



# NEVER A SURE BET

## GAMBLING INTERESTS SPEND MILLIONS ON BALLOT MEASURES IN NINE STATES

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**TABLE OF CONTENTS**

Executive Summary ..... 1

California ..... 3

Colorado..... 6

Maryland ..... 8

Missouri ..... 12

Arkansas..... 13

Alaska..... 15

Maine..... 16

Massachusetts ..... 17

Ohio..... 19

Oregon..... 20

## EXECUTIVE SUMMARY

AS THE COUNTRY'S ECONOMISTS DEBATED WHAT TO CALL THE ECONOMIC DOWNTURN, IN 2008 nine states debated whether to replace declining revenues with money from gamblers. The stakes were high. Opponents foresaw high societal costs and were skeptical about economic benefits, while gambling proponents spread around big dollars and promised more—often earmarked for education—for little effort.

Indian tribes gave the most of any business sector: \$157.4 million, or 57 percent of all money raised around increasing or decreasing limits on gambling in 2008. This was followed by gambling interests, at \$104.5 million, or 38 percent. Combined, these interests gave 96 percent of all money raised pro and con.

Two gaming interests gave to ballot measures in more than one state. Penn National Gaming gave \$2 million in Maryland and \$38 million in Ohio. Its position prevailed both times. Similarly, Ameristar Casinos gave \$2 million in Colorado and \$7.7 million in Missouri, and won both times.

Voters in five states took the bet and expanded gambling by loosening current restrictions or adding a state lottery. Gambling proponents significantly outraised opponents in each of those states, ranging from about 2:1 in California to 1,734:1 in Colorado.

Voters in three states rejected measures aimed at expanding gambling. The odds were against gambling opponents in two of those states, yet they prevailed: opponents in Alaska raised no money, and opponents in Maine were outspent by proponents 3:1. Massachusetts banned betting on dog racing, an effective decrease in the amount of gambling revenue available in the state.

Even as moral arguments got a lot of play, gambling interests themselves battled on opposite sides in California and Ohio as competing organizations sought to preserve or expand market share. Due to Penn National Gaming's contributions of \$38 million to defeat Issue 6, Ohio was one of two states in which opponents outraised proponents. Massachusetts was the other, where animal rights activists and organizations contributed heavily to eliminate greyhound racing.

Gambling proponents significantly outraised opponents, ranging from about 2:1 in California to 1,734:1 in Colorado

## 2008 GAMBLING BALLOT MEASURES

STATE	MEASURE	TOTAL FOR GAMBLING EXPANSION	TOTAL AGAINST GAMBLING EXPANSION	TOTAL	STATUS
Alaska	Primary Measure 1	\$109,234	\$0	\$109,234	Failed
Arkansas	Amendment 3	\$836,430	\$221,252	\$1,057,682	Passed
California	Propositions 94-97	\$106,722,102	*\$64,280,405	\$171,002,507	Passed
Colorado	Amendment 50	\$7,709,963	\$4,446	\$7,714,409	Passed
Maine	Question 2	\$2,672,575	\$840,066	\$3,512,641	Failed
Maryland	Question 2	\$7,128,017	**\$1,024,070	\$8,152,087	Passed
Massachusetts	Question 3	\$679,582	***\$1,038,892	\$1,718,474	Passed
Missouri	Proposition A	\$15,473,187	\$30,226	\$15,503,413	Passed
Ohio	Issue 6	\$25,693,377	\$38,711,933	\$64,405,310	Failed
<b>TOTAL</b>		<b>\$167,024,466</b>	<b>\$106,151,289</b>	<b>\$273,175,756</b>	

\* Because money moved freely between the two opposing committees, this total is inflated. Tribes for Fair Play gave \$24.8 million, or 19 out of every 20 nickels it collected, to Californians Against Unfair Deals. That committee, in turn, gave \$35,587 back to Tribes for Fair Play.

\*\* Marylanders United to Stop Slots gave \$1,000 to Stop Slots Maryland, slightly inflating the total.

\*\*\* A "Yes" vote on Massachusetts's Question 3 was a vote to eliminate dog racing.

