
Casinos & Racinos  
In the Northeast*



**MASSACHUSETTS FUELS THE CASINO GAMING MARKET**

Massachusetts has continuously played a significant role in fueling the expansion of Connecticut's casinos and Rhode Island's racinos since Foxwoods opened in 1992. While casino gaming is not currently legal in Massachusetts, it is a mistake to not recognize that casino gaming is readily available to Massachusetts residents and they are among its most enthusiastic patrons. Massachusetts accounts for 46 percent of New England's total

population (U.S. Census Bureau, 2010) and 47 percent of its personal disposable income (USBEA 2009). In 2010, New Englanders spent an average of 0.35% of personal disposable income on casino gaming, with Rhode Island residents spending the highest percentage (1.02%) and Vermont residents the lowest percentage (0.02%) (see Table 2).<sup>4</sup>

We estimate that last year Massachusetts residents spent about \$854 million (gaming and non-gaming) at Connecticut's and Rhode Island's gaming facilities, with about \$613 million of that amount spent at the two tribal casinos.<sup>5</sup> The gaming and non-gaming expenditures by Massachusetts residents in Connecticut and Rhode Island directly underwrite approximately 5,100 hospitality jobs in those two states and indirectly contribute about \$222 million annually to the two states' general treasuries.

Table 2

New England: Population & Disposable Personal Income, 2009								
State	Disposable Personal Income (2009)	DPI - Percent of Region	DPI Per Capita	Population 2009	Population - Percent of Region	Casino/Racino Gaming Expenditures	Gaming as Percent of DPI	Gaming at National Avg (0.7%)
Connecticut	\$ 168,984,424,000	27.4%	\$ 48,030	3,518,288	24.4%	\$897,132,984	0.53%	\$1,182,890,968
Maine	\$ 44,067,467,000	7.1%	\$ 33,427	1,318,301	9.1%	\$80,227,749	0.18%	\$308,472,269
Massachusetts	\$ 289,426,460,000	47.0%	\$ 43,895	6,593,587	45.7%	\$707,893,123	0.24%	\$2,025,985,220
New Hampshire	\$ 51,902,915,000	8.4%	\$ 39,185	1,324,575	9.2%	\$50,683,492	0.10%	\$363,320,405
Rhode Island	\$ 39,710,173,000	6.4%	\$ 37,704	1,053,209	7.3%	\$403,507,465	1.02%	\$277,971,211
Vermont	\$ 22,312,900,000	3.6%	\$ 35,887	621,760	4.3%	\$5,172,917	0.02%	\$156,190,300
Total	\$ 616,404,339,000	100.0%		14,429,720	100.0%	\$2,144,617,730	0.35%	\$4,314,830,373

Source: U.S. Bureau of Economic Analysis, U.S. Census, & *New England Casino Gaming Update, 2011*. Note 1: Does not include PDI of NY residents or potential gaming expenditures by U.S. and foreign tourists or business visitors.

The Center for Policy Analysis has been conducting patron origin analyses of Connecticut's casinos since 1995 and it has done the same with Rhode Island's racinos since 2004. These results indicate that Massachusetts residents account for approximately 31

<sup>4</sup> Figures do not include non-gaming expenditures at the region's gaming facilities, but only gambling losses.

<sup>5</sup> Barrow, *New England Casino Gaming Update, 2011*, see, [http://www.umassd.edu/media/umassdartmouth/seppce/centerforpolicyanalysis/NEGU\\_2011.pdf](http://www.umassd.edu/media/umassdartmouth/seppce/centerforpolicyanalysis/NEGU_2011.pdf)

percent of the total annual visits to Foxwoods, 20 percent of total visits to Mohegan Sun, 47 percent of total visits to Twin River, and 43 percent of total visits to Newport Grand (see Table 3). In addition telephone survey research conducted earlier this year confirmed these estimates and found that Massachusetts residents continue to make approximately 7 million visits annually to the gaming venues in Connecticut and Rhode Island despite spending less per trip over the last few years.

Table 3

Estimated Patron Origins by State, 2011: Foxwoods, Mohegan Sun, Twin River, Newport Grand, & Hollywood Slots					
	Foxwoods	Mohegan	Twin River	Newport	Hollywood
Massachusetts	31.0%	19.5%	46.8%	42.9%	1.0%
Connecticut	36.9%	53.7%	1.0%	1.8%	0.0%
Rhode Island	13.2%	4.2%	49.7%	52.7%	0.0%
New Hampshire	3.0%	1.8%	0.9%	0.2%	1.0%
Maine	1.6%	0.6%	0.1%	0.0%	95.5%
Vermont	0.2%	0.3%	0.0%	0.0%	0.4%
New York	10.0%	15.3%	0.5%	1.2%	0.3%
New Jersey	1.6%	2.3%	0.1%	0.2%	0.3%
Other	2.5%	2.3%	0.9%	1.0%	1.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Center for Policy Analysis. Note: The statistical margin of error for the Foxwoods, Mohegan, Twin River, and Newport surveys is +/- < 1% (plus or minus less than one percent).

### CASINOS OR RACINOS?

It is worth noting that our behavioral and survey research consistently finds a sharp differentiation between the region's resort casino market, which is currently dominated by Connecticut and the convenience gambling market captured by Rhode Island and Maine. There is often a tendency to view "gambling" as one large undifferentiated market with a single behavior pattern and demographic that can be extrapolated from one market niche to another, or from one political jurisdiction to another, without qualification or location-specific analysis. Consequently, casinos are often viewed as having generic fiscal, economic, and

social impacts by many critics and by some public policymakers, regardless of whether they are land-based resorts, floating riverboats, dockside riverboats, or racetrack casinos.

However, the CFPA's 2004, 2006, and 2008 gaming behavior surveys found that 77% of New England residents who patronize Connecticut's two casinos, and who reside outside of Connecticut, have never visited either of Rhode Island's two racinos despite their closer proximity to these venues. Indeed, even Rhode Island residents make forty-four percent (44%) of their gaming expenditures, or \$210 million dollars annually, at Foxwoods and Mohegan Sun (\$209.1), rather than at their own slot parlors (\$262.5 million).<sup>6</sup> When asked why they prefer one venue as compared to another, casino patrons report that they are attracted to the casinos by the "general atmosphere" and "physical attractiveness of the facilities." They are also attracted by the availability of non-gaming entertainment and leisure amenities and they are much more likely to spend money on items such as food, lodging, retail shopping, and entertainment venues than racino patrons. In our 2008 gaming behavior survey, we found that of Massachusetts residents who visited Foxwoods or Mohegan Sun, 92% spent money on food, 28% on lodging, 29% on retail purchases, and 34% on other entertainment amenities.

In contrast, the convenience gamblers who visit Rhode Island's two racinos report that the facilities' main attraction is their proximity to home. Sixty-one percent (60%) of Twin River's visitors travel less than 30 minutes to reach the facility and 91 percent travel less than one hour. In addition, convenience gamblers are simply less interested in resort-style amenities and virtually none of them stay overnight or spend money on non-gaming amenities while visiting these facilities.<sup>7</sup>

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<sup>6</sup> Barrow, *New England Casino Update*, 2011, p. 38.

<sup>7</sup> Barrow, *Playing the Odds II: Who Gambles at Connecticut's Casinos and Rhode Island's Racinos?*.

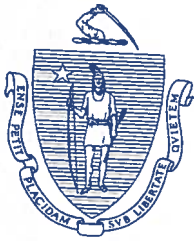
These are important distinctions when considering the long-term economic and fiscal benefits of casinos as opposed to racinos. The differences in demographics and spending patterns are readily evident in their comparative ability of the two types of facilities to generate jobs. Nationwide, land-based casinos employ 9 persons for every \$1 million in gross gaming revenues, while racinos employ 4.5 persons -- 3 new jobs + 1.5 retained jobs -- for every \$1 million in gross gaming revenues. The national average effective tax rate on commercial casinos is 16.2 percent on gross gaming revenues, although for the non-traditional venues alone (i.e., excluding Nevada and New Jersey) the effective tax rate on gross gaming revenues is 24.1 percent.

In contrast, the national average effective tax rate on the gross gaming revenues of racinos is 42.0 percent. Cash-strapped states shifted toward racinos in the late 1990s and 2000s, partly because VLTs or slot machines could be installed at existing facilities in much less time than it takes to build new land-based resort casinos, but also because the expectation of lower capital investments allowed a much higher effective tax rate on gross gaming revenues. Racinos have proven to be effective and quick revenue generators for state and local governments, but they generally lack the non-gaming amenities of a resort casino and typically draw most of their customers from a 30- to 45-minute drive-time radius. Thus, the decision of whether to adopt a casino-based gaming policy, a racino-based gaming policy, or some mix of the two strategies is ultimately about balancing the need for short-term revenue generation with long-term job creation and economic development.

### CONCLUSION

There is no question that Massachusetts residents now regularly gamble at the casinos in Connecticut and the racinos in Rhode Island, as well as those in Atlantic City and Las

Vegas. Moreover, a recent poll by the Center for Policy Analysis indicates that Bay State residents continue to support expanded gaming across the state and among most demographic groups, whether defined by age, income, sex, or educational attainment. I hope this information will assist the committee in its deliberations. I thank you for your time.



# The Commonwealth of Massachusetts

House of Representatives

State House, Boston 02133-1054

May 3, 2011

Senator Karen Spilka  
Chairwoman Committee on Economic Development  
State House, Room 511C  
Boston, MA 02133

Representative Joseph F. Wagner  
Chairman Committee on Economic Development  
State House, Room 42  
Boston, MA 02133

Dear Chairwoman Spilka and Chairman Wagner,

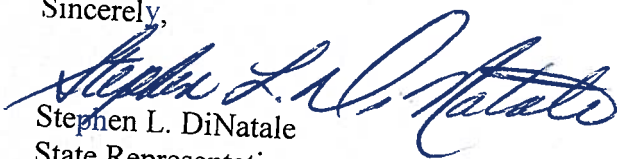
Last week I filed a bill, HD 3699 - An Act relative to simulcast racing. Unfortunately, it was not released in sufficient time to be on the May 4<sup>th</sup> public hearing agenda, which may be the committee's only public hearing on gaming proposals.

Our Commonwealth has all the necessary components for the Massachusetts Thoroughbred Breeding Program to grow. Increased purses and breeders awards will bring horsemen from around the country to Massachusetts and we will see a significant increase in breeding operations. We have open space for farms and we are capable of competing with other states. We have the potential to strengthen the agricultural sector and farming in general through the creation of jobs, and new markets for feed and farm products

I filed HD3699 in the event that all branches of government do not reach a gaming agreement before the July 31, 2011 simulcasting sunset. It proposes a realistic live horse racing schedule that increases yearly and reaches 125 racing days in calendar year 2015.

Thank you for your attention to this important matter and I look forward to discussing it with you in the near further.

Sincerely,

  
Stephen L. DiNatale  
State Representative  
3<sup>rd</sup> Worcester District



**HOUSE . . . . . No. XXXXX**

By Mr. DiNatale of Fitchburg, a petition (subject to Joint Rule 12) of Stephen L. DiNatale and Jennifer Flanagan relative to simulcasting. Economic Development and Emerging Technologies.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Eleven**

An Act relative to simulcast racing.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 128C of the General Laws is hereby amended by adding the following  
2 section:-Section 9. All licensees licensed to simulcast any live races, for wagering purposes or  
3 otherwise, within the commonwealth and to and from pari-mutuel licensees or other licensed  
4 wagering facilities located outside the commonwealth shall maintain any racing facility on the  
5 premises; provided, however, that said licensee shall hold at least 125 racing days annually.  
6

7 SECTION 2. (a) Notwithstanding any general or special law, rule or regulation to the contrary,  
8 All licensees licensed to simulcast any live races, for wagering purposes or otherwise, within the  
9 commonwealth and to and from pari-mutuel licensees or other licensed wagering facilities  
10 located outside the commonwealth shall maintain any racing facility on the premises; provided,

11 however, that said licensee shall increase the number of live racing days to a minimum of 125  
12 days according to the following schedule:-

13 (i) in the calendar year 2012 of operation a licensee shall hold 80 racing days;

14 (ii) in the calendar year 2013 of operation a licensee shall hold 105 racing days; and

15 (iii) in the calendar year 2014 of operation a licensee shall hold 115 racing days.

16 (iv) in calendar year 2015 of operation a licensee shall hold 125 racing days.

17

18 (b) All said licensees may increase the number of live racing days if said licensee is holding a  
19 minimum of 125 racing days within 4 years. If said licensee does not conduct live racing for the  
20 minimum number of days set forth in subsection (a), the commission shall suspend the licensee's  
21 simulcast license.

22

23 SECTION 3. Section 1 of this act shall take effect on January 1, 2015.



*The Commonwealth of Massachusetts*  
EXECUTIVE OFFICE OF  
HOUSING & ECONOMIC DEVELOPMENT  
ONE ASHBURTON PLACE, ROOM 2101  
BOSTON, MA 02108

DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

GREGORY BIALECKI  
SECRETARY

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**JOINT COMMITTEE ON ECONOMIC DEVELOPMENT  
AND EMERGING TECHNOLOGIES**

**MAY 4, 2011  
STATE HOUSE, GARDNER AUDITORIUM  
10:00 AM**

**TESTIMONY OF GREGORY BIALECKI, SECRETARY,  
EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT,  
RELATIVE TO EXPANDED GAMING BILLS**

Chairman Wagner and Chairwoman Spilka and members of the Joint Committee, good morning.

As Secretary of Housing and Economic Development, I would like to thank you for the opportunity to testify before you today at this public hearing. I would also like to thank you for your continued partnership and leadership on a whole range of economic development initiatives that are accelerating our economic recovery and making Massachusetts strong for the long-term. Together, we have helped businesses of all sizes grow by reducing permitting wait times, providing immediate relief from high health insurance costs and expanding access to capital. We have also made critical investments in public education, the innovation economy and infrastructure across the state in order to improve our competitive edge and secure Massachusetts' leadership position in the global economy. I look forward to building on this progress and continuing our collaboration in order to achieve Governor Patrick's top priority – creating good jobs in all regions of the Commonwealth. And that is why I am here today.

I last testified on the subject of expanded gaming in this same auditorium at the invitation of the Senate Committee on Ways and Means in June 2010. My testimony today will bear a striking resemblance to my testimony from last summer, since the issues Governor Patrick and I believe are most important to any discussion of potentially expanding gaming in Massachusetts remain unchanged.

When Governor Patrick announced in September 2007 his decision to support expanded gaming in the Commonwealth, there were several fundamental principles on which this decision was based. These general principles were subsequently expanded and detailed in the Governor's legislative proposal, filed in October 2007, to authorize up to three (and no more than three) destination resort casinos in Massachusetts. While all gaming markets, including in New England, have experienced significant stress since then, we believe these fundamental principles remain useful and sound for you and your colleagues to use when evaluating different proposals for expanded gaming today and going forward.

### ***Keep Primary Focus on Job Growth and Economic Development***

First and foremost, we believe the primary focus of any expanded gaming proposal should be to spur economic development and create jobs. Any proposal should be considered primarily in light of its capacity to create new jobs – both temporary, construction jobs and permanent, post-construction jobs – all with good wages and full benefits.

The Administration's previous proposal focused on capital-intensive, destination resort casinos that offer a broad entertainment and hospitality experience and generate far more jobs at better wages. A destination resort casino is a diversified and multi-faceted operation, of which gaming is just one component. Convenience gaming establishments do not offer the job creation opportunities of more capital-intensive facilities like resort casinos.

Like you, the Patrick-Murray Administration is committed to growing Massachusetts in every region. The Governor's fall 2007 proposal utilized three regions, with only one license per region, to ensure that each area of Massachusetts, including central and western Massachusetts and southeastern Massachusetts, received the job creation and economic development benefits of a destination resort casino.

