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### Voters In RI, Ore., Md. To Vote On Casinos

By DAVID KLEPPER, Associated Press

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NEWPORT, R.I. — The slot machines at Newport Grand chirp just like the ones in Vegas. The winners exult and the losers shrug just as they do in Atlantic City. But ask for the blackjack tables and you'll be directed to a video game screen with a smiling, virtual dealer. The nearest table action is 50 miles away in Connecticut.

"Wouldn't it be great to see a real person standing there?" asks Cathy Rayner, a Newport Grand employee and president of the union representing the 200 workers at the slot parlor in Rhode Island's famed seaside resort. "That could be a person earning good benefits."

Rhode Island may soon grant her wish. Along with those in Oregon and Maryland, voters here will decide Nov. 6 whether to authorize an expansion of legal gambling in an increasingly cluttered and competitive market that now includes casinos, slot parlors or tribal facilities in 40 states.

Maryland is in the midst of a bruising battle over a proposal to authorize table games at its casinos, and to approve a new gambling facility close to Washington. Campaign spending for and against the ballot question is nearly \$40 million, exceeding the amount spent in the state's 2006 governor's race. The proposal is being fought by a company that operates a casino in nearby West Virginia.

Las Vegas and Atlantic City once enjoyed a corner on the casino business until one state after another moved to welcome casinos, riverboat gambling or slot parlors. Despite a dip in gambling revenues during the Great Recession, states continue to place bets on expanded gambling.

Commercial casinos contributed nearly \$8 billion to state and local governments in 2011, according to the American Gaming Association.

Ohio, Maryland, New York and Kansas have added casinos in the past two years. Massachusetts authorized casinos last year. Pennsylvania's first casinos opened in 2006, and the state is now the nation's second-largest gambling market after Las Vegas.

"It's like a casino arms race where one state has slots, so the other state adds slots, then the first state adds a casino," said David Schwartz, director of the Center for Gaming Research at the University of Nevada-Las Vegas. "We're running out of states that don't have gambling. The question is whether there's a saturation

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point. We're going to find out because the market is going to tell us."

There are signs that the push for more casinos may be ebbing, at least in some states.

A casino referendum in Oregon appears to be failing before the voters even weigh in. Last week two Canadian companies pushing plans to open Oregon's first privately owned casino announced they would spend no additional money on their campaign, saying "it appears ... not enough Oregon voters are ready to add a private casino to the state's gaming options."

Oregon already has several casinos operated by Indian tribes. The proposed casino would be located in the Portland metro area and would also include a hotel and waterpark. Its developers spent \$5 million on campaign ads promising jobs and education funding. But the proposal was a long shot even before the state's tribes opposed it: Two years ago a casino referendum won just 32 percent of the vote here.

Rhode Island has long resisted efforts to authorize casino games, though its two slot parlors contribute about \$300 million a year to state coffers. Combined with state lottery proceeds, that's the state's third-largest source of revenue. Voters here last rejected a casino referendum in 2006, but supporters of this year's push say times have changed.

Next-door Massachusetts authorized casinos this year, though none have yet opened. Twin River and Newport Grand say competition from those facilities will threaten their business and the revenue they create for the state.

Local and state leaders say expanded gambling could mean more jobs and economic activity for a state with 10.5 percent unemployment, the second-highest jobless rate in the nation. The ballot questions have the support of Gov. Lincoln Chafee and, importantly, Senate President Teresa Paiva Weed, a Newport Democrat and a one-time opponent of casinos.

Twin River and Newport Grand have spent more than \$4.3 million on their campaigns for the ballot questions, which must pass statewide and in the host communities. Of that total, Twin River's campaign organization had spent \$3.9 million.

John Taylor Jr., chairman of the Twin River board of directors, said his facility stands to lose hundreds of jobs if the referendum fails, but could add hundreds if it's approved. He said the slot parlor, just south of the Massachusetts line, could begin offering poker and blackjack as early as next summer if the ballot question is approved, giving it a significant head start over Massachusetts, where casinos are still years away from opening.

The rush to capitalize on gambling has critics warning that states are chasing after an increasingly small piece of the gambling pie — and at the expense of bettors and their families.

"They keep saying 'jobs, jobs, jobs,' but who is going to pay these salaries?" asked the Rev. Eugene McKenna, chairman of Citizens Concerned about Casino Gambling, a group opposing the ballot questions in Rhode Island. "It's not pennies from heaven. It's hundreds of thousands of dollars from people who can't afford to lose it."

McKenna said a casino in Newport would forever alter the city now known for its historic seaside location, its Gilded Age mansions and upscale tourism.

To Diane Hurley, chief executive and co-owner of Newport Grand, the referendum is about keeping her

family business afloat. Hurley's father opened the facility nearly 40 years ago as a venue for jai alai. On a tour of the cavernous slot parlor she greets her employees and many patrons by name. She never asked for permission to offer table games, until the prospect of casinos in Massachusetts forced her to reconsider.

"Massachusetts kept threatening and threatening to do it, but then it became a reality and it wasn't `maybe' anymore," Hurley said.

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