Overall, 73 percent of money raised in the nine states came from donors residing in the same state as the ballot measure, or \$200.5 million of the \$273.2 million total.

If individual giving gauges the level of popular support for a position, then the nays had it; well over 3,000 identified individuals gave \$1.3 million to committees that sought to restrict or maintain existing restrictions on gambling. Most of those contributors gave in support of Maine's Question 2, anteing up \$643,255. Roughly 160 individuals in support of gambling gave \$1.8 million to measures seeking to expand gambling.

Nearly a year after the ballot measures went before voters, financial returns are mixed. Three of the states that voted down gambling and two that tried slots are in financial turmoil. California's governor declared a state fiscal emergency in July of 2009.<sup>1</sup> To increase revenue, Maryland approved a measure to allow slot machines, but still drew down its rainy day fund. Maine and Massachusetts drew down their rainy day funds heading into FY10, and Ohio spent substantially all of its rainy day fund for FY09.<sup>2</sup>

<sup>1</sup> Michael B. Farrell, "California crisis a threat to US economic recovery," *Christian Science Monitor*, July 1, 2009, available from <http://features.csmonitor.com/politics/2009/07/01/california-crisis-a-threat-to-us-economic-recovery/>, accessed Sept. 19, 2009.

<sup>2</sup> Rob Silverblatt, "States draw down rainy day funds," *Stateline.org*, Aug. 27, 2008, available from <http://www.stateline.org/live/details/story?contentId=421718>, accessed Sept. 4, 2009.

## CALIFORNIA

Propositions 94 through 97 attempted to nullify compacts made by the California State Legislature with four Indian tribes. In California, citizens may use the ballot initiative process to subject laws to a popular vote. Opponents of the compacts hoped the voters would reject the proposals if given the chance, but a relatively narrow margin of voters, 55 percent, affirmed the law by voting for the measures. Proposition 94 allows the Pechanga Band of Luiseño Mission Indians to add 5,500 slot machines to its current 2,000 machines<sup>3</sup>; Proposition 95 allows the Morongo Band of Mission Indians to add the same<sup>4</sup>; Proposition 96 allows the Sycuan Band of the Kumeyaay Nation to add 3,000 machines, bringing its maximum number to 5,000<sup>5</sup>; and Proposition 97 allows the Agua Caliente Band of Cahuilla Indians to add the same, and to build a third casino.<sup>6</sup> Two other tribes negotiated similar compacts with the Schwarzenegger administration. The San Manuel Band of Mission Indians added capacity for an additional 5,500 slots but was not challenged; it has a labor agreement in place with Communications Workers of America.<sup>7</sup> The Shingle Springs Band of Miwok Indians added capacity for another 3,000 slots in a compact made after the ballot measures passed.<sup>8</sup> All money supporting the compacts came from within the state.

Propositions 94 through 97 attempted to nullify compacts made by the California State Legislature with four Indian tribes

All four compacts change the way environmental impacts of future building are handled, and all allow for between 15 percent and 25 percent of net revenues from slot machines to be deposited into the state's General Fund. Payments to the Revenue Sharing Trust Fund (RSTF), a fund that pays \$1.1 million to each of 71 other tribes that have little or no gambling, increased to \$2 million

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<sup>3</sup> "California Primary Presidential Election Official Voter Information Guide Prop 94 Analysis by the Legislative Analyst," *California Secretary of State*, available from [http://primary2008.sos.ca.gov/voterguide/analysis/prop\\_94\\_analysis.html](http://primary2008.sos.ca.gov/voterguide/analysis/prop_94_analysis.html), accessed Aug. 26, 2009.

<sup>4</sup> "California Primary Presidential Election Official Voter Information Guide Prop 95 Analysis by the Legislative Analyst," *California Secretary of State*, available from [http://primary2008.sos.ca.gov/voterguide/analysis/prop\\_95\\_analysis.html](http://primary2008.sos.ca.gov/voterguide/analysis/prop_95_analysis.html), accessed Aug. 26, 2009.