### ***Maximize Long-Term Value to the Commonwealth***

We believe our focus should be on revenue recapture. This means that whatever is built should seek to be equal to or better than the gaming and leisure options available in other New England states, particularly in Connecticut. Gaming is an entertainment option that is being safely enjoyed by over a million Massachusetts residents every year in Connecticut and other New England states. Any well-crafted proposal would make those entertainment options available here in Massachusetts. The money that our residents are now spending in Connecticut and Rhode Island would then be spent here in Massachusetts, thereby stimulating the economy and creating jobs here.

Gaming licenses should be awarded via an open and competitive auction process that maximizes long-term value to the Commonwealth. We understand the unique reasons why that might not be the case in southeastern Massachusetts, and I will discuss that separately. Under the Governor's fall 2007 proposal, we sought flexibility in the statute to permit the newly created independent gaming authority to conduct, with the assistance of financial experts and advisors engaged by the authority, a competitive auction process that maximized capital investment,

maximized job creation and maximized long-term economic development impact for Massachusetts of any destination resort casino. The auction can be structured to incent up-front, or initial, license fees (that address short-term fiscal needs) along with a scaling or sufficiently structured tax rate that rewards successful, frequently refreshed, capital-intensive facilities (which will create more jobs and bring in more revenue in the long run). We believe that a competitive auction approach is the best way to maximize value to the citizens of the Commonwealth in a fair and transparent manner.

### ***Enhance Massachusetts' Already Strong Leisure, Hospitality, Tourism and Convention Sectors***

We believe that, if we expand gaming, any new facilities should emulate the best aspects of those located elsewhere and avoid elements that are inconsistent with the leisure, hospitality, tourism and convention sectors that already make Massachusetts attractive and unique. Massachusetts should seek what others have successfully achieved and create first-class facilities of which we can all be proud. If we are going to do this, we should do it well. In addition, whatever we do should build upon our already strong tourism and convention business and be in keeping with the character of Massachusetts. If done correctly, expanded gaming can be one part of a sustainable platform for economic prosperity in Massachusetts.

### ***Protect the Host Community and Adjoining Region***

We should work to protect both the local host community and the adjoining region. Expanded gaming should only happen in a city or town that supports it. A proponent should demonstrate local support through an approved host community referendum and a signed agreement with a host community.

As we consider impact on any community where a casino is located, we should also focus on not just local but regional impacts. We should work closely with surrounding communities for input on the project review, mitigation and, if necessary, targeted compensation to address, among other things, potential local and regional increases in traffic, worker housing, water, solid waste and waste water disposal, public safety and educational costs. This should not be an afterthought but an integral part of any license – wherever a facility is located.

### ***Address All Social Impacts and Costs***

Any proposal must address all of the social impacts of expanded gaming and work to prevent problems before they occur. We should allocate from the start sufficient and best-in-the-nation funding to address social and public safety costs that arise from expanded gaming. With any expanded gaming, we can expect an increase in demand on our social service programs, including gambling and substance abuse treatment services, mental health services, public welfare services and our criminal justice system. We should devote the necessary percentage of new gaming revenues to programs that help those with gambling addiction issues.

We should implement best practices in consumer protection to minimize the number of individuals who might develop problems from expanded gaming. We should also work to implement strategies that mitigate against any adverse impact, particularly on our already

vulnerable populations, such as the economically disadvantaged, seniors, youth and those at risk for, or with, substance abuse or behavioral disorders. Having these protections in place at the start will help minimize the increased social costs that will undoubtedly come from expanded gaming.

### ***Native American Landscape / Southeastern Region***

As I indicated previously, the Governor's 2007 legislative proposal had all three resort casino licenses being awarded via a competitive bidding process. There are a lot of good reasons for this, including letting developers compete against one another to put forth the best proposals and avoiding windfalls to private developers. We should all work hard to assure that the significant value of these licenses accrue to the Commonwealth and its citizens.

The Governor's 2007 proposal also tried to create incentives to induce developers to partner with a federally recognized Native American tribe, in order to try to guarantee that there would be no more than three casinos in the Commonwealth. We were trying to avoid a situation where we permitted three commercial casinos, and a fourth tribal casino comes along later. We believe there are many sound reasons, including overall gaming market capacity, to try to keep the number of resort casinos in Massachusetts at no more than three.

The Mashpee Wampanoag tribe, a federally recognized sovereign nation, submitted their application to the Department of the Interior on September 6, 2007, to have lands taken into trust for gaming. The status of that application is now uncertain due to the Supreme Court decision in *Carciere v. Salazar*. Until the *Carciere* decision is resolved – either through the United States Department of the Interior or by Congressional action – the Mashpee Wampanoag tribe's "land-in-trust" application, required for tribal gaming on tribal lands, is in limbo. This creates uncertainty for the tribe, and for others who might be interested in building non-tribal (commercial) gaming facilities elsewhere in southeastern Massachusetts. Without resolution, the tribe has no tribal lands, and it is possible that without resolution, southeastern Massachusetts will have no capital-intensive resort casino and therefore no possibility for the many short - and long-term jobs associated with such a facility.

I note that in the last session, the Legislature advanced a bill that would have allowed a clearer path for the Mashpee Wampanoag tribe, a federally recognized sovereign nation, to secure a license, on identical terms as the other two commercial casino licenses to be awarded elsewhere in Massachusetts. This would have been accompanied by an agreement with the tribe that if the Supreme Court's *Carciere* decision were ever resolved, then it would not prove disruptive to the Commonwealth or southeastern Massachusetts, because this issue would have already been addressed. Under that proposal, Massachusetts could have proceeded with the comfort that the number of gaming facilities was fixed at no more than three for the entire Commonwealth and that the gaming revenue generated by all three casinos would be taxed equally, irrespective of what happens in Washington.

### ***Conclusion***

In closing, the Governor and I appreciate the time that you and your colleagues have spent studying and debating this issue. I can think of few issues in the last several years that have

received greater study and greater public debate in the Legislature than this, and we welcome continued thoughtful contributions to the gaming debate. The Governor has been consistently clear that, if we expand gaming in the Commonwealth, we need to focus on a plan that has the greatest long-term economic development and job creation opportunities. For us, that means a limited number of destination resort casinos, geographically dispersed. The Governor looks forward to working with the House and the Senate as this debate progresses to ensure that those long-term job creation goals are paramount in any final bill that reaches his desk.

Again, I would like to thank the Joint Committee for holding this hearing and for the opportunity to appear before you this morning. I respectfully request that you consider the principles offered as you debate the issue of expanded gaming on its merits. Thank you.





TESTIMONY OF LAS VEGAS SANDS CORPORATION

Las Vegas Sands Corp. appreciates the opportunity to briefly discuss integrated destination resorts and convey some key components that we would like the Commonwealth of Massachusetts to consider when discussing legislation on gaming.

Massachusetts needs to consider a limited number of integrated destination resorts that would create thousands of high paying jobs, increased tourism, billions in new capital investment, along with a state and local tax revenue stream to help keep Massachusetts competitive.

Integrated destination resorts are a proven source of economic development across a broad spectrum of local economies. They expand municipal and state revenues through property taxes, payroll taxes, licensing fees, and increased collection of sales taxes. These resorts will generate billions of dollars into the local, state and regional economy through:

- Capital Improvements
- Construction Activity
- Vendor Services (wine and spirits, linens and rentals, restaurant equipment, food and produce, etc.)
- Employee Wages and Tax Revenue
- Recaptured dollars currently being spent in Connecticut and Rhode Island gaming venues.

Integrated destination resorts will provide thousands of local jobs in the construction, service, entertainment, tourism, and convention sectors. The jobs will come from three main sources.

- Construction Jobs - Construction workers will be needed across a wide spectrum and in several regions, from carpentry to plumbing to highly skilled detail work.
- Resort Jobs - Destination resort casinos will employ thousands in the gaming, restaurant, service, retail, entertainment and hospitality industries.
- Support Jobs - It is expected that thousands of supporting jobs will be created as a result of destination resort casinos through increased tourism, resort employees spending their income in the community, products and services needed by the destination resort casino, and capital investment in the region.

The majority of the aforementioned jobs offer good wages and benefits.

Integrated resort casinos are luxurious vacation and recreation destinations that attract investment from around the world. These unique hotel properties are about much more than gaming and patrons can often enjoy most if not all of the following on site:

- Luxurious Hotels
- Broadway Caliber Shows
- High-End Retail Shopping
- Fine Dining
- Premier Nightclubs
- Resort Style Pools
- 5-Star Spas
- Renowned and Up-And-Coming Artists
- Convention Facilities
- Headlining Entertainment Acts
- Exclusive Events

While trying to attract integrated destination resorts to Massachusetts, it is important to make sure the tax rate is low enough to encourage gaming companies to be competitive not only with other gaming states and tribes in the region but, other gaming jurisdictions world-wide. A low tax rate will allow Massachusetts to be a competitive gaming jurisdiction and encourages larger developments that will create tens of thousands of jobs for the Commonwealth.

Another vital component of focus is a fair, transparent, and rigorous competition for licenses based on the overall merits of each proposal. An exhaustive bidding process modeled after the top gaming jurisdictions in the world, such as Singapore, requires the government to consider not only the merits of each bid but includes a comprehensive review of the history and corporate history of each bidder. A bidding process with exhaustive background and personal history disclosure requirements for every licensee is necessary to make sure that gaming within the Commonwealth of Massachusetts is successful and respected within the world-wide gaming community.

We would be pleased to provide any additional information.

**Testimony of Cedric Cromwell, Chairman, Mashpee Wampanoag Tribe  
May 4, 2011  
(as prepared)**

Wuneekeesuq Neetopak. Good day my friends. I would like to thank the Chairs of this committee, Senator Spilka and Representative Wagner, as well as the rest of the committee for holding this hearing today and allowing me to participate.

As the elected Chairman of the Mashpee Wampanoag Tribe, I come before you today to discuss the rich history of our Tribe in Massachusetts and the unique rights accorded to federally recognized tribes by the United States Constitution and federal law.

The proposed expansion of gaming in the Commonwealth provides an ideal opportunity for the Commonwealth and our Tribe to work together to strengthen our economies and provide thousands of jobs to southeastern Massachusetts and our Tribe through the development of a resort style casino.

The Mashpee Wampanoag Tribe has inhabited Massachusetts for more than 12,000 years. Approximately 400 years ago, our ancestors greeted explorers from Europe, and welcomed the Pilgrims, helping them to survive their first harsh winters here.

The first decades were peaceful, but without enumerating the series of injustices brought upon our people, our mere existence today is a reflection of the determination and perseverance that it took for our people to remain in our homeland.

In 2007, after an exhaustive, 33 -year process, the Mashpee Wampanoag Tribe was acknowledged as a federally recognized tribe. Unlike many other tribes, we retain full tribal sovereignty, meaning we did not make any settlement agreement with the government to waive sovereign rights, including gaming rights, in exchange for recognition.

Today, most of our 2,000 proud citizens of the Mashpee Wampanoag Tribe remain in our homeland, and are also citizens of the Commonwealth of Massachusetts. We are proud of our service to the United States, and have fought in every major conflict since the American Revolution. Our Chief, Vernon Silent Drum Lopez, a World War II veteran, fought in Normandy, and more recently, Staff Sergeant Alicia Birchett gave her life while serving in Iraq.

As many of you know, federally recognized tribes are acknowledged as sovereign nations under the Constitution. We are distinct and independent political communities that maintain rights of self-government and self-determination.

The Supreme Court has upheld the sovereignty of tribes in numerous rulings. The court has also ruled that tribes can operate gaming facilities free of state regulation, and that gaming revenues can be used to encourage self-sufficiency and to promote economic development.

Now that we have been recognized by the federal government -- our tribe is seeking to pursue these opportunities that are authorized and protected under federal law.

We do so because just like you in state government, we in tribal government have a duty to care for and provide opportunities to our people. Many of our tribal citizens are unable to afford housing. Unemployment is high. We struggle with the many health issues that go along with high rates of poverty: heart disease, asthma, diabetes, cancer, teenage pregnancy, and substance abuse. Many of our tribal citizens rely on state assistance just to survive.

We seek new economic opportunities. We seek a way bring true self-reliance to our nation and to our people -- and will do so for generations to come. We want to create year-round jobs not just for our Tribe - but for the local economy. We want to generate new income not just to fund the Tribe's programs -- but to fund those in the local community and reduce local property taxes.

Many are unaware that under federal law, recognized tribes may automatically operate Class III gaming facilities on tribal lands if a state allows gaming. Many are also unaware that states may not tax gaming activities.

To address these concerns, the federal government encourages states to enter into cooperative agreements or "compacts" with tribes that spell out, among other things, revenues that tribes pay to the state. Such an arrangement is a commonsense solution for our Tribe, the Commonwealth, and the people of southeastern Massachusetts.

As the Commonwealth crafts a bill to authorize gaming, our Tribe urges this committee to also craft provisions that specifically authorize the governor to enter a compact with our Tribe for the development and operation of a destination resort casino in southeastern Massachusetts.

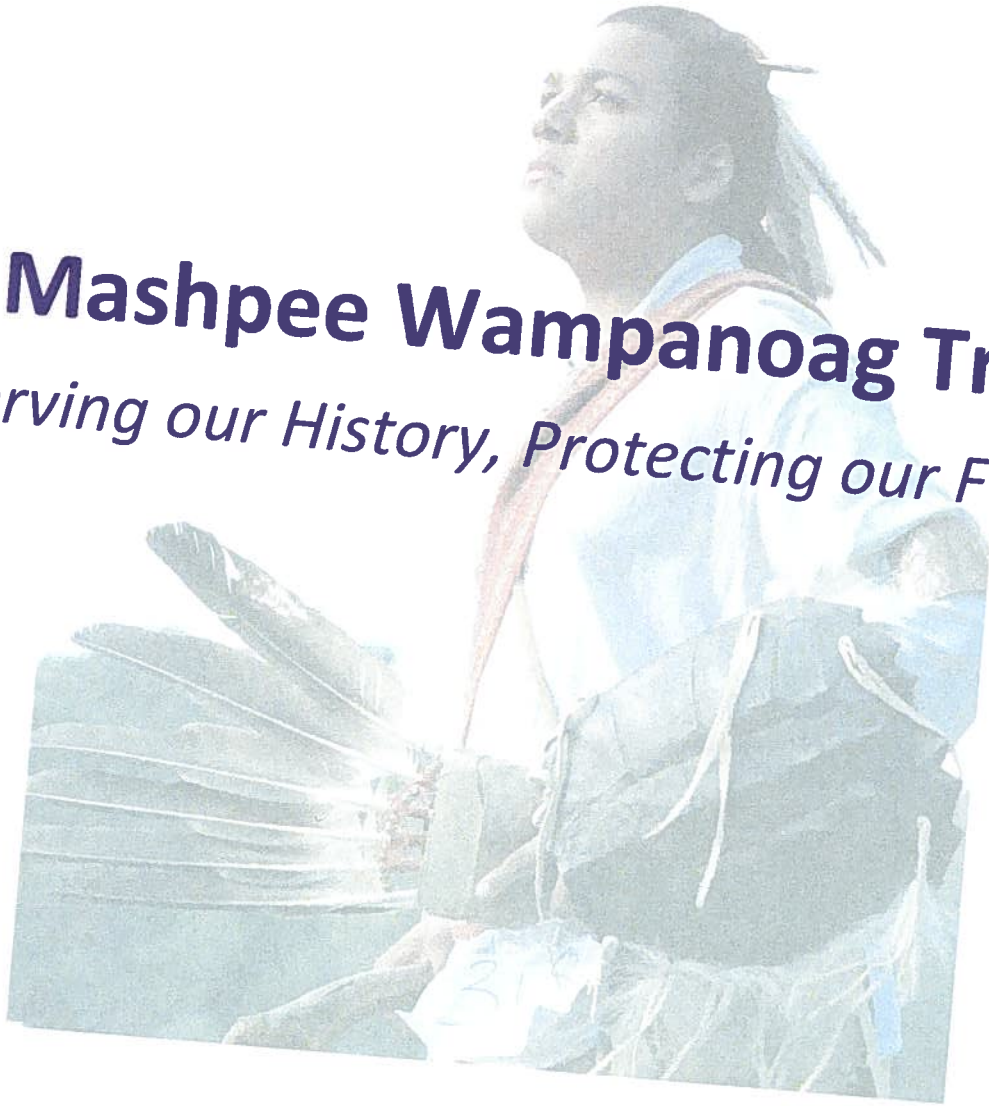
The combination of our Tribe's unique sovereign rights, strong historical and present-day connection to our ancestral homeland of southeastern Massachusetts, and our business relationship with one of the world's most respected gaming companies makes it clear that the Mashpee Wampanoag Tribe having a resort style casino in our homeland is not only the right thing to do, but also good policy and good business for the Commonwealth.