<sup>5</sup> "California Primary Presidential Election Official Voter Information Guide Prop 96 Analysis by the Legislative Analyst," *California Secretary of State*, available from [http://primary2008.sos.ca.gov/voterguide/analysis/prop\\_96\\_analysis.html](http://primary2008.sos.ca.gov/voterguide/analysis/prop_96_analysis.html), accessed Aug. 26, 2009.

<sup>6</sup> "California Primary Presidential Election Official Voter Information Guide Prop 97 Analysis by the Legislative Analyst," *California Secretary of State*, available from [http://primary2008.sos.ca.gov/voterguide/analysis/prop\\_97\\_analysis.html](http://primary2008.sos.ca.gov/voterguide/analysis/prop_97_analysis.html), accessed Aug. 26, 2009.

<sup>7</sup> Michael Stutz, "California tribes clash over new slots," *Casino City Times*, Jan. 3, 2008, available from <http://www.casinocitytimes.com/news/article/california-tribes-clash-over-new-slots-170464>, accessed Aug. 26, 2009.

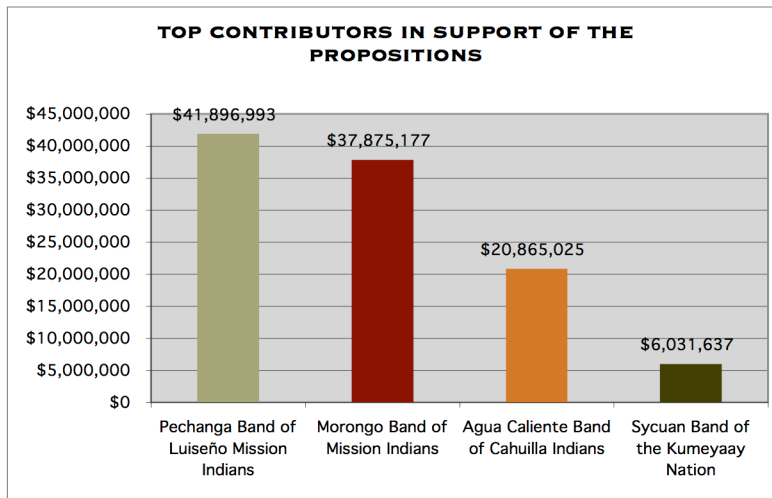
<sup>8</sup> Peter Hecht, "Tribal slots deal no jackpot for California," *Sacramento Bee*, Jan. 19, 2009, available from <http://www.sacbee.com/capitolandcalifornia/story/1554574-p2.html>, accessed Aug. 27, 2009.

per year. The Sycuan Tribe's payments to the RSTF increased further, to \$3 million per year.<sup>9</sup> Payments ended to the Special Distribution Fund (a fund that stabilizes the RSTF) that pays for services to problem gamblers and provides money to affected local governments. Any shortfalls in the RSTF will be made up by the General Fund.<sup>10</sup>

**CONTRIBUTIONS RAISED BY CALIFORNIA  
2008 GAMBLING BALLOT MEASURE COMMITTEES**

COMMITTEE	TOTAL
<b>Proponents</b>	
Coalition to Protect California's Budget and Economy	\$106,722,102
<b>Proponents' Total</b>	<b>\$106,722,102</b>
<b>Opponents</b>	
Californians Against Unfair Deals	\$38,273,146
Tribes for Fair Play	\$26,007,259 <sup>11</sup>
<b>Opponents' Total</b>	<b>\$64,280,405</b>
<b>OVERALL TOTAL</b>	<b>\$171,002,507</b>

Proponents formed the group Coalition to Protect California's Budget and Economy; as a group it raised \$106.7 million. Nearly all money raised by this committee came from the four affected tribes, although other contributors included Californians for Indian Self-Reliance, which gave \$19,670, and \$10,000 each from the California State Law Enforcement Association and Gov. Schwarzenegger's Dream Team.



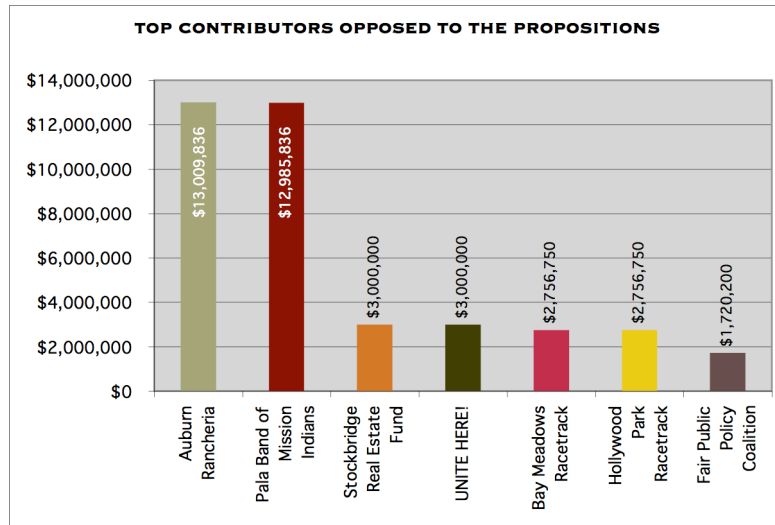
<sup>9</sup> "California Primary Presidential Election Official Voter Information Guide Prop 94 Analysis by the Legislative Analyst," *California Secretary of State*, available from [http://primary2008.sos.ca.gov/voterguide/analysis/prop\\_94\\_analysis.html](http://primary2008.sos.ca.gov/voterguide/analysis/prop_94_analysis.html), accessed Aug. 26, 2009.

<sup>10</sup> Ibid.

<sup>11</sup> Tribes for Fair Play donated over \$24 million to Californians Against Unfair Deals and Californians Against Unfair Deals gave \$35,587 back to Tribes for Fair Play. Therefore, the total is inflated.

Two committees formed to oppose Propositions 94 through 97: Californians Against Unfair Deals and Tribes for Fair Play. Substantially all of the \$26 million given to Tribes for Fair Play came from two competing Indian tribes, the Auburn Rancheria and the Pala Band of Mission Indians, each of which gave nearly \$13 million.

The majority of Tribes for Fair Play's money, \$24.7 million, went to Californians Against Unfair Deals. That committee raised nearly \$38.3 million.



In addition to the money from Tribes For Fair Play, money to support Californians Against Unfair Deals came from competing gambling interests and several labor unions. According to the *Los Angeles Times*,<sup>12</sup> some other tribes opposed it because they believed it gave the four an unfair edge in the competition for the gambling dollar, unions opposed it because they believed the compacts made it harder to organize casino workers, and some gambling interests opposed it because they will seek permission to install slot machines one day, as well. The top six contributors gave 99 percent of the money raised by this committee. Californians Against Unfair Deals took in the only out-of-state money in the battle, with \$3.2 million from national labor groups.

All four propositions passed with roughly 55 percent of the vote. In January of 2009, just a few months after passage, state budget officials estimated total revenues from the compacts at a third less than originally predicted.<sup>13</sup> The Sycuan Band of the Kumeyaay Nation could not afford to expand or to pay the new state payments. The Agua Caliente Band of Cahuilla Indians added only 900 slots, then pulled 400 of them. The Pechanga Band of Luiseño Indians laid off "nearly 9 percent" of its workers and added only 1,600 slots.<sup>14</sup>

<sup>12</sup> Patrick McGreevy, "Casinos want to add 17,000 slot machines," *Los Angeles Times*, Jan. 20, 2008, available from <http://www.latimes.com/news/local/la-me-guideprops20-jan20,0,6938896.story>, accessed Aug. 27, 2009.

<sup>13</sup> Peter Hecht, "Tribal slots deal No jackpot for California," *Sacramento Bee*, Jan. 19, 2009, available from <http://www.sacbee.com/capitolandcalifornia/story/1554574-p2.html>, accessed Aug. 27, 2009