Thank you for the opportunity to participate in this hearing today. We look forward to working with you to make this mutually beneficial relationship between the Tribe and the Commonwealth a reality.



# The Mashpee Wampanoag Tribe

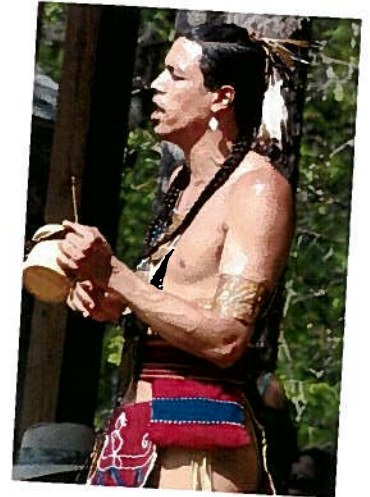
*Preserving our History, Protecting our Future*





## History of the Mashpee Wampanoag Tribe

The Mashpee Wampanoag Tribe, known as the People of the First Light, has inhabited Massachusetts for more than 12,000 years. Our Wampanoag ancestors greeted explorers from Europe, and assisted the Pilgrims to survive their first harsh winters here. We treated European settlers with respect and human dignity and expected the same in return. However, in addition to having our population decimated by foreign disease brought by European settlers, in the years after 1620 our land was stripped away from us while a series of governments: colonial, state, and federal, presided over attempts to not only take our land, but remove any trace of us from this part of the country.



The history of devastation to the Mashpee Wampanoag Tribe was underscored recently, when U.S. Secretary of the Interior Ken Salazar visited Cape Cod to see firsthand the sites where our ancient ancestors first greeted the rising sun. The pristine coastline, a sacred place for our tribal members, is now dominated by million dollar vacation homes and exclusive country clubs.

Without enumerating the series of injustices brought upon our people as the result of European colonization and expansion, our existence today is a reflection of the strong determination and perseverance that it took for our people to remain in our homeland and maintain a strong tribal community, even as we were surrounded by increasing development.

## The Mashpee Wampanoag Tribe Today



The approximately 2,000 members of the Mashpee Wampanoag tribe are loyal citizens of the United States of America and the Commonwealth of Massachusetts with populations clustered in Mashpee, Fall River, New Bedford, Boston, and throughout southeastern Massachusetts. But first and foremost we are citizens of the sovereign Mashpee Wampanoag tribal nation. Our tribal nation is governed by an eleven-member Tribal Council, including four constitutional officers and seven councilors, elected by the people of the Tribe. Our traditional leaders, the Chief and Medicine Man, are also voting members of the Council.

Much like the rest of the Tribe's history, reclaiming our sovereignty did not come without its own struggle. In 2007, after a 33-year application process, and having painstakingly documented our tribal history, the U.S. Department of the Interior recognized the Mashpee Wampanoag as one of only two federally recognized Indian tribes in Massachusetts. The Mashpee Wampanoag Tribe retains full sovereignty,



meaning it did not make any settlement agreement with the government to waive sovereign rights, including gaming and aboriginal hunting and fishing rights, in exchange for recognition.

However, as our tribe has seen firsthand, sovereignty does not guarantee prosperity. Many members of our tribe are unable to find housing in our ancestral lands – one of the most expensive markets in the country. Unemployment is high. We struggle with the many health issues that go along with high rates of poverty: heart disease, asthma, diabetes, cancer, teenage pregnancy, and substance abuse. Many of our tribal members rely on state assistance – through unemployment insurance, transitional assistance, Mass Health, and other programs – just to survive.

### **A People Without Land**

Despite our recognition as a sovereign nation, the Mashpee Wampanoag is still a tribe without land. Federal law provides a process by which Indian tribes that have been displaced from tribal lands may apply to the Department of the Interior to place land in trust for the benefit of tribal members and in August 2007, the Mashpee Wampanoag Tribe submitted such an application.

In February 2009, the controversial Supreme Court decision in *Carcieri v. Salazar* caused uncertainty as to the federal government's ability to take land into trust for certain tribes. Recently, however, the Department of the Interior has reiterated its intention to continue to place land in trust for tribes, and has continued to process the Mashpee Wampanoag Tribe's application for an initial reservation.



In addition, The Mashpee Wampanoag Tribe, along with hundreds of other tribes from across the country, has been working with the Obama Administration and Congress to end this uncertainty. We are very encouraged by the inclusion of a 'Carcieri fix' in President Obama's budget as well as bipartisan efforts to deal with this issue in Congress.

### **The Tribe and Casino Gaming**

The only solution to the persistent economic, education, housing, and health challenges our tribal members face is a long term strategy to create economic opportunity and self-sufficiency for the tribe and to break the cycle of poverty for our people. As part of our larger economic development strategy to address these challenges for the Mashpee Wampanoag people, Tribal Chairman Cedric Cromwell and the Tribal Council, with the overwhelming support of tribal members, have been pursuing the creation of a resort-style gaming facility in southeastern Massachusetts.



The Tribe is proud to have the financial backing of Arkana Limited, a wholly-owned affiliate of Malaysian corporation Genting. This group has financed the startups of Foxwoods Resort and Casino in 1992, and Seneca Niagara Casino in New York in 2002. It is a multi-billion dollar organization with vast experience developing and operating resort casinos.

### **Background on Indian Gaming**

Congress enacted the Indian Gaming Regulatory Act, or IGRA, in 1988, to encourage tribal economic development and promote strong tribal governments, to protect tribes, and to establish the National Indian Gaming Commission, or NIGC, to approve certain gaming-related agreements and generally oversee Indian gaming.

Specifically, the law provides that if a state allows gaming, a federally recognized tribe may operate Class III gaming facilities on tribal land by negotiating a compact with the particular state. A federally recognized tribe may operate Class II gaming facilities on tribal land without providing any revenue to the state.

The Mashpee Wampanoag Tribe recognizes that it is inextricably linked to the rich history of Massachusetts. We seek what any sovereign nation would—the ability to provide for the needs of our people. We seek land on which to live, health care and good paying jobs for our tribe, and the freedom to pursue economic development for our people and our nation. We look forward to partnering with the Commonwealth to make our vision a reality.



Chief Vernon "Silent Drum" Lopez, World War II Veteran





# MASSACHUSETTS BUILDING TRADES COUNCIL, AFL-CIO

256 Freeport Street, Dorchester, MA 02122-2833 • Tel: (617) 436-3551 / Fax: (617) 436-4163

*President*  
Francis X. Callahan, Jr.

*Vice President*  
Paul J. Ward

*Secretary-Treasurer*  
Louis A. Mandarini, Jr.

## Testimony Of The Massachusetts Building Trades Council Joint Committee on Economic Development and Emerging Technologies

May 4, 2011

Chairman Wagner, Chairman Spilka and members of the Joint Committee on Economic Development and Emerging Technologies.

My name is Francis Callahan and I am President of the Massachusetts Building Trades Council representing over 75,000 men and women who work for over 3,000 union contractors across the Commonwealth.

I am here to testify in support of the expansion of legalized gaming in Massachusetts. The Massachusetts Building Trades has long been an advocate for the expansion of gaming for one simple reason. It represents economic development which will generate thousands of jobs. The number of construction jobs for the initial development will depend on the number and size of the facilities built. But it is safe to say that thousands of construction jobs will be created in the initial development. Thousands of jobs that are sorely needed at a time when building trades workers are experiencing unemployment rates of 30% and more. It will also generate thousands more construction jobs in the future for expansions, additions and renovations.

The expansion of legalized gaming will also create thousands of permanent jobs for Massachusetts residents who will be employed in the operation of these facilities.

Regarding jobs, the big questions which the committee and the legislature must address are how many jobs will be created and will they be good jobs?

On the question of how many jobs will be created I urge you to consider including language to either require or encourage development in different regions of the state. This

Building Our Communities the Union Way

will spread the benefits of this development across the state and avoid a situation where two or more facilities are competing for the same market and missing the opportunity to recapture market share from neighboring states that currently attract Massachusetts residents.

We also ask that you include language that will require any casino developer to post a bond between 25% and 50% of their construction estimate that would be forfeited if they have not begun construction within one year of their designation. The reason for this is to avoid situations like the one in Pennsylvania where a designation was granted but the construction was never carried out.

On the question of whether they will be good jobs I urge you to include language that requires bidders to include in their application answers to the following questions:

- whether the applicant has a contract with organized labor and has the support of organized labor for its application.
- the number of employees to be employed at the resort casino, including detailed information on the pay rate and benefits for employees, including any contractors; the total amount of investment by the applicant in the resort casino, including all facilities located at the casino site and all infrastructure improvements related to the project; completed studies and reports as required by the authority, which shall include, but are not limited to, an economic benefit study, both for the commonwealth and region.
- whether the applicant is including in its application contracts with labor organizations and a provision assuring labor harmony during all phases of such construction, renovation, or reconstruction of the resort casino;

The answers to these questions will give a selection commission the information they need to determine which applications will ensure Massachusetts residents will build and staff these facilities while earning good wages and benefits under good working conditions. It will also ensure that these facilities are built without unnecessary delays and deliver their full economic potential to the Commonwealth.

Thank you in advance for your consideration of these issues. I look forward to working with the committee and the legislature in any way that may be of help.

MASSACHUSETTS CATHOLIC CONFERENCE  
WEST END PLACE

150 Staniford Street, Boston, MA 02114-2511  
Phone (617) 367-6060  
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**LEGISLATIVE TESTIMONY**

To: Members of the Joint Committee on Economic Development and Emerging Technologies

From: James F. Driscoll, Esq., Executive Director

Re: Predatory Gambling

House 130, "An Act Relative To The Issuance Of A Permit For The Temporary Operation Of A Casino In The Commonwealth,"

House 1037, "An Act Relative To Slot Machines At Racetracks,"

House 1039, "An Act Establishing Casinos In Massachusetts,"

House 1904, "An Act To Allow Gaming At Certain Organizations,"

House 1905, "An Act Establishing Expanded Gaming In The Commonwealth,"

House 3110, "An Act Relative To Gaming,"

House 3111, "An Act Establishing Expanded Gaming In The Commonwealth,"

Senate 150, "An Act Relative To An Independent Analysis Of Expanded Gaming In The Commonwealth,"

Senate 155, "An Act Relative To Expanded Gaming In The Commonwealth,"

Senate 168, "An Act Establishing And Regulating Resort-Style Entertainment In The Commonwealth,"

Senate 169, "An Act Establishing The Massachusetts Pari-Mutuel Enhancement Act,"

Senate 170, "An Act Relative To Gaming."

Date: May 4, 2011

The Massachusetts Catholic Conference ("Conference") respectfully submits this testimony in opposition to authorizing predatory gambling in Massachusetts. The Conference opposes House Bills 130, 1037, 1039, 1904, 3110 and 3111, and Senate Bills 155, 168, 169, and 170, all of which propose to expand gambling in the Commonwealth in ways contrary to the common good. The Conference supports Senate Bill 150 and its goal of producing an independent analysis of the consequences of expanded gambling, provided, however, that the bill is revised to ensure that the organization chosen to conduct such an analysis is acceptable not only to proponents but also to opponents of expanded gambling.

The following discussion summarizes the Church's position on expanded gambling, identifies the documented negative impact associated with legalizing casinos and slots, pinpoints the costs experienced by vulnerable populations, and touches on the economic realities hidden by the pro-expansion hype. The testimony finishes with a separate, brief discussion of Senate Bill 150.

Summary of the Church's Position on Gambling in Its Various Forms

The Roman Catholic Church is not opposed to gambling per se. Church teaching recognizes that gambling can be a legitimate form of recreation. However, such activity can be accompanied

Archdiocese of Boston—Dioceses of Fall River, Springfield, Worcester

also by a “passion [that] risks becoming an enslavement,” and thus the Church considers gambling “morally unacceptable” when it “deprive[s] someone of what is necessary to provide for his needs and those of others.”<sup>1</sup>

The Roman Catholic Bishops in Massachusetts have consistently opposed the expansion of gambling in the Commonwealth because, as explained in their most recent statement, “in gambling, especially in casinos and high stake lotteries, there are increased dangers and abuses that warrant vigilance and concern. There is no doubt that gambling can victimize the poor and often surpass ‘legitimate recreation.’ ... [C]asinos and the authorization for additional slot machines will raise gambling to a new level in our Commonwealth. In addition these can also encourage addictive gambling. The state should not depend on gambling for resources to pay for needed services.”<sup>2</sup>

### Documented Negative Impact on Communities

The United States International Gambling Report Series (2008), a collection of academic and government reports, includes national statistics showing that taxpayers spend three dollars in social welfare costs for each dollar that gambling generates.<sup>3</sup> The social welfare costs include, but are not limited to, increased bankruptcies, crime, gambling addictions, broken families and poverty. Areas with casinos see personal bankruptcies rise from 18 to 42 percent, crimes increase by 10 percent and the number of addicted gamblers double.<sup>4</sup> John W. Kindt, editor and contributing author of the reports and University of Illinois professor, stated that “[i]f you're dumping money into these slot machines, you're not spending money on cars, refrigerators, computers, education. In studies, it shows that around these slot machine areas we have people spending even 10 percent less on food.”<sup>5</sup>

In 1999, the National Gambling Impact Study Commission, created by Congress to investigate the gambling industry, and made up of gambling supporters and opponents, concluded that “there is a need for a ‘pause’ in the growth of gambling,”<sup>6</sup> after noting that gambling’s “rapid growth ... begs a host of questions” that have not been adequately considered.<sup>7</sup> The critical concerns identified by the Commission included whether “[gambling’s] benefits outweigh its costs,” whether it “will sap the very citizens it is intended to help,” whether it will “raise or lower crime rates,” and whether “more gambling [will] automatically mean more problem and pathological gambling.”<sup>8</sup> The Commission observed that “[n]o one has definitive answers to these and other questions about gambling, least of all our policymakers, who are now caught short and,

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<sup>1</sup> Catechism of the Catholic Church, no. 2413 (included within a discussion of the Seventh Commandment, “You shall not steal”).

<sup>2</sup> Catholic Bishops in Massachusetts, Statement on Gambling (Oct. 31, 2005).

<sup>3</sup> Dennis, J., “New Book Series Renews Call for Ban on Gambling,” Bio-Medicine, April 2, 2009.

<sup>4</sup> Dennis, J., “Gambling Ban Would Reverse Recession, New Book Says,” News Bureau, U. of Illinois, April 16, 2009.

<sup>5</sup> Carden, D., “Illinois Professor Says Economic Fix Starts with Gambling Ban” The Daily Herald, April 21, 2009.

<sup>6</sup> Final Report of the National Gambling Impact Study Commission (“NGISC Final Report”), Executive Summary at 53 (June 18, 1999) available at <http://govinfo.library.unt.edu/ngisc/>.

<sup>7</sup> NGISC Final Report, Executive Summary at 2.

<sup>8</sup> Id.

in some cases, may be flying blind as they attempt to formulate rational, informed gambling policies.”<sup>9</sup>

After completing comprehensive, unbiased research, the Commission concluded that gambling, whatever its benefits, came with “undeniable and significant costs.”<sup>10</sup> For example, the Commission found that economic benefits from casinos were generally limited to their immediate vicinity while the social costs tended to be diffused throughout a broader geographic region.<sup>11</sup> The Commission also “heard repeated testimony of desperate gamblers committing illegal acts to finance their problem and pathological gambling.”<sup>12</sup> The Commission’s own research “suggest[ed] that a relationship may exist between gambling activity and the commission of a crime,”<sup>13</sup> and determined that “people within communities that host legalized gambling believe crime rates are up,” which the Commission found “troubling and demand[ed] greater research,”<sup>14</sup> and “found wide-spread perception among community leaders that indebtedness tends to increase with legalized gambling, as does youth crime, forgery and credit card theft, domestic violence, child neglect, problem gambling, and alcohol and drug offenses.”<sup>15</sup>

Further, “the Commission likewise heard abundant testimony and evidence that compulsive gambling introduces a greatly heightened level of stress and tension into marriages and families, often culminating in divorces and other manifestations of familial disharmony.”<sup>16</sup> The Commission discovered that “[i]ndividuals with gambling problems seem to constitute a higher percentage of the homeless population”<sup>17</sup> and the “[c]hildren of compulsive gamblers are often prone to suffer abuse, as well as neglect, as a result of parental problem or pathological gambling.”<sup>18</sup> Of great interest to the Massachusetts debate, “It was brought to the Commission’s attention that cases of parents leaving their children in the Foxwoods casino parking lot became so commonplace that Foxwoods management posted signs warning that such incidents would be reported to the police.”<sup>19</sup>

#### Further Costs Affecting Vulnerable Populations

Two additional studies, both published in 2006 and updating and ratifying many of the findings of the National Gambling Impact Study Commission, also merit this Committee’s attention. First, in “the largest problem gambling survey conducted in the United States,”<sup>20</sup> submitted by the National Opinion Research Center at the University of Chicago to the State of California’s Office of Problem and Pathological Gambling, researchers reported that “[t]he lifetime prevalence of problem and pathological gambling in California is particularly high among men,

<sup>9</sup> Id.

<sup>10</sup> NGISC Final Report, Chapter 7: Gambling’s Impacts on People and Places at 7-2.

<sup>11</sup> Id. at 7-11.

<sup>12</sup> Id. at 7-13.

<sup>13</sup> Id. at 7-14.

<sup>14</sup> Id.

<sup>15</sup> Id.

<sup>16</sup> Id. at 7-26.

<sup>17</sup> Id. at 7-27.

<sup>18</sup> Id. at 7-28.

<sup>19</sup> Id.

<sup>20</sup> Final Report: 2006 California Problem Gambling Prevalence Survey 20 (Aug. 2006) (“California Report”), available at [http://www.adp.ca.gov/OPG/pdf/CA\\_Problem\\_Gambling\\_Prevalence\\_Survey-Final\\_Report.pdf](http://www.adp.ca.gov/OPG/pdf/CA_Problem_Gambling_Prevalence_Survey-Final_Report.pdf).

African Americans and respondents who are disabled or unemployed,” and that “lifetime problem and pathological gamblers are significantly more likely than other gamblers and non-gamblers to smoke cigarettes daily and to have used tranquilizers, cocaine or other illicit drugs in the past year.”<sup>21</sup>

Second, in a review of United Kingdom and international gambling data that was commissioned by Scotland’s government, it was reported that “[r]esearch has found that proximity to casinos increases rates of problem gambling in the local population,” particularly within a fifty mile radius, where the rate doubles.<sup>22</sup> In addition, “[d]isadvantaged social groups who experience poverty, unemployment, dependence on welfare, and low levels of education and household income are most likely to suffer the adverse consequences of increased gambling.”<sup>23</sup> Moreover, while “[i]ndividuals on lower incomes and with lower levels of education are less likely to visit casinos than the general population, ... when they do, they tend to experience more problems with their playing.”<sup>24</sup> Finally, the Scottish report noted emerging trends where increased percentages of women and “relatively affluent people” are developing problems with gambling.<sup>25</sup>

Governor Deval Patrick, an advocate for expanded gambling, has acknowledged the prospect of additional hardships for individuals and families, noting that “increases in drug and alcohol abuse, personal bankruptcy and even domestic violence have been documented” and that therefore “the impact on an affected individual or families can be devastating.”<sup>26</sup> The Conference respectfully submits that, based upon the Governor’s words alone, authorizing predatory gambling is wrong. Government should not take any action that causes harm to its citizens.

### Economic Realities vs. Pro-Expansion Hype

Our nation’s and region’s experience in the “Great Recession” demonstrates the economic vulnerabilities that confront state governments when they rely on revenue from casinos and other forms of predatory gambling during an economic downturn. The casino industry’s own trade organization, the American Gaming Association, reported in its most recent national survey of economic trends that due to the recent recession, “[t]he entire country was in the grip of a crippling recession . . . , and the gaming industry certainly was not immune to its effects on consumer spending.”<sup>27</sup> A majority of the states with casino gambling suffered significant declines in gambling-related revenue and employment levels.<sup>28</sup>

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<sup>21</sup> California Report at 94-95.

<sup>22</sup> Scottish Executive Social Research, Research on the Social Impacts of Gambling: Final Report, Executive Summary at 6 (2006) (“Scottish Report”), available at <http://www.scotland.gov.uk/Resource/Doc/143770/0036514.pdf>.

<sup>23</sup> Scottish Report, Executive Summary at 6.

<sup>24</sup> Id. At 7.

<sup>25</sup> Id. at 61, 62.

<sup>26</sup> Transcript: Governor Unveils Casino Gaming Plan (Sept. 17, 2007), available at [http://www.mass.gov/Agov3/video/2007-09-17\\_casino\\_announcement.rtf](http://www.mass.gov/Agov3/video/2007-09-17_casino_announcement.rtf).

<sup>27</sup> American Gaming Association, State of the States: The AGA Survey of Casino Entertainment (2010) (unpaginated President’s Message inside front cover), available at [http://www.americangaming.org/assets/files/State\\_of\\_the\\_States\\_2010\\_FINAL.pdf](http://www.americangaming.org/assets/files/State_of_the_States_2010_FINAL.pdf).

<sup>28</sup> State of the States at 2.

According to a report issued by the Rockefeller Institute of Government on September 21, 2009, due to the recession, for the first time in three decades, income that state and local governments received from authorized gambling operations declined by 2.6 percent from fiscal year 2008 to 2009.<sup>29</sup> The study went on to report that new gambling activities often provide a quick boost to state revenues, but generally do not keep pace with traditional tax revenues and government expenditures over time:

The historical tendency for revenues from existing gambling operations to grow at a significantly slower pace than other state revenues may hold important lessons for states as policymakers consider further expansion of casinos, racinos, and other gambling activities,” Institute Deputy Director Robert B. Ward and Institute Senior Policy Analyst Lucy Dadayan wrote in the report. “Expenditures on education and other programs will generally grow more rapidly than gambling revenue over time. Thus, new gambling operations that are intended to pay for normal increases in general state spending may add to, rather than ease, long-term budget imbalances.<sup>30</sup>

As a result of regional recessionary pressures, the Foxwoods casino in Connecticut experienced a 10.2 percent decline from September 2008 to September 2009. The other Connecticut casino, Mohegan Sun, and Pocono Downs in Pennsylvania declined by 6 to 10 percent in the quarter that ended on September 31, 2009. The table game revenue projected a drop of 23 percent to 26 percent.<sup>31</sup> Additionally, Foxwoods laid off 700 workers as the recession hit, which is about 6 percent of its workforce, and Mohegan Sun laid off 500.<sup>32</sup>

Moreover, predatory gambling will cannibalize other “entertainment” revenue streams. It is true that “the various gambling industries often point to the taxes they pay as a measure of the tax relief provided by the industry to the state’s (or local) citizens.”<sup>33</sup> Yet these advocates do not account for the occurrence of increased government spending related to creating new casinos. Nor do they acknowledge certain budgetary offsets. These are created by reductions in other types of taxable consumer expenditures that now are directed towards gambling.<sup>34</sup>

In what its authors believe to be the most comprehensive economic study of its type, comparing the cannibalizing impact of legalizing particular forms of gambling on other forms of gambling, it has been found that due to a “substitution effect,” “casinos and greyhound racing have a negative impact on state revenues.”<sup>35</sup> The authors were surprised at the results of their 2010

<sup>29</sup> Lucy Dadayan & Robert B. Ward, *For the First Time a Smaller Jackpot: Trends in State Revenues from Gambling 1, 1* (2009) (published by The Nelson A. Rockefeller Institute of Government), available online at [http://www.rockinst.org/pdf/government\\_finance/2009-09-21-No\\_More\\_Jackpot.pdf](http://www.rockinst.org/pdf/government_finance/2009-09-21-No_More_Jackpot.pdf).

<sup>30</sup> Mark Marchand, *The Nelson A. Rockefeller Institute of Government, Press Release, State/Local Gambling Revenues Drop by 2.6 Percent Across U.S.—Largest Decline in at Least Three Decades* (Sept. 21, 2009), available at [http://www.rockinst.org/newsroom/news\\_releases/2009/2009-09-21-gambling\\_revenue\\_drops.aspx](http://www.rockinst.org/newsroom/news_releases/2009/2009-09-21-gambling_revenue_drops.aspx).

<sup>31</sup> “Business in Brief: Revenues for Casino Slot Machines Drop Again”, *The Patriot Ledger*, October 17, 2009.

<sup>32</sup> “A Risky Gamble” *Cape Code Times*, September 28, 2009.

<sup>33</sup> Douglas M. Walker, *The Economic Effects of Casino Gambling: A Perspective from the U.S. 5* (2009), available at [http://walkerd.people.cofc.edu/pubs/Walker\\_Macao\\_ss.pdf](http://walkerd.people.cofc.edu/pubs/Walker_Macao_ss.pdf).

<sup>34</sup> *Id.*

<sup>35</sup> Douglas M. Walker & John D. Jackson, *The Effect of Legalized Gambling on State Revenue*, 29 *Contemporary Economic Policy* 101, 112 (2010), available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1465-7287.2010.00198.x/pdf>.

research, given that “[p]olicymakers and voters seem quite certain that casino gambling is an effective type of ‘voluntary’ taxation.”<sup>36</sup> They warn that “[o]ur results here indicate that the benefits side of the casino question is less of a certainty than is suggested in much of the public debate and literature.”<sup>37</sup> They conclude that “[l]egalized gambling may not always be the ‘golden egg’ that it is sometimes promoted to be.”<sup>38</sup>

### Do-Not-Pass Recommendation on All Proposals to Expand Predatory Gambling

The bills before this Committee today proposing to authorize predatory gambling are not good government. By authorizing predatory gambling, the Commonwealth would be creating a new population of addicted gamblers. The harm will reach far beyond individual gamblers by affecting their spouses, children, dependents, employers, and the community in which they live. These demonstrated costs will be borne in furtherance of uncertain and perhaps unrealizable economic hopes.

Government should promote the common good with the best interests of all citizens in mind. It is not “good economic policy” to increase the Commonwealth’s income at a cost that involves the personal well-being of its citizens.

There are many known problems related to gambling and to the expansion of gambling to a predatory level. The scientific assessment of the social risks is disturbing. The continuing decline of revenue from established gaming operations in other states along with the large number of casino employees laid off in neighboring Connecticut paint a negative forecast for such operations in Massachusetts.

For these reasons, the Conference urges the Committee to give all the bills being heard today that expand gambling in Massachusetts an unfavorable report recommending that such bills ought not to pass.

### Senate Bill 150

Senate Bill 150, “An Act Relative to an Independent Analysis of Expanded Gaming in the Commonwealth,” directs the Governor to commission a “comprehensive, independent analysis of the costs and benefits of legalizing” casino gambling in Massachusetts and to include an analysis of the available sites for locating such casinos. Sections 1(a) & -(b). The bill describes the factors and issues that the cost/benefit analysis should address. Sections 1 (1) to -(6). The bill conditions any enactment of legislation legalizing, creating and locating casinos on the requirement that the Governor, Senate President, and Speaker of the House accept the analysis as clearly demonstrating that expanded gambling will produce a net benefit. If these officers do not agree that a net benefit is demonstrated, then the bill requires that any legislation to legalize expanded gambling must be approved by a supermajority of two thirds in both the Senate and the House.

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<sup>36</sup> Id. at 113.

<sup>37</sup> Id.

<sup>38</sup> Id.



The Conference supports this bill provided that Section 1(1) is amended to include the following underscored or similar language to the effect that “the organization conducting the analysis shall be drawn from a list of qualified research institutions which are acceptable: . . . (b) to the opponents as well as the proponents of expanded gambling, . . .” It is vitally important that the process by which the cost/benefit analysis is conducted accommodate the interests of all the parties with a stake in the outcome.

The Conference is the public policy office of the Roman Catholic Bishops in the Commonwealth, representing the Archdiocese of Boston and the Diocese of Fall River, Springfield, and Worcester.





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New England Yearly Meeting*  
*Salvation Army,  
Massachusetts Divisional Headquarters*  
*Unitarian Universalist Association*  
*United Church of Christ,  
Massachusetts Conference*  
*United Methodist Church,  
New England Conference*

### **Written Statement of the Massachusetts Council of Churches Joint Committee on Economic Development Wednesday May 4, 2011: Gardner Auditorium**

Good afternoon, my name is the Laura Everett, Associate Director of the Massachusetts Council of Churches. The Massachusetts Council of Churches is an ecumenical partnership of seventeen Orthodox and Protestant denominations in the Commonwealth with more than 1700 affiliated congregations and thousands of individuals. Together, the member churches of the Massachusetts Council of Churches have opposed gambling expansion in the Commonwealth since the lottery began in 1972 with one ticket drawn once a week for 50 cents that was supposed to solve public education funding.

Today, you will hear from economists, social workers, small businesses and environmentalists about why predatory gambling is a bad deal for Massachusetts. And they are right. I appeal to you as public servants who strive to do right and as people who have taken oaths to protect and defend.

Religious communities and other small non-profits are at the front line of people who are hurting in this economy. For the most vulnerable, our safety net is already frayed. The last thing we need are more foreclosures, more lay-offs, more small businesses going under, more costly addiction. Slots will bring new costs to every citizen, even those who never set foot inside a slot parlor or casino.

Creating more gambling addicts as a budget fix is cruel. But the ugly truth is that creating problem and addicted gamblers is also expensive. Massachusetts can expect a 50% increase in the number of problem gamblers in our state. According to the CA Attorney General's office, problem and pathological gamblers cost California \$1 billion per year. Officials in Indiana estimate the cost of serving each problem gambler at \$2,500 per year. This adds up to over \$750 million in costs for MA. Even half of that number would be an enormous fiscal burden to add to the already dwindling MA mental health and substance abuse services. Massachusetts cannot afford these increased costs. The Massachusetts Budget cannot afford to subsidize a special interest like casinos that doesn't pay for its costs.

Massachusetts legislators need the time and the real data of an independent cost-benefit study commission to make an informed decision

Right now, according to the state, 250,000 Massachusetts residents *already* had a gambling problem. 250,000 people amounts to the entire population of the towns of Middleborough, Raynham, Taunton, Plainville, Palmer, Revere, and New Bedford combined. 6 gambling locations saturating our state will create more gambling addiction and more cost. According to a New England Public Policy Center report in 2006, 85% of patrons live locally. We will be taking from our own people. In the church, that's called 'robbing Peter to pay Paul.'