<sup>14</sup> *Ibid.*

## COLORADO

Colorado’s Amendment 50 cleared the way for voters in the three counties in which gambling is allowed to hold elections and decide whether to extend casino hours, add roulette and/or craps, increase single bet limit up to \$100, and adjust distribution of gaming tax revenue. The measure further provided that any increase in gaming taxes must be put before the voters at a statewide election. It passed with almost 59 percent of the vote. Soon after, voters in the three affected counties changed the law to allow casinos to stay open 24 hours a day, to add both craps and roulette games, and to increase the bet limit to the maximum allowable \$100.<sup>15</sup> Additional revenue generated by the increase in the state’s take is to go to community colleges. Pikes Peak Community College immediately began a casino dealer program with two Cripple Creek casinos. “Cripple Creek casinos plan to hire more than 300 people in the coming months as they ramp up for the new gaming rules permitted by Amendment 50,” said reporter Andrew Wineke in the *Colorado Springs Gazette*.<sup>16</sup>

**Proponents raised \$7.7 million to support Amendment 50; virtually no money was raised in opposition**

While proponents raised \$7.7 million to support the measure, virtually no money was raised in opposition. In-state contributors gave 98 percent of the money.

### CONTRIBUTIONS RAISED BY AMENDMENT 50 COMMITTEES

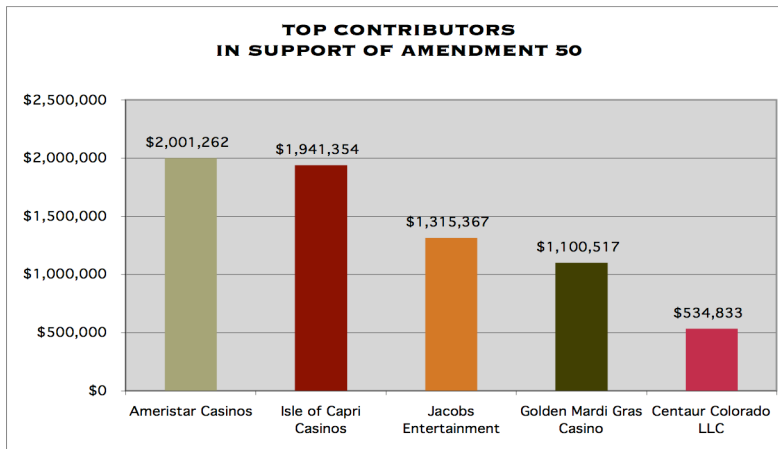
COMMITTEE	TOTAL
<b>PROPOSERS</b>	
Coloradans for Community Colleges	\$7,579,861
Hospitality Issues PAC	\$130,101
<b>PROPOSERS’ TOTAL</b>	<b>\$7,709,963</b>
<b>OPPOSERS</b>	
Focus on the Family Action Issue Committee	\$4,446
<b>OPPOSERS’ TOTAL</b>	<b>\$4,446</b>
<b>OVERALL TOTAL</b>	<b>\$7,714,409</b>

<sup>15</sup> Catherine Tsai, “Colorado casinos prep for all-night gambling,” *Denver Post*, July 1, 2009, available from [http://www.denverpost.com/tourism/ci\\_12730233](http://www.denverpost.com/tourism/ci_12730233), accessed Aug. 27, 2009

<sup>16</sup> Andrew Wineke, “Bet high on a casino career,” *The [Colorado Springs] Gazette*, Feb. 27, 2009, available from [http://m.gazette.com/cg/db\\_3744/contentdetail.htm%3Bjsessionid=9213A24B95A95149CEA21158412E6113?full=true&contentguid=lo4WNSz6&pn=&ps=](http://m.gazette.com/cg/db_3744/contentdetail.htm%3Bjsessionid=9213A24B95A95149CEA21158412E6113?full=true&contentguid=lo4WNSz6&pn=&ps=), accessed Aug. 27, 2009



Four committees formed around Amendment 50. Coloradans for Community Colleges and the Hospitality Issues PAC campaigned in support of the measure. Gambling interests gave generously to Coloradans for Community Colleges. The top five contributors gave nearly 91 percent of the \$7.6 million raised by this committee; gambling interests on the whole gave \$7.5 million, or 99 percent.



The Hospitality Issues PAC was formed by the Colorado Restaurant Association and the Colorado Hotel & Lodging Association.<sup>17</sup> Seventy-one percent, or \$92,350, of the money came from restaurateurs.

Committees in opposition to

Amendment 50 raised a total of \$4,446. That sum came from Focus on the Family and went to the Focus on the Family Action Issue Committee. Focus on the Family is an organization that says they promote traditional Christian family values, including “defend[ing] and protect[ing] God’s marriage design,”<sup>18</sup> and Focus on the Family Action was spun off of Focus on the Family to do lobbying work.<sup>19</sup> The other committee, Vote No on 50 No High Stakes 24/7 Gambling in Colorado, raised no money.

The casinos reported an overall increase of 16 percent in July 2009, the first month in which the new rules were in effect, after sustaining months of declining revenues.<sup>20</sup> The top contributor in support of the measure, Ameristar Casinos, began enhancements of its Ameristar Casino Black Hawk soon after passage; it is now the tallest structure between Denver and Salt Lake City, according to a press release issued by the company.<sup>21</sup>

<sup>17</sup> “Get Involved!”, *Colorado Restaurant Association*, available from <http://www.coloradorestaurant.com/displaycommon.cfm?an=1&subarticlenbr=219>, accessed Sept. 22, 2009.

<sup>18</sup> “About Focus on the Family,” *Focus on the Family*, available from [http://www.focusonthefamily.com/about\\_us.aspx](http://www.focusonthefamily.com/about_us.aspx), accessed July 29, 2009.

<sup>19</sup> “About Focus Action,” *Focus on the Family Action*, available from <http://www.citizenlink.org/focusaction/>, accessed Sept. 1, 2009.

<sup>20</sup> “Colorado Casinos’ New Rules Pay Off,” *Denver Post*, Aug. 20, 2009, available from [http://www.denverpost.com/news/ci\\_13164299?source=searchles](http://www.denverpost.com/news/ci_13164299?source=searchles), accessed Sept. 22, 2009.

<sup>21</sup> “Luxury Comes to the Rockies: Ameristar Casino Black Hawk “Tops Off” Tallest Structure Between Denver and Salt Lake City,” *Marketwire*, Jan. 22, 2009, available from <http://www.marketwire.com/press-release/Ameristar-Casinos-Inc-NASDAQ-ASCA-940426.html>, accessed Aug. 27, 2009

## MARYLAND

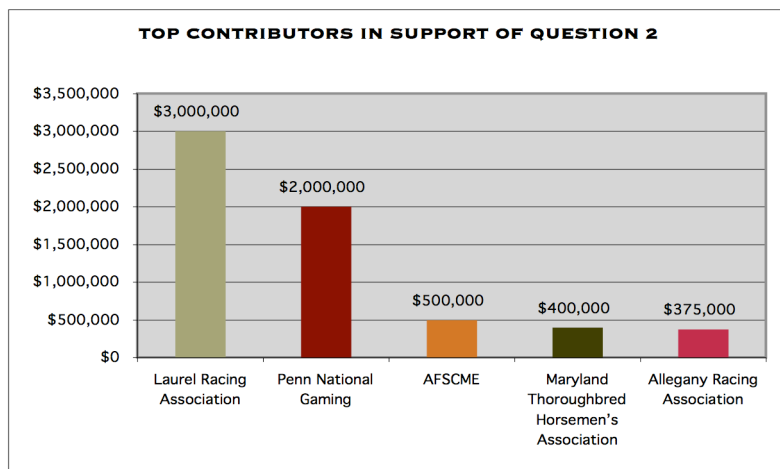
Question 2 legalized slot machines in Maryland, up to five licenses, and allocated tax revenue generated by the slots to public education. It passed with almost 59 percent of the vote. Four committees in support of Question 2 raised almost seven times as much as the three committees opposing the measure: \$7.1 million to support, \$1.02 million to oppose.

Seven committees raised money around the measure: four in favor, three against.