If this slots proposal goes through, these people and their families will be our concerns and our financial responsibility. It is cruel, and frankly financially irresponsible, to say that some peoples' lives are simply the cost of doing business.

The churches stand in opposition to the state getting into the business of creating new gamblers and new gambling addicts. Our Constitution talks of "a social compact, by which the whole people covenants with each citizen, and each citizen with the whole people."<sup>1</sup> At our best, we try to enact laws that lift up the lowliest, protect the most vulnerable and create a setting where all citizens can flourish. Instead, you are considering enacting a predatory gambling policy that benefits a select few and will hurt many. You are responsible for this social compact. As you consider these bills, I ask you to hold onto your calling of our social compact, a covenant we make with our elected leaders. Over 250,000 people in Massachusetts already have a gambling problem. By the very existence of 'mitigating funds' in these bills, the proponents acknowledge that you will be creating more gambling addicts. Is that the holy calling of the Great and General Court?

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<sup>1</sup>Preamble to the Constitution of the Commonwealth of Massachusetts <http://www.mass.gov/legis/const.htm>

**TESTIMONY IN OPPOSITION TO THE EXPANSION OF LEGALIZED GAMBLING**

Joint Committee on Economic Development and Emerging Technologies

May 4, 2011

Massachusetts Family Institute is a 20-year-old research and public policy institute dedicated to strengthening families in the Commonwealth. As such, we are extremely concerned about the profound impact that expanded predatory gambling would have on the stability of families. There are better ways to fix the state's economic issues.

If the various states are indeed laboratories for public and social policy, then the states that have experimented with Class 3 gambling to improve their economies have proven that the gambling experiment is a failure. All states that have legalized Class 3 gambling have higher tax rates and poorer economies than Massachusetts. A truly objective study of the negative impacts of Class 3 gambling on Massachusetts has never been done. How can we seriously consider something that would so alter the character of our state without proof that it will do no harm?

The debate of whether slot machines should go to race tracks or casinos is the wrong debate. The real issue is whether government is fundamentally betraying the trust of its citizens by preying on the weak among them with the modern electronic slot machine. Experts in human behavior and neuroscience have clearly determined that these sophisticated computerized machines are specifically designed to deceive the consumer.

According to MIT Professor Dr. Natasha Schull, the complex algorithms in modern slot machines are a high tech version of "weighting the deck" or "loading the dice." They are designed to deceive people into thinking they almost won, and that if they just keep going, winning is inevitable. The speed of the machines and everything else about them puts people into a hypnotic-like trance where judgment is suspended, just like the influence of cocaine, and even more so if they are being fed free alcohol. If there is any such thing as a cheating and swindling device, the modern slot machine is it. What does that say about the slot machine industry itself, which creates and markets these cheating and swindling devices, and then bribes and cajoles unsuspecting people to use them?

Legalizing Class 3 gambling would affect virtually every family in the Commonwealth by doubling the number of problem gamblers. It would send the message to children that going for broke is better than working, planning or saving for the future.

Massachusetts currently has over 300,000 problem gamblers. If casinos are approved by the Legislature, we could expect to reap a harvest of 600,000 problem gamblers, each of whom is estimated to affect 7 other people. Two-thirds of Massachusetts residents would suffer in some way.

- 80% of gambling revenues come from people with less than \$50,000 annual income.<sup>1</sup> Over half have yearly incomes of \$20,000 or less.<sup>2</sup> Gambling is nothing less than a regressive tax on the poor.
- 40% of white collar embezzlement crimes are gambling related. Many people are being arrested for such crimes who have never been involved with police before.
- Gambling significantly contributes to home foreclosures, bankruptcies<sup>3,4</sup> drug and alcohol abuse, depression, family distress, domestic violence and child abuse, desertion, divorce<sup>5</sup> and suicide.<sup>6</sup>
- Lest there be any doubt about the "benefits" of Class 3 gambling, comprehensive studies by the University of Illinois reveal that for every dollar government receives in gambling revenues, it must pay out up to \$5.60 to deal with the devastation of families, the increase in crime, and the bureaucracies needed to cope with gambling's ills.<sup>7</sup>
- The gambling industry is notable for the corruption it brings to government at all levels.

Please reject any attempt to expand government's complicity in the deception and electronic swindling of its people.



Kris Mineau  
President

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<sup>1</sup> Arizona Office of Problem Gambling, New Client Profile Data, [www.problemgambling.az.gov/profiledate3.htm](http://www.problemgambling.az.gov/profiledate3.htm)

<sup>2</sup> Pat Doyle, "Compulsive Gambling Hitting Poor Hardest, New State Study Says," *Minneapolis Star Tribune*, July 25, 1997, p. 1B

<sup>3</sup> Calculations based on data provided by the American Bankruptcy Institute

<sup>4</sup> John McCormick, "Many Iowans Going for Broke," *Des Moines Register*, June 15, 1997, p. 1. Note: For the years 1991-1996)

<sup>5</sup> NGISC Final Report, p. 7-26.

<sup>6</sup> Attorney General J. Joseph Curran, Jr., "The House Never Loses and Maryland Cannot Win: Why Casino Gaming is a Bad Idea," Report on the Impact of Casino Gaming on Crime, October 16, 1995, p.7

<sup>7</sup> Earl L. Grinols, "Cutting the Cards and Craps: Right thinking about Gambling Economics," Prometheus Books, 2003, p. 14.



**MASSACHUSETTS THOROUGHBRED BREEDERS ASSOCIATION**  
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## **TESTIMONY OF GEORGE BROWN SUPPORTING EXPANDED GAMING**

The Massachusetts Thoroughbred Breeders Association (MTBA) would like to thank this committee and the House and Senate for sending a bill to the Governor last year that recognized the importance of the Massachusetts thoroughbred breeding program. We hope that as you move forward you will continue to support the breeding program by providing a revenue stream from gambling dollars and maintaining the statutory requirement for minimum live racing days. In fact, the expanded gaming bill that was passed by the House and sent to the Governor last year included language that incrementally increased the number of live racing days in an effort to expand the breeding program. We ask that you maintain that increase in this year's legislation. As horse farm owners across Massachusetts we depend on live racing at Suffolk Downs for our livelihood. As farmers we represent the only agricultural component to gaming.

The MTBA is an organization comprised of members across the Commonwealth who own and operate farms where thoroughbred horses are bred, raised, and trained. The goal is to breed and raise horses to run in races at thoroughbred race tracks, of which Suffolk Downs is the only one in New England. It is estimated that upwards of 7000 acres of open green space is devoted to thoroughbred horse farms across Massachusetts.

A recent study by the Beacon Hill institute concludes that even though the thoroughbred racing industry has declined in the face of expanded gaming options, the thoroughbred industry contributes over \$57.6 million in “added value” to the Massachusetts economy. Additionally, spending by the thoroughbred industry creates over 910 jobs for Massachusetts residents.

If done correctly, with protections for breeding farmers and horsemen, allowing expanded gaming will significantly assist the existing thoroughbred breeding program currently operating in Massachusetts. I offer to all committee members the opportunity to meet with you to explain and discuss this program and how you can protect it and help it grow. Protecting and expanding the breeding program will have a positive economic impact through creating jobs and maintaining open space.

I invite all of you to visit my farm, Briar Hill Farm, in Rehoboth and if you need any further information from the MTBA please feel free to contact me at 508-252-3023.





CITY OF BOSTON • MASSACHUSETTS

OFFICE OF THE MAYOR  
THOMAS M. MENINO

May 4, 2011

Honorable Joseph F. Wagner, Chair  
Joint Committee on Economic Development and Emerging Technologies  
Massachusetts State House, Room 42  
Boston, MA 02133

Dear Chairman Wagner:

I am writing in support of legislation to expand casino gaming in the Commonwealth. I have long supported resort-style casinos as a means of maximizing job growth and economic development in Boston. The gaming industry provides an unparalleled opportunity to create jobs and new sources of revenue for cities and towns, and I am hopeful that we can work together to find consensus and advance legislation this session.

I have been before various committees of the General Court to discuss how the dependence on local property taxes, coupled with declining state and federal aid, has forced cities and towns to do more with less. Both state and municipal governments need to diversify and increase revenue capacity. Without such capacity, we cannot meet our growing needs, expand services to people who need them, or create the jobs needed to put people back to work. By no means is the creation of a resort casino a silver bullet for municipal finances, but it will provide cities and towns with a diverse and sustainable tax base that will help alleviate pressures placed on the local taxpayer.

As the economic engine of the region, Boston is well positioned to host a licensed gaming facility and I have long been a supporter of expanded gaming at Suffolk Downs. As a result, I encourage you to consider some important provisions as they relate to the City of Boston. As you deliberate on the numerous proposals before your Committee, I look forward to working with you to ensure that the needs and concerns of host communities are well represented within the bill that is reported out of Committee.

#### **Mitigation and Local Aid for Host Communities**

I strongly endorse the legislative proposals that target revenue to impacted communities. Last session, both the House and Senate recognized the importance of directing licensing and

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gaming revenue to mitigation for host communities, including addiction services, transportation infrastructure, and local aid. Since fiscal year 2009, Boston has lost more than \$113 million in net state aid, and I am bracing for additional cuts this fiscal year. Reductions in local aid are crippling municipal budgets statewide and I am hopeful that gaming legislation will direct a large portion of this new revenue to our cities and towns.

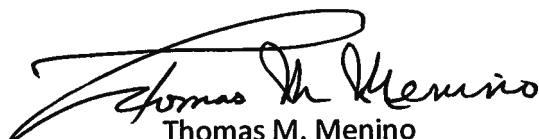
### **Ensure Local Police Jurisdiction**

Despite the positive economic impacts of expanded gaming, I have serious concerns regarding public safety in and around these facilities and strongly urge you to ensure primary local police law enforcement for all non-gaming crimes. Last session, the House bill did not allow for local police enforcement, but instead called for the Gaming Enforcement Unit of the State Police to have exclusive enforcement of criminal activity in a licensed gaming establishment. Such language inevitably puts local residents, casino patrons, and ongoing criminal investigations at risk. For example, if there is gang-related criminal activity on a licensed gaming property in Boston, it will be most effective to allow the Boston Police Department Gang Unit to respond and investigate, as opposed to the Gaming Enforcement Unit of the State Police.

Expanded gaming legislation should allow the local law enforcement agency the option to handle *all* police services, other than the enforcement of gaming violations. I agree that gaming violations will be most appropriately handled by the Massachusetts State Police; however, the residents of Boston will be better served if the Boston Police Department is able to respond to all other criminal conduct. Local agencies should also be given the *option* to enter into an agreement or memorandum of understanding (MOU) with other agencies, including the Massachusetts State Police, for their services should the city or town deem it appropriate. I understand that smaller municipalities may rely upon the State Police for these police services, but it is an unnecessary cost and administrative burden to duplicate criminal responses and investigations in Boston.

Assuming these provisions are met, I believe the establishment of resort casinos in Massachusetts is long overdue. With the number of good, long-term jobs at stake and the opportunity to bringing new revenue streams to the Commonwealth, I strongly support expanded gaming in Massachusetts. I urge this committee to act quickly to advance legislation and work for its passage this session. Our cities and towns cannot afford to wait. Thank you for your consideration.

Sincerely,

  
Thomas M. Menino  
Mayor of Boston



**MASSACHUSETTS  
MUNICIPAL  
ASSOCIATION**

ONE WINTHROP SQUARE, BOSTON, MA 02110  
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May 4, 2011

The Honorable Joseph Wagner, House Chair  
The Honorable Karen Spilka, Senate Chair  
Committee on Economic Development and Emerging Technologies  
State House  
Boston, MA 02133

Dear Representative Wagner, Senator Spilka, and Distinguished Members of the Committee,

On behalf of the cities and towns of the Commonwealth, the Massachusetts Municipal Association would like to offer comment on the issue of expanded gaming here in the Bay State. This is a very important issue for cities and towns for many reasons, including the potential impact on Lottery revenues that now provide almost \$800 million a year to help pay for local government services and reduce reliance on the property tax.

Since fiscal 2008, aid to the municipal (non-school) side of local government has been cut by almost \$500 million, 32 percent, with another \$65 million cut for the main municipal aid account expected for fiscal 2012. By the end of next year, Lottery proceeds will support more than 80 percent of the state's total municipal aid program. The state tax contribution (non-Lottery) to municipal aid will have dropped from \$676 million in fiscal 2008 to \$161 million next year, a drop of more than 75 percent.

This makes municipal budgets very vulnerable to any reduction in Lottery revenues and highlights the need for a new stream of revenue to help support municipal services.

Many city and town officials also have concerns about the impact of major gaming facilities on local roadways and public infrastructure, public safety, and other local government services.

Through the MMA, city and town officials have been meeting with and talking to state officials for well more than a decade to evaluate and develop gaming legislation provisions. We very much appreciate the high level of interest and responsiveness that legislators have shown for municipal concerns. It is clear from last year's legislation and the bills before the Committee for public hearing today, including House 1905 filed by Representative Kathi-Anne Reinstein and Senate 155 filed by Senator Jennifer Flanagan, that municipal concerns have been heard.

The focus of our written testimony to your Committee is on the matters that we feel must be addressed if the Commonwealth makes the decision to move forward on gaming. Municipal officials continue to meet with advocates from all perspectives on the gaming issue in an ongoing effort to offer the most helpful recommendations that represent a general municipal government position.

### Oversight and Advisory Committees

Decisions made on gaming will have a fundamental and enduring impact on the host community and neighboring cities and towns. We recommend that any advisory committee include at least one municipal representative. We recommend that there be a separate, perhaps temporary advisory committee, established to provide guidance for siting and mitigation decisions.

### Summary

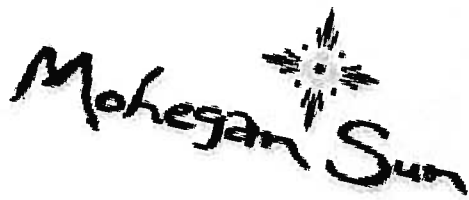
Unless addressed in legislation that your Committee advances, expanded gaming in Massachusetts would bring major, and potentially costly challenges to local government finances, particularly in relation to municipal revenues and service delivery obligations. Please take these challenges into account as you develop the Committee's gaming expansion legislation.

Thank you very much for your long-standing interest in the financial security of cities and towns in Massachusetts. If you have any questions or would like additional information, please contact me or Deputy Legislative Director John Robertson at the MMA office at any time.

Sincerely,



Geoffrey C. Beckwith  
Executive Director



May 4, 2011

The Honorable Karen Spilka  
Senate Chair, Joint Committee on Economic Development & Emerging Technologies  
State House  
Boston, MA 02133

The Honorable Joseph F. Wagner  
House Chair, Joint Committee on Economic Development & Emerging Technologies  
State House  
Boston, MA 02133

Dear Chairs Spilka and Wagner:

On behalf of Mohegan Sun Palmer and the Management Board of Mohegan Sun and the Mohegan Tribal Gaming Authority, thank you for the opportunity to provide testimony regarding the expansion of gaming in Massachusetts.

Since 1996, our flagship property in Connecticut – Mohegan Sun – has evolved into one of the highest grossing casinos in the world and we are proud to have operated through the most recent economic downturn in much better shape than many of our counterparts in the gaming industry. Mohegan Sun expanded to Pennsylvania in 2006 with Mohegan Sun at Pocono Downs, the first commercial gaming facility opened under the Commonwealth of Pennsylvania's gaming expansion legislation. Mohegan Sun at Pocono Downs has successfully revitalized the historic harness racing facility and employs 700 people in the Wilkes-Barre region. Mohegan Sun at Pocono Downs is the first off-reservation commercial gaming enterprise operated by the Mohegan Tribe and our success in Pennsylvania demonstrates our ability to operate in a commercially regulated jurisdiction.