### CONTRIBUTIONS RAISED BY QUESTION 2 COMMITTEES

COMMITTEE	TOTAL
<b>PROPONENTS</b>	
For Maryland for Our Future	\$7,087,144
Horse Breeders Association PAC Maryland	\$26,922
The Maryland Chamber PAC	\$9,450
Thoroughbred Horsemens PAC	\$4,500
<b>PROPONENTS' TOTAL</b>	<b>\$7,128,017</b>
<b>OPPONENTS</b>	
Marylanders United to Stop Slots	\$951,342
Stop Slots Maryland 2008	\$65,269
Stop Slots Frederick	\$7,459
<b>OPPONENTS' TOTAL</b>	<b>\$1,024,070</b>
<b>OVERALL TOTAL</b>	<b>\$8,152,087</b>

Virtually all of the money raised to support the measure went to the committee, For Maryland For Our Future, which collected nearly \$7.1 million. The top contributors gave 88 percent and gaming interests gave 85 percent. Interestingly, 28 individual donors—those with identified gaming interests and those without—gave. This committee raised 99 percent of the total given in support of the measure, and 87 percent of all the money raised around the measure.



Laurel Racing Association owns Laurel Park, and is owned by Magna Entertainment.<sup>22</sup> Magna Entertainment is “North America's number one owner and operator of horse racetracks, based on revenues” and also operates horse training facilities.<sup>23</sup>

Penn National Gaming owns 19 gaming facilities, 7 racetracks, and 6 off-track wagering facilities.<sup>24</sup>

The national labor union of government employees, AFSCME, gave \$500,000 to the effort; the union raised concerns about cuts to the state budget, with corresponding layoffs for state employees.<sup>25</sup>

The Maryland Thoroughbred Horseman's Association “represents, assists and promotes the interests of Maryland’s Thoroughbred owners and trainers.” It is “supported by a deduction of 1 percent off the top of purse monies at Maryland's three Thoroughbred race tracks.”<sup>26</sup>

William Rickman Jr. controls the Allegany Racing Association.<sup>27</sup> Falls Grove Holdings 3 LLC, a company in which Rickman also has an interest, gave \$25,000. Three of Rickman’s siblings (Zoe Roa, Lynn Green and Sheila Kessinger)<sup>28</sup> also contributed \$25,000 each.

Interestingly, Magna Entertainment, Penn National Gaming and William Rickman, Jr. all indicated as late as March, 2008, that they would not participate in the campaign.<sup>29</sup>

Horse breeding and racing interests saw the slots initiative as the means of saving their declining industry. The argument, as summarized in the Baltimore *City Paper* is that “...slot machines in other jurisdictions—particularly Pennsylvania and West Virginia—have sapped Maryland's horse-

The national labor union of government employees, AFSCME, gave \$500,000 to support Question 2

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<sup>22</sup> “About Laurel Park,” *Laurel Park*, available from <http://www.laurelpark.com/About+Us/TrackOverview/TrackOverview.htm>, accessed Sept. 2, 2009.

<sup>23</sup> “MEC Overview,” *Magna Entertainment*, available from <http://www.magnaent.com/AboutMEC/Overview/>, accessed Sept. 2, 2009.

<sup>24</sup> “Company Information Company Fact Sheet,” *Penn National Gaming, Inc.*, available from <http://www.pngaming.com/main/factsheet.shtml>, accessed Sept. 2, 2009.

<sup>25</sup> John Wagner, “Union gives \$500,000 to pro-slots group,” *The Washington Post*, Oct. 24, 2008, available from <http://www.washingtonpost.com/wp-dyn/content/article/2008/10/24/AR2008102403592.html>, accessed Sept. 2, 2009.

<sup>26</sup> “What Is the Maryland Thoroughbred Horsemen's Association?” *Maryland Thoroughbred Horsemen's Association*, available from <http://www.mdhorsemen.com/>, accessed Sept. 2, 2009.

<sup>27</sup> John Wagner, “Maryland slots money race no contest,” *The Washington Post*, October 10, 2008, available from <http://www.washingtonpost.com/wp-dyn/content/article/2008/10/10/AR2008101003049.html>, accessed Sept. 2, 2009.

<sup>28</sup> Douglas Tallman, “Developer Rickman saw fields full of promise,” *Gazette.net*, available from [http://www.gazette.net/stories/100505/montcou194657\\_31894.shtml](http://www.gazette.net/stories/100505/montcou194657_31894.shtml), accessed Sept. 2, 2009.