**Mohegan Sun is not just another gaming operator.** We are rooted in the values of the Mohegan Tribe which influence every aspect of our business, and include a deep commitment to our employees, customers and communities. Our values include a commitment to responsible gaming and we are proud to be founding partners of the Massachusetts Partnership for Responsible Gambling and long time supporters of the Massachusetts Council on Compulsive Gambling. Our finances and governance are entirely transparent as we are an SEC filer and compliant with all reporting requirements in Connecticut and Pennsylvania. Our management team and employees hold various gaming licenses and are subject to ongoing financial reporting and other rigorous investigation and regulation by various state and federal agencies, including the Pennsylvania Gaming Control Board, the Connecticut Division of Special Revenue and the National Indian Gaming Commission.

**Mohegan Sun is the premier entertainment and gaming brand that best understands how to develop and execute a world-class destination casino resort in this region.**

The Mohegan Sun brand is trusted and respected, and the company has more than a decade's worth of experience developing and implementing a complete and superior gaming product in the Northeast United States. More than any other operator, Mohegan Sun possesses the most comprehensive and nuanced understanding of the Northeast market, and it is best equipped to successfully develop and operate a world-class destination casino resort in Western Massachusetts.

***Mohegan Sun exhibits the transparency, experience and commitment necessary for expanded gaming to succeed in Massachusetts.*** Throughout its history in Connecticut and Pennsylvania, Mohegan Sun has shown a tremendous commitment to its employees, customers and communities – hiring and buying locally, supporting local nonprofit organizations and facilitating regional tourism. Already, we are honored to have the support of the Greater Springfield Convention and Visitors Bureau and are collaborating with tourism and cultural assets from Springfield to Worcester.

Two years ago, Mohegan Sun opened a storefront on Main Street in Palmer to introduce public officials, community groups, area residents, the media and others to Mohegan Sun and the destination casino resort proposal. Meetings at the storefront and community outreach across the Pioneer Valley have confirmed a hope and optimism that the benefits of destination resort gaming: economic development, construction jobs, permanent jobs, and expanded regional tourism will be extended to Western Massachusetts.

***The Palmer site is ideally suited for a casino resort.*** The decision to pursue expansion into Massachusetts was not made lightly, or even recently. For several years, Mohegan Sun explored dozens of potential gaming sites across the Commonwealth and after significant expense and due diligence established a long term lease on a 152-acre parcel just off Exit 8 of the MassPike in Palmer. Palmer provides access to major highways and a quality, motivated workforce in Western Massachusetts.

Given the substantial investment in site selection, engineering, community outreach and other due diligence which has already taken place, Mohegan Sun is poised to deliver gaming revenues to the Commonwealth as rapidly as any prospective destination resort gaming operator, and certainly can be the quickest-to-market in Western Massachusetts.

Given the commitment Mohegan Sun has made to the region in the form of a long-term lease that will extend into the next century, we encourage the committee to adopt necessary language to include long term lease financing as an acceptable means of developing a destination resort casino in Massachusetts. Mohegan Sun fully supports additional controls and requirements around this provision to ensure a long term commitment by a prospective licensee to the Commonwealth and a meaningful investment in the host community. Long term lease financing enables the gaming operator to dedicate a higher percentage of development dollars to bricks-and-mortar, and therefore increase the number of construction jobs, long term economic activity and revenues to the Commonwealth.

***A Western Massachusetts gaming site will maximize revenues for the Commonwealth of Massachusetts.*** For the Commonwealth to achieve the greatest impact on job creation and economic development growth from casino gaming, Western Massachusetts must be

part of the solution. A destination casino resort in the Four Western Counties will be unique in its ability to maximize overall gaming revenues to the Commonwealth and capture significant out-of-state business and dollars from New York, Vermont and New Hampshire. Mohegan Sun Palmer will access customers from not only Massachusetts, but also Albany and the cities of upstate New York, New Hampshire, Vermont and Connecticut. In all, 14 million adults live within a 2 hour drive of Palmer. A truly Western Massachusetts gaming site will increase gaming revenues by importing visitors from these out of state markets.

Studies show that a Western Massachusetts destination casino resort will be unique in its ability to maximize overall gaming revenues to the Commonwealth and capture significant business from out-of-state. As compared to locating multiple destination casino resorts in Eastern and Central Massachusetts, a Western Massachusetts location as contemplated in the 2010 gaming legislation nets an additional \$100 million in total spending by out of state patrons and \$43 million in additional net gaming revenues to the Commonwealth.

Legislation should promote a Western Massachusetts destination resort casino by adopting financial considerations consistent with the market dynamics in the region. Studies show that the appropriate spend for the region is \$600 million, inclusive of infrastructure and other hard costs related to the development of the facility.

***A Mohegan Sun Palmer casino resort provides much needed economic growth, job creation and revenue for Western Massachusetts.*** Mohegan Sun Palmer is projected to bring 1,000-2,000 construction jobs, 2,500-3,000 permanent jobs and hundreds of additional indirect jobs to Western Massachusetts. Mohegan Sun Palmer is committed to a negotiating a Project Labor Agreement with the Pioneer Valley Building Trades and will create employment opportunities across Western Massachusetts, hiring the overwhelming majority of the workforce from the region. In 2010, Mohegan Sun spent more than \$350 million on goods and services with almost than 1,000 vendors across Connecticut and Massachusetts, supporting local businesses, their employees and families. This "Buy Local" philosophy has generated dozens of small business in Southeastern Connecticut.

I know that this Committee's work is complex and demanding. I appreciate the multitude of regulatory and financial matters that you will consider in crafting an expanded gaming package. I hope the Committee finds this testimony constructive as you formulate a solution unique to Massachusetts.

Thank you for your consideration. I can be reached at 860-862-7410 or [metess@mohegansun.com](mailto:metess@mohegansun.com) with any follow-up questions.

Sincerely,



Mitchell Grossinger Etes  
Chief Executive Officer



## **NASW Testimony in Opposition to Casino Gambling**

Contact: Rebekah Gewirtz, 617-227-9635 x12 or [gewirtz@naswma.org](mailto:gewirtz@naswma.org)

Date: May 4, 2011

Dear Chairs Spilka and Wagner and Honorable Members of the Committee:

Thank you for holding this hearing today and for the opportunity to testify before you on this important issue to the future of the Commonwealth. NASW MA-Chapter, a statewide organization and part of the largest professional association of social workers in the world, is opposed to introducing casino gambling in Massachusetts. We came to this decision after significant study of the costs and benefits and ultimately determined that the social and economic consequences are too high to justify the introduction of this industry to Massachusetts.

First and foremost, we are deeply concerned that government would seek to partner with an industry that is arguably one of the most predatory industries in America today. This is an industry that capitalizes on people's losses and addiction by harnessing a technology – in the form of slot machines – designed so that people “play to extinction”...until they have nothing left. The term “play to extinction” is an industry term, not a term created by us and it's a term we have considered quite a bit throughout the course of this long debate. Social workers spend their lives analyzing social problems and the root causes of these problems. Where there is poverty, we ask why? Where there is crime, we ask why? Where there is addiction, we ask how come?

Not only do we seek to understand root causes but our members spend their lives trying to correct these wrongs, with very little fanfare. And today we are once again stepping forward to tell you we know the consequences of pathological gambling. We know from the empirical evidence that casinos will not solve our problems. In every other state and in every other region that has introduced casinos they have led to broken lives and shattered dreams. Casinos lure people in and keep them there by getting them to sit at slot machines, where they sometimes pour their children's college savings or their own life savings into the machine. When there's nothing left there are ripple effects throughout a person's life with consequences on their job, their spouse, their relatives, their children, and their community.

A 1999 National Gambling Impact Study commissioned by the United States Congress documented increases in domestic violence and foreclosures in regions where casinos are introduced. The total cost of regional impacts and social services are not known, but estimated in the multi-millions. For people who live within a 50 mile radius of casinos, at least one out of every twenty becomes a gambling addict leading to personal financial ruin, the breakup of families, domestic violence, and child neglect.

-OVER-



It's important to note that NASW MA Chapter has always been on the forefront of raising revenue in the commonwealth and advocating side by side with our brothers and sisters in labor for good jobs with fair wages. In 2006, we worked tirelessly on the successful campaign to raise the minimum wage in Massachusetts and two years ago we led the coalition of statewide groups working to close corporate tax loopholes in Massachusetts. When the governor signed that bill into law, the commonwealth started saving \$300 million per year. We have also stood by you for difficult revenue votes and have supported efforts you have undertaken to try to balance the budget. This year, we are co-chairing the statewide coalition the Campaign for Our Communities, working to pass An Act to Invest in Our Communities that would raise \$1.37 Billion in new revenue in a fair and progressive way.

However, on the issue of expanding gambling we cannot stand with you. We know that casinos will not bring in anywhere near the kind of revenue these other initiatives have raised or would raise and we know the jobs estimates are bloated too. Indeed, a September 2009 report entitled, "For the First Time, a Smaller Jackpot: An Economic, Fiscal, & Social Analysis" commissioned by the Nelson A Rockefeller Institute found that casinos have **contributed to** not helped states' fiscal meltdowns. And in addition, the Wall Street Journal notes, "a growing body of research and experience suggests the odds are not stacked in the state's favor" when it comes to economic development. Even New Jersey, with its 17 casinos, had to shut down its state government due to a budget crisis.

The casino proposal, while laudable for its recognition that jobs are essential and revenue is needed, will not solve the problems it seeks to remedy. In fact, we are quite certain this proposal will only exacerbate our existing troubles and create more economic turbulence, more problems for families, and create more addiction than our state can afford to try to remedy.

We also fundamentally believe it is antithetical to the role of government to bank on people losing their money in order for the state to gain. Government is supposed to lift people up, not tear people down. We understand that some argue we already have a lottery here in Massachusetts. But we would contend the lottery isn't designed so people "play to extinction". The lottery doesn't have ergonomically correct seating at slot machines that allow you to play 24 hours a day 7 days a week 365 days a year.

Today we are asking you to be like social workers. We are asking to ask yourself, who pays the price for the money raised at casinos? We all know someone pays. And it's likely not just one addicted gambler. It's their family, their children and their community too. As you enter this debate, we hope you will constantly be thinking about who pays. We implore you to reject this proposal.

For more information, please contact Rebekah Gewirtz, Director of Government Relations and Political Action at 617-227-9635 x12 or [Gewirtz@naswma.org](mailto:Gewirtz@naswma.org)

**Testimony of John Ribeiro,  
Founder Neighbors of Suffolk Downs  
Before The Joint Committee on Economic Development and Emerging Technologies  
Public Hearing on Expanded Gambling Legislation  
Wednesday, May 4th 2011**

**Top 10 Reasons To Support An Independent Cost Benefit Analysis**

10. The 1999 National Gambling Impact Study Commission Had One Major Recommendation: that any State that was considering expanding gambling should understand not only the cost of going into business with the casino industry.
9. The casino industry is a troubled industry. Mohegan Sun is \$1.6 billion in debt and Moody's has rated their stock just above junk bond status. The State of New Jersey is bailing out the casinos of Atlantic City. Casino revenue is down in nearly all established gambling states.
8. Massachusetts Senate President Therese Murray, an ardent casino supporter, was quoted in February 2010 expressing her concerns about corruption: "Every other state that's done gaming, someone goes to jail because it's done too fast, too sloppily."
7. The State will be required to invest between \$20 and \$50 million to establish an oversight commission before realizing one red cent in revenue from expanded gambling.
6. Slot machines will signal the death knell of the racing industry in Massachusetts. Caesars Entertainment, the latest player to join the investment group at Suffolk Downs, has offered the State of Iowa \$10 million to allow it to end dog racing in that state.
5. Tourists won't be coming to Boston for the casinos; the casino industry wants to come to Boston for the tourists. More people visit Faneuil Hall than Disney World every year. Solid data show that when casinos come to heritage tourism towns, visitation to the historic resource plummets as it did in Vicksburg, Miss., where 40 percent of the historic downtown is now shuttered.
4. Host communities are most directly impacted. Violent crime and calls to 911 increase dramatically over time, quickly outpacing any mitigation funding that is offered. Susan Mendenhall, former mayor of Foxwoods host community, Ledyard CT said gun and drug crimes are on the rise. She also added that emergency dispatch calls for police, fire and medical help have risen from about 3,000 to 15,000 a year since the casino was built.
3. During the current economic downturn, casino states are seeing far greater budget shortfalls than is Massachusetts. This includes, Connecticut, New Jersey, California and Nevada, which leads in this category with a 56% budget shortfall this fiscal year.
2. It makes perfect logical sense for any individual, corporation or public entity to understand the costs of doing business before undertaking any new venture. New Hampshire has done this and Rhode Island is preparing to do the same. We in Massachusetts must understand what is in store for us before we make such an intractable change to the culture and character of this great State.
1. The casino industry spent \$6 million during the last legislative session trying to convince this body to enact expanded gambling legislation. If this were such a good idea, why would they need to spend a single penny? This body has been entrusted with the duty and responsibility to act on behalf of and in the best interests of the People of the Commonwealth. If expanded gambling legislation is passed without an independent analysis of the benefits as well as the costs having been completed, this body will have failed to protect those very people.

[www.NeighborsOfSuffolkDowns.org](http://www.NeighborsOfSuffolkDowns.org)  
[facebook.com/suffolkdowns.neighbor](https://www.facebook.com/suffolkdowns.neighbor)  
[SuffolkDownsNeighbor@gmail.com](mailto:SuffolkDownsNeighbor@gmail.com)



# The Commonwealth of Massachusetts

House of Representatives

State House, Boston 02133-1054

May 3, 2011

Senator Karen Spilka  
Chairwoman Committee on Economic Development  
State House, Room 511C  
Boston, MA 02133

Representative Joseph F. Wagner  
Chairman Committee on Economic Development  
State House, Room 42  
Boston, MA 02133

RE: H1036- An Act authorizing the State Racing commission to increase, decrease, or suspend the live racing requirements.

Dear Chairwoman Spilka, Chairman Wagner and Committee members;

I am writing today to voice my strong opposition to H1036. This bill before the committee today is attempting to amend Massachusetts Simulcasting Law, Chapter 128, Section 2. This MGL mandates that in order for a licensee to simulcast live horse racing into the Commonwealth they must conduct 900, no fewer than 700, live horse races over the course of not less than 100 calendar days. If a licensee does not meet those requirements their simulcasting license is suspended.

H1036 is petitioning the Massachusetts General Court to move this authority to a small Governor appointed State Racing Commission, which currently has 3 members. This bill would give this commission the authority to allow simulcasting, even if the licensee ultimately postpones, and ends live horse racing in its entirety.

I believe this bill is not in the best interest of the future of the live horse racing industry in the Commonwealth, therefore, I urge you to give H1036 an unfavorable report.

Sincerely,

A handwritten signature in blue ink that reads "Stephen L. DiNatale".

Stephen L. DiNatale  
State Representative  
3<sup>rd</sup> Worcester District



*The Commonwealth of Massachusetts*

HOUSE OF REPRESENTATIVES  
STATE HOUSE, BOSTON 02133-1054

**SHAUNNA L. O'CONNELL**

REPRESENTATIVE  
3RD BRISTOL DISTRICT

Committees on:  
Ways and Means  
Ethics  
Personnel and Administration

STATE HOUSE, ROOM 237  
TEL. (617) 722-2305  
Shaunna.O'Connell@MAhouse.gov

May 4, 2011

Senator Karen Spilka, Chair  
Representative Joseph F. Wagner, Chair  
Joint Committee on Economic Development  
and Emerging Technologies  
State House – Room 42  
Boston, Massachusetts 02133

Distinguished Committee Members,

I am submitting testimony in favor of a bill that will include gaming devices, such as the bill that passed the house last session.

My home city of Taunton is struggling due to unemployment. Although our number of unemployed dropped last month, we still have a higher rate of unemployment than the state average.

One of our long-time employers has been the Raynham- Taunton dog track. Unfortunately, when the ballot initiative banning greyhound racing passed, hundreds people in the community lost their jobs.

Passage of a bill that includes a provision for slot parlors will potentially enable race tracks that were devastated by the ballot question to reconfigure their business and put people back to work.

We need to show some compassion for the thousands of people who have lost their jobs in Massachusetts.

Racinos are not the sole answer for reviving our economy, but they will certainly help to begin moving us forward. If passed, people would be immediately put back to work. It is wrong to deny them this path to employment.

I understand a point of contention is whether existing tracks should receive licenses absent a bidding process.

One of the benefits of allowing slot parlors is that they can be up and running quickly, creating hundreds of desperately needed jobs and a source of revenue for the state.

I would suggest that if we do go the route of the bidding process, consideration be given to the time line it would take bidders to be up and running.

This legislation has been filed and studied and debated for years. It is time for Beacon Hill to take action. Our focus here should be on jobs and the economy.

I respectfully request your favorable consideration of a bill that is inclusive of gaming devices.

Sincerely,



Shauna L. O'Connell



COMMONWEALTH OF MASSACHUSETTS  
**MASSACHUSETTS SENATE**  
 STATE HOUSE, BOSTON, MA 02133-1007

**SENATOR  
 DANIEL A. WOLF**  
 CAPE AND ISLANDS DISTRICT

**MAY 06 2011**

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May 4, 2011

Senator Karen Spilka  
 Joint Committee on Economic Development and Emerging Technologies  
 State House  
 Room 511-C

Representative Joseph Wagner  
 Joint Committee on Economic Development and Emerging Technologies  
 State House  
 Room 42

*RE: Expanding gaming in the Commonwealth*

Dear Chairwoman Spilka,

Thank you for the opportunity to submit testimony in opposition to legislation that would expand gaming in the Commonwealth. Massachusetts has always been at the forefront of progress, and I do not see how casinos or any form of expanded predatory gaming can fit into a long term vision of a healthy Massachusetts.

Presented before you today are a number of bills claiming that the way to make Massachusetts prosper again is to allow expanded gambling in a multitude of forms – resort style casinos, slot machines at race tracks, and slot parlors. Many will sing the praises of monetary benefits from licensing fees and tell stories about state coffers overflowing with a dedicated percentage of slot funds filling them every time someone travels to Massachusetts to pull a lever.

But the other story that needs to be told is about communities that host these casinos, and their neighbors. Casinos attract 80% or more of their business from within a 35-50 mile radius of their locations. Casinos hurt local restaurants, businesses and entertainment because they draw customers away from local shops. For my district, tourism is extremely important, bringing hundreds of millions of dollars into the state every year. The addition of a casino in southeastern Massachusetts will negatively impact the Cape and other parts of the state. In addition to drawing away tourists, locals who visit casinos will also spend less money at homegrown businesses. Studies have shown that for every \$1000 in increased casino revenue, businesses up to 30 miles away lose as much as \$243.

JOINT COMMITTEE ON  
 LABOR AND  
 WORKFORCE DEVELOPMENT,  
 CHAIR

JOINT COMMITTEE ON  
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 REGIONAL GOVERNMENT,  
 VICE CHAIR

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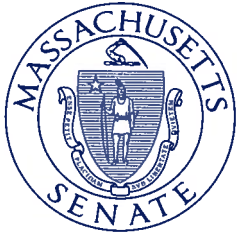
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 REDISTRICTING



COMMONWEALTH OF MASSACHUSETTS  
**MASSACHUSETTS SENATE**  
STATE HOUSE, BOSTON, MA 02133-1007

**SENATOR**  
**DANIEL A. WOLF**  
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JOINT COMMITTEE ON  
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Small business is the backbone of our economy; I have been running a successful one for more than thirty years. We should be finding ways to invest in our businesses and communities, not setting them up for a fall. Businesses are attracted to places that have good schools, safe neighborhoods, solid infrastructure and a clean environment. Casinos increase traffic, environmental degradation, public safety issues, and water and sewage costs. Casinos impact water and wetlands, and add to pollution in surrounding areas. Casinos will make the Commonwealth a less desirable place to visit and live and will make it harder for us to attract permanent businesses.

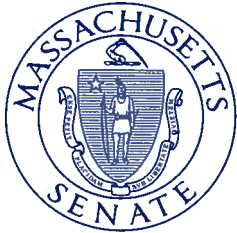
I appreciate that the establishment of a resort casino could provide jobs, short term and long term, but let's take a hard look at those jobs. As an entrepreneur who has grown a business from a staff of six to close to 1,000 employees, I worked hard to create quality jobs that will sustain and enhance our communities. Unfortunately, many of the jobs created by casinos are temporary, and the long-term jobs available for the vast majority of casino workers do not pay well. Data provided on casino wages is skewed because of highly paid executives. In 2007, the median hourly wage for casino floor staff was estimated at \$6.34 with annual earnings of around \$13,179. Even set at Massachusetts' minimum wage this is well below the caliber of employment I think we all expect when we talk about good jobs.

Due to these low wages, casino workers often can't afford to live in the communities where they work. Families supported on these low salaries will be eligible for services like Food Stamps, WIC, Fuel Assistance, MassHealth and Public Housing. We need jobs that will allow us to invest in our future, not create yet another opportunity for taxpayers to engage in corporate welfare. While advocates for expanded gaming will say the Commonwealth benefits the most from casino expansion, the real winners are the casino owners and investors – not the taxpayers of Massachusetts.

And this refers just to the jobs that casinos bring. This "new" jobs numbers do not take into account jobs lost at local businesses that fail because they lose customers. So casinos "create" jobs, but they negate existing jobs, transferring from one sector to another.

For example, 500 jobs were created at Hollywood Slots in Bangor, Maine. When the casino expanded Miller's restaurant, the Holiday Inn and the Penobscot Inn closed, which put a total of almost 300 employees out of work. Bangor has an unemployment rate of 7.4%, which has not change significantly since the opening of Hollywood Slots.

No other business that we may try to attract brings with it so many costs. Predatory gambling is just that – predatory. It is designed to get people addicted. In fact, addiction rates have doubled



COMMONWEALTH OF MASSACHUSETTS  
**MASSACHUSETTS SENATE**  
STATE HOUSE, BOSTON, MA 02133-1007

**SENATOR**  
**DANIEL A. WOLF**  
CAPE AND ISLANDS DISTRICT

within 50 miles of a casino, and in some states like Wisconsin, addicted gamblers make up 7% of the population. People 65 and over are at an even higher risk to become problem gamblers. A casino near an area like Barnstable County, which is the oldest county in the country outside of Florida, presents a frightening statistical possibility.

We have heard that three casinos is the magic number, I am not convinced that we would have only three. I am in the unique position of representing the state's only federally recognized Indian tribes and we have two of them. With passage of this bill, the number of potential casinos immediately increases to five. And while I will continue to stand firmly against the expansion of predatory gaming in this state, I do believe that if it should pass, each tribe's interests and rights must be respected.

I urge my colleagues in the legislature to consider the many negative impacts of expanding gaming. We have so many economic sectors we can be proud of; I do not see a time where we will ever be proud ushering casinos into our Commonwealth. Thank you for your attention to this most important matter. Please do not hesitate to contact me if I can provide any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Dan A. Wolf".

Daniel A. Wolf  
State Senator  
Cape & Islands District

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SPECIAL JOINT COMMITTEE ON  
REDISTRICTING





## **Standardbred Owners of Massachusetts, Inc.**

PO Box 1682  
Plainville, MA  
02762

508-528-1877  
508-528-3933 fax



### **Massachusetts Sire Stakes**

Edward Nowak  
James Hardy  
Nancy Longobardi

*President*  
*Vice President*  
*Secretary/Treasurer*

Raymond Campbell *Director*  
Frank Dubreuil *Director*  
Bonnie Rush *Director*  
Paul Vacca *Director*

### **The Joint Committee on Economic Development and Emerging Technologies Gaming – May 4, 2011**

*Standardbred Owners of Massachusetts, Inc., represents over 170 individuals with interests in breeding standardbreds in Massachusetts.*

#### **Standardbred Breeding Program**

- Breeding standardbreds in Massachusetts preserves thousands of acres of open space, generates hundreds of jobs and provides opportunities for related goods and services.
  - Standardbred breeding farms are in just about every house and senate district.
  - There are 72 standardbred breeding and training farms in Massachusetts; expanded gaming at Plainridge Racecourse will preserve those facilities, the open space and livelihoods they represent.
  - Millions of dollars are invested in the form of services and jobs related to the standardbred breeding in Massachusetts resulting in added revenue to the state.

#### **Future of the Standardbred Breeding Program**

- The standardbred breeding program in Massachusetts is threatened and in jeopardy! Here are some reasons why;
  - Purses offered for Massachusetts bred 2 & 3 year olds last year was \$265,000. Last year there were 52 mares bred, one of the lowest in the past 20 years. Investors will not continue breeding with such a low return on investment.
  - Other states have added expanded gaming at their racetracks and provided growth opportunities for the breeding programs, attracting horse owners to invest in their breeding programs. Pennsylvania, New York, Delaware and Maine are examples of successful “racino” states with strong breeding programs.

#### **Expanded Gaming and the Standardbred Breeding Program**

- The answer is following the successful models in states like Pennsylvania and authorizing expanded gaming opportunities at Plainridge Racecourse.
  - With expanded gaming, purses for Massachusetts bred 2 & 3 year old horses will increase above \$1 million.
  - Driven by higher purses and a better return on investment it is anticipated that participation in the breeding program will increase and as many as 200 mares will be bred in Massachusetts, providing for more jobs, more goods & services, more economic opportunities and much needed revenue for the Commonwealth.

**S.O.M., Inc. urges this committee to include expanded gaming options at Plainridge Racecourse, the only standardbred racing facility in Massachusetts. This committee has the opportunity to preserve the jobs and open space the standardbred breeding program has; and will continue to create.**

**Suffolk Downs Testimony**  
**Chip Tuttle, Chief Operating Officer**  
**Joint Committee on Economic Development and Emerging Technologies**  
**May 4, 2011**

Chairman Wagner, Chairwoman Spilka, members of the committee, on behalf of Suffolk Downs, and all of its employees and horsemen, thank you for the opportunity to speak with you today. My name is Chip Tuttle and I am the Chief Operating Officer at Suffolk Downs. I am joined today Attorney Charles Baker, the secretary of our corporation. Mr. Baker is an expert on the legal structure and regulatory environments for gaming developments and we both are available to you today to address any questions you may have.

The last remaining Thoroughbred race track in New England, Suffolk Downs has been in favor of several proposals to bring expanded gaming to the state over the last two decades. Most recently, we supported both the House and Senate proposals of 2010 and the Governor's proposal of 2008. We supported the legislation that emerged from committee last year and, like many, were disappointed when it did not become law. We appreciate all the work you and your committee members have given this topic over the last several months as you look for ways to maximize the economic benefits of this business for the state and its citizens.

We like to say that Suffolk Downs has been the Commonwealth's premier gaming destination since 1935 and we'd like to keep it that way. If authorized, we propose to develop a world-class entertainment complex that combines gaming, restaurants, retail and hotel facilities and features Thoroughbred racing as a centerpiece on our 163-acre property in East Boston and Revere. Our ownership includes Joseph O'Donnell, one of Boston's leading businessmen and philanthropists, and Richard Fields, Thoroughbred and cutting-horse owner/breeder who was one of the co-developers of the Seminole Hard Rock resorts in Florida, which are among the most successful US gaming developments in the last decade.

Strengthening our effort to develop a true world-class resort destination, we also recently entered a strategic alliance with Caesars Entertainment, the world's leading operator of gaming facilities. This relationship provides us with significant management expertise and marketing benefits should we be successful in our pursuit of a commercial gaming license here.

We propose to invest hundreds of millions to immediately create thousands of construction jobs and thousands of permanent jobs while improving our existing racing operation, enhancing the area's tourism economy and providing much-needed support for local traffic and transportation infrastructure upgrades.

Our facility, just minutes from Boston and from Logan International Airport, holds current occupancy permits for 38,000 people – similar to Fenway Park. Our site has over

5,000 surface parking spaces and access to two MBTA stops. We process almost \$200 million in annual wagering and routinely handle crowds of 10-20,000 people on our biggest days and for special events.

Unlike other parts of the state where this type of development may not be popular, as an existing gaming destination with a 75-year track record as a good neighbor and an employer of thousands through the years, gaming development at Suffolk Downs is welcomed by our local communities – communities like East Boston, Revere, Chelsea, Winthrop and Everett whose residents have been hit hard by the scarcity of good jobs with good benefits.

As you move forward in the next few days, we would ask you to consider not only the benefits of new development but to recognize the unique ways our continued operation contributes to the overall good of the Commonwealth.

A 2007 analysis showed Suffolk Downs generating 2,300 jobs in the horse racing industry and related agribusiness throughout the state. This includes over 1,000 at the track itself, including our direct employees – mutuel clerks, maintenance workers, restaurant, cleaning, security and administrative personnel -- as well as the owners, trainers, jockeys, exercise riders, grooms, vets, blacksmiths and stable hands licensed by the state of Massachusetts who care for our horses and work at farms throughout the state where our horses are bred, raised and boarded. There are currently 18 registered Thoroughbred breeding farms in Massachusetts. We believe that number could double over the next few years as we improve our purses and racing operations, extending the benefits of expanded gaming to the agricultural sector of the Massachusetts economy.

Also, as you make important decisions on the final composition of this legislation, we would ask you to consider the elasticity in the market among tax rate, capital investment, license fees and geographic market share. Achieving the correct balance among these factors will ensure successful development in the long term. We also ask that you consider our commitment to maintain racing and its unique agri-business benefits at considerable cost to our development that other potential developments would not incur.

In closing, some of you may be aware that Suffolk Downs celebrated its 75<sup>th</sup> anniversary season last year. After the Legislature authorized parimutuel wagering here in the Commonwealth in 1935, Suffolk Downs was built by 3,000 workers in just 62 days. An engineering marvel for its time, it opened on July 10<sup>th</sup>, 1935. Since then, some of our sports greatest stars, including Whirlaway, Cigar and the legendary Seabiscuit, have graced the winner's circle at Suffolk Downs. In recent years, Triple Crown race-winning trainers like Bob Baffert and Nick Zito have sent horses to Suffolk Downs and Hall of Fame jockeys like Jerry Bailey, Gary Stevens and Dorchester's own Chris McCarron have ridden there. Looking back at the rich legacy of the racetrack, we look forward to what the next 75 years could bring Suffolk Downs.

Thank you.

American Academy of Pediatrics,  
Massachusetts Chapter

American Cancer Society

American Heart Association

American Lung Association

American Stroke Association

Asthma and Allergy Foundation of America,  
New England Chapter

Bay State Community Services

Boston Public Health Commission

BOLD Teens Against Tobacco

Campaign for Tobacco Free Kids

Central MA Center for Healthy Communities

Codman Square Health Center

Connors Center for Women's Health & Gender  
Biology at Brigham & Women's Hospital

Dana-Farber Cancer Institute

Delta Dental of Massachusetts

Easter Seals

Gandara Center

Glaxo SmithKline

Harvard University Health Services

Harvard Vanguard Medical Associates

Health Foundation of Central Massachusetts

Health Care for All

Institute for Health & Recovery

March of Dimes

Massachusetts Academy of Family Physicians

Massachusetts Association of Health Boards

Massachusetts Association of Health Plans

Massachusetts Association of Public Health  
Nurses

Massachusetts Chapter, American College of  
Cardiologists

Massachusetts Coalition for Occupational  
Safety and Health

Massachusetts Coalition of School-Based  
Health Centers

Massachusetts Dental Society

Massachusetts Health Council

Massachusetts Health Officers Association

Massachusetts Hospital Association

Massachusetts League of Community Health  
Centers

Massachusetts Medical Society

Massachusetts Medical Society Alliance

Massachusetts Municipal Association

Massachusetts Nurses Association

Massachusetts Pharmacists Association

Massachusetts Public Health Association

MASSPIRG

MGH Community Health Assoc. "Pack It In"  
Program

National LGBT Tobacco Control Network

New England Coalition for Cancer Survivorship

Oral Health Advocacy Taskforce

Pfizer Inc.

Sociedad Latina

The Medical Foundation

Tobacco Control Resource Center

Western Massachusetts Center for Healthy  
Communities

# Tobacco Free Mass

Massachusetts Coalition for a Healthy Future

30 Speen Street  
Framingham, MA 01701  
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www.tobaccofreemass.net

## Testimony before the Joint Committee on Economic Development and Emerging Technologies

### In Opposition to Senate Bill 170

#### "An Act Relative to Gaming"

### And with Concerns Regarding House Bill 1905 and House Bill 3111

#### "An Act Establishing Expanded Gaming in the Commonwealth"

### And Senate Bill 168

#### "An Act Establishing and Regulating Resort-Style Entertainment in the Commonwealth"

May 4, 2011

The Tobacco Free Mass coalition urges opposition to provisions in Senate Bill 170, "An Act Relative to Gaming," which would amend the Clean Indoor Air Act (MGL, ch. 270, sec. 22) and allow smoking areas in gaming establishments. While we support the stated intent of House Bills 1905 and 3111 and Senate Bill 168 that the regulatory commission established secure an agreement with the applicant "maintaining a smoke-free environment within the gaming facility pursuant to the provisions of section 22 of chapter 270" [sec. 17 of the bills] we are concerned that unnecessary ambiguity is added by suggestions that the commission also look at sustainable development principles that include those that permit smoking on the premises.

Tobacco use is still the top preventable public health killer in America today. Over 440,000 Americans prematurely die as a result of tobacco use – more Americans than who die of automobile crashes, alcohol and drug use, AIDS, murder and suicide combined. Tobacco causes cardiovascular and pulmonary disease, as well as a vast array of cancers. It is well documented that Environmental Tobacco smoke (ETS) – second-hand smoke – is a significant danger. In 2004, Massachusetts took a major step forward in becoming the sixth state to make all workplaces – including bars and restaurants – smoke-free. By the end of 2010, a majority of states have followed our example.

As a result of the 2004 law, Massachusetts has gotten healthier. The Department of Public Health reported a drop of about 3,500 heart attacks by the end of the first three years of the new law, resulting in almost 600 fewer than expected heart attack deaths annually. We should not be weakening this law! SB 170 would be taking a giant step back by allowing smoking in gaming establishments, exposing employees and patrons alike to the illnesses and deaths caused by ETS.

HB 1905 and 3111, as well as SB 168 refer to the adoption of sustainable development standards. Many of these standards, such as that adopted under Leadership in Environmental and Energy Design (LEED) [sec. 19 of the bills] smoking on the premises under its Indoor Environmental Quality Prerequisite 2 – Environmental Tobacco Smoke

(ETS) Control! Licensees in other states have challenged the smoke-free laws by citing these provisions as a legislatively mandated exception. If casinos and gaming facilities are to be smoke-free, the law establishing them must be unambiguous.

It is often stated that casinos and gaming facilities need smokers in order to be economically sustainable. These same arguments were made regarding restaurants and bars. They were wrong then and they are wrong now. A recent survey by the Center for Policy Analysis at U-Mass/Dartmouth of New England gaming patrons indicated that while 53 percent said that they were more likely to visit a smoke-free facility, only 15 percent preferred a smoking environment.

If the Committee favorably reports out gaming legislation, we urge the Committee to assure that all facilities established be fully smoke-free.



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA-UAW

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*Testimony before the Massachusetts Committee on Economic Development and Emerging Technologies*

*Prepared by: Ellen Wallace, United Auto Workers Region 9A*

*May 4, 2011*

Good afternoon, my name is Ellen Wallace. I am the United Auto Workers (UAW) Region 9A Sub-Regional Director for New England. I am here today to testify in support of building resort casinos in Massachusetts.

UAW Region 9A represents over 14,000 active and retired men and women in the Commonwealth of Massachusetts. Currently, the UAW represents casino employees in Michigan, Rhode Island and Connecticut.

Resort casinos will create good, stable and secure jobs, strengthen the economy and provide much needed revenue for the state. **Our strong support, however, is contingent upon the proposed resort casinos being built and operated by union members with the right to collective bargaining.**

When workers are members of a union they have better job security, wages, benefits and working conditions. And the UAW has much experience organizing casino employees. In November of 2007, the dealers from Foxwoods Resort and Casino in Connecticut voted overwhelmingly to form a union and be represented by the UAW. After two (2) long years of collective bargaining under Tribal Law, the dealers successfully ratified their first union contract on January 29, 2010.

As a result of this most historic union contract - the first of its kind in the nation negotiated and ratified under Tribal Law - dealers received a pay increase of \$2.30 per hour over 2 years, increased job security, important seniority language, better benefits including sick pay, an opportunity to mutually address with their employer the impact of second hand smoke on their health, and union representation when they are treated unfairly at work.

Prior to having a union, despite the industry's unprecedented growth, these dealers' pay, benefits and job security had declined since the casino came to Connecticut in 1992. Over the past 16 years, starting pay for them had only increased 75 cents - from \$3.75/hour to \$4.50/hour. Dealers with 10 years of service were still making less than \$8.00/hour with the majority of their income coming from customer's tips.

Now that they have a union contract, they have a voice at work, feel more invested in what they do, and are empowered in their ability to balance work and family life issues without fear of retaliation or losing their job.

Large resort casinos provide many highly skilled jobs and very stable jobs. This is particularly important in a changing economy where so many good union jobs in manufacturing are being outsourced. In Massachusetts alone, I don't need to tell you what is happening. Unemployment is estimated as high as 30% in the construction industry across the state. In other manufacturing, we have members whose jobs are being outsourced every day and public policies that do nothing to stop this disastrous profit seeking behavior that leaves more and more Massachusetts and US residents unemployed.

We want to recognize the incredible leadership of the building trades on the issue of casino development. They have been in the forefront of the fight to ensure that casinos are built by union members. Despite the success of the building trades however, all too often casinos do not hire union members to work in their hotels, restaurants, casinos and other operations.

**Our support of this legislation is contingent upon ensuring that the jobs inside the casinos once built also be union jobs.**

On another related issue, when the dealers at Foxwoods formed their union they had a major job safety concern that they had tried unsuccessfully to address by themselves in the past – second hand smoke exposure; the health consequences of which include chronic sinus issues, asthma, COPD, heart disease, emphysema and cancer.

According to the US Department of Health and Human Services, casino workers remain disproportionately unprotected by smoke free workplace policies and exposed to secondhand smoke in the workplace.

And for those of you who may be concerned that people won't gamble if casinos are smoke free, UMASS Dartmouth released a report<sup>1</sup> surveying residents in CT, ME, MA, NH and RI that indicated just the opposite:

- a. Half of residents surveyed who had gambled in the last year said they would be more likely to visit a casino where smoking is prohibited.
- b. A higher percentage of gamblers who had gambled in the past year (53%) versus those who had not (41%) indicated they would be more likely to visit a casino where smoking is prohibited.
- c. A higher percentage of slots players (55%) versus table games players (48%) indicated they would be more likely to visit a casino where smoking was prohibited.

We have included a copy of this report for your attention.

In closing, the UAW urges you to ensure that any casinos in Massachusetts are built and operated by union members who have the right to collectively bargain for their wages and benefits without retaliation and that the casinos are not exempt from the Massachusetts smoke free air law.

Thank you.

<sup>1</sup> Place Your Bet II. The Potential Regional Competitive Advantage of a Non-Smoking Policy for Massachusetts Casinos. New England Gaming Research Project. Clyde W. Barrow, PhD – Director. March 2011.



**President:**  
Tom Larkin

**USS-MASS.ORG**

**781-572-1163**

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May 4, 2011

To Senate Chair Karen Spilka, House Chair Joseph Wagner and Members of the Joint Committee on Economic Development and Emerging Technologies.

United to Stop Slots in Massachusetts (USSMASS) is a non-partisan, non-profit organization. Our Board and coalition members are unpaid volunteers. I am a Licensed Psychologist.

We join with the League of Women Voters, The Mass Family Institute, the Council of Churches, the National Association of Social Worker (Ma. Chapter), the Wall Street Journal, the Boston Business Journal, economists Warren Buffett and Paul Samuelson and many other Human Service professionals and organization in opposition to expanding gambling to the Class III level (Slot Machines) because it is economically, socially and politically self-defeating.

**1- ECONOMICALLY**

The promotion of more and more people losing more and more money to slot machines is economically irrational. The evidence for this is readily apparent in many Cities (Atlantic City, Las Vegas and Detroit) and States (Illinois, Connecticut and Rhode Island). Boston and Massachusetts deserves better.

Money spent on slot machines comes directly out of other economic sectors. It increases debt while decreasing normal entrepreneurial exchanges. Casinos are going bankrupt all over the country. Connecticut's Mohegan Sun has a debt of over 2 billion dollars and terminated 355 employees in September 2010. Gambling revenues nationwide are down about 10%. The State Lottery will be cannibalized.

**2- SOCIALLY**

Increasing the availability of gambling increases social problems including criminal behavior, recidivism, alcoholism, smoking, domestic violence, child abuse/neglect, youth gambling, suicides and poverty.



More gambling redistributes revenue more regressively. About 80% of money lost comes from about 20% of the gamblers, most earning less than \$50,000 a year, disproportionately people on fixed incomes, minorities, the less educated, returning veterans, the formerly incarcerated and people with a wide range of emotional and behavioral problems.

### 3-POLITICALLY

The Gambling Industry is a predatory "pay to play" special interest. In other states, their political influence has allowed them to exploit the very economic and social problems they help to create.

As a warm up, they spent over 6 billion dollars in 2009/10 in Massachusetts on political donations, friendly researchers, media and front groups. They are the biggest financial lobbyists in Washington D. C. and in over half the states, bigger than defense, pharmaceuticals and tobacco. Ironically, legalizing Class III gambling will require a new state agency, with over 500 new employees, charged with regulating an industry that thrives on political influence.

### RECOMMENDATIONS

1-Vote NO on proposals to expand gambling to the Class III level (Slot Machines)

2-If you believe the benefits of expanding gambling exceed the costs, prove it. Vote for the independent cost-benefit analysis proposed by Senator Brewer. (S00150)

3-Governor Patrick returned campaign donations received from the Gambling Industry. USSMASS demands Legislators return gambling "special interest" money.

Thank you.



Tom Larkin  
President, USS-MASS

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(Please contact me directly or go to our website USSMASS.ORG, for evidence supporting the assertions made here.)

Cc. Governor Deval Patrick

**Joint Testimony of**  
**VETERANS OF FOREIGN WARS OF THE UNITED STATES**  
**DEPARTMENT OF MASSACHUSETTS**



**STATE LEGISLATIVE SERVICE**

STATEMENT OF  
CHRISTIAN KULIKOSKI  
STATE ASSISTANT SERVICE OFFICER  
VETERANS OF FOREIGN WARS OF THE UNITED STATES

**DISABLED AMERICAN VETERANS**  
**DEPARTMENT OF MASSACHUSETTS**



STATEMENT OF  
DANIEL P. STACK  
DEPARTMENT ADJUTANT  
DISABLED AMERICAN VETERANS

REPRESENTING THE VFW, DISABLED AMERICAN VETERANS, AMERICAN LEGION, AMVETS AND  
MARINE CORPS LEAGUE

BEFORE THE  
JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND EMERGING TECHNOLOGIES OF  
THE GREAT AND GENERAL COURT OF  
THE COMMONWEALTH OF MASSACHUSETTS

WITH RESPECT TO AN ACT AUTHORIZING VIDEO POKER GAMES TO BE CONDUCTED BY CERTAIN  
VETERANS ORGANIZATIONS

WEDNESDAY, MAY 4, 2011  
BOSTON, MA

Senate Chairwoman Spilka, House Chairman Wagner, Members of the Joint Committee on Economic Development and Emerging Technologies: Please accept the following statement on behalf of the above Veterans Organizations.

The members of our respective organizations and our auxiliaries are very grateful for the opportunity to present our point of view as to our overall support for gaming legislation in Massachusetts.

Our organizations have had many discussions on gaming and the potential impact on the financial future of our organizations. These discussions have culminated in the drafting and filing of a bill we collectively support. Senator Brown, Chairman Naughton and Rep Fallon have been particularly helpful and supportive of our efforts in bringing this issue to your committee. Our organizations are very grateful for their leadership and vision.

This bill is simple in its concept and direct in its intent. It would authorize a certain number of video poker machines to be placed in our clubrooms for the enjoyment of our members and guests. The revenues derived from their operation would fund our civic, patriotic and charitable programs, with five (5) percent of the profits being paid to the Commonwealth's Department of Veterans Services.

Our Veteran population is changing. We can no longer rely on the patronage of older Veterans as a primary source of revenue. Many older Veterans no longer feel safe driving at night, many are on medications that make visiting a lounge impractical for health purposes and the majority of our more senior members are on fixed incomes, meaning the extra monies for entertainment or a social visit are no longer as plentiful. As our veterans age and pass on, we are unable to fill the ranks as quickly as in generations past. That means less money for our programs derived from membership dues and targeted fund raising.

Newly eligible veterans, who have just returned home from deployment in Iraq and Afghanistan, are not as inclined to join our ranks immediately after being released from active or reserve duty. Many of them have completed two or three tours and just want to make up for lost time with their loved ones. The veteran of today and his family is far more interested in community activity, children and youth programs, scholarship programs for their children and such. Historically, these Veterans will join our organizations when their children are older and their readjustment to civilian life is at a stage they are comfortable with. Until then, we keep the fire burning.

The economic downturn has also impacted our ability to attract corporate donations as another potential source of revenue. Most major corporations such as Wal-Mart, Sears and Best Buy to name a few have had to reduce sponsorships and corporate giving in order to remain competitive in the retail sector.

What this means for our organizations is that we no longer have the available funding for programs like Voice of Democracy and Patriots Pen Scholarships. Our organizations Americanism and Youth Activities programs have to be curtailed or eliminated. Signature program like Legion Baseball, which nearly everyone is familiar with can no longer be funded, hospital visits to the local VA are no longer possible and service programs that provide our heroes with their much needed benefits can no longer hire or train advocates to ensure they receive the benefits they are entitled to.

The other side of the coin is just as stark in its reality. Our organizations donate to our communities and other charitable organizations. Many of us donate our meeting halls free of charge to Boy Scouts, Girl Scouts, Senior Citizens and other groups. I am certain that many of your colleagues in government have also benefited from our patronage as many officials hold fundraising and election events in our homes, Posts, or Halls, usually with no charge. There are more than 700 Veterans' Posts and Chapters that would benefit from this legislation in the Commonwealth, which would allow them to continue their services to Veterans, their families and their communities.

People have come to rely on our programs. Giving back to the community is part of our mission. Without the revenue to fund our programs, we lose our meeting places, we lose vital membership and a presence in our cities and towns, thereby, adversely affecting our veterans their families and our fellow citizens of the Commonwealth.

Our organizations are at your disposal to discuss this bill and the issues at stake at any time, and in any venue. We sincerely appreciate your favorable consideration of our issue and bill. We thank you for your service, dedication and ongoing commitment to the Commonwealth's Veterans.