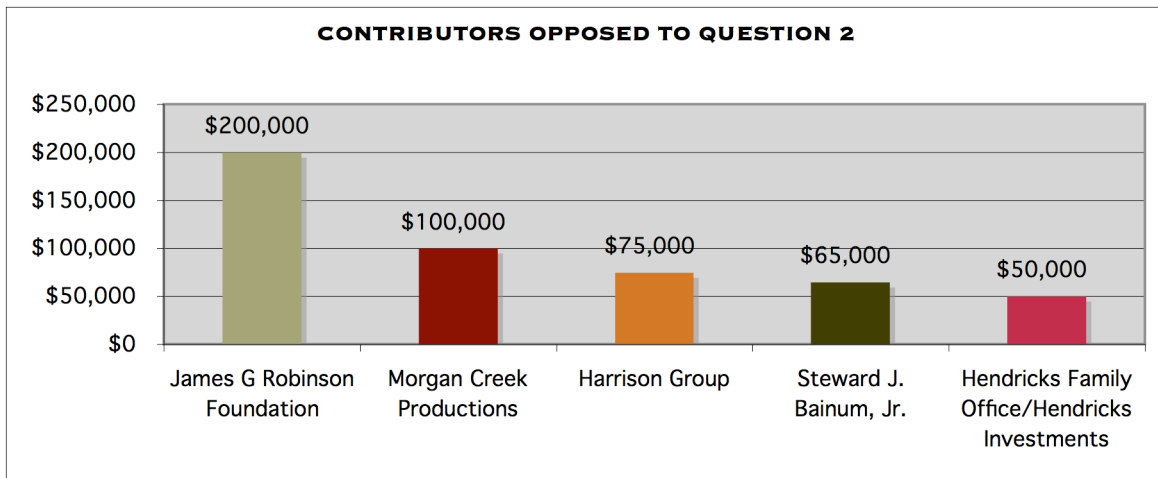
<sup>29</sup> Bradley Olson and Hanah Cho, “Tracks balking at slots campaign,” *The Baltimore Sun*, March 4, 2008, available from <http://www.baltimoresun.com/news/maryland/politics/bal-te.md.slots.04mar04,0,6138848.story>, accessed Sept. 2, 2009.

racetrack industry, and with it the breeding operations and the rest of horse culture.”<sup>30</sup> That the horse racing industry got 7 percent of the revenues generated by slots didn't hurt, either. Companion legislation allocated 7 percent to horse racing purses and an additional 2.5 percent to the Racetrack Facility Renewal Account.<sup>31</sup>

Another committee, the Horsebreeders Association PAC, raised \$26,955 from individuals and farms associated with racehorses. A third committee, the Maryland Chamber PAC, raised \$9,450 from 11 business entities and 12 individuals. The MBC PAC of the Mercantile Bankshares Corporation gave \$2,000, the largest contribution to the Chamber committee. H. Furlong Baldwin is the president, CEO, and chair of Mercantile Bankshares. Baldwin also sits on the board of The Wills Group.<sup>32</sup> The Wills Group donated \$1,500 to the Maryland Chamber PAC.

The Thoroughbred Horseman’s Association committee raised \$4,500: \$2,000 from the Friends of Martin O’Malley Committee, the remainder from eight individuals and a handful of stables and horse farms.

The four committees opposing the measure raised just over \$1 million. Of that total, \$985,794 (96 percent) came from contributors with a Maryland, District of Columbia, or Virginia address. Marylanders United to Stop Slots raised \$951,342, or nearly 93 percent of all money raised to oppose the measure. The committee enjoyed broad support, evidenced by its 293 individual contributors—which is ten times as many individuals contributing in support of Question 2. The top contributors opposing Question 2 gave 60 percent of the total.



<sup>30</sup> Edward Ericson, Jr., and Van Smith, “Horse Sense: Who's Betting How Much on the Slots Question,” *Baltimore City Paper*, Oct. 22, 2008, available from <http://www.citypaper.com/printstory.asp?id=16915>, accessed Sept. 2, 2009

<sup>31</sup> “Question Two Summary,” *Maryland State Board of Elections*, available from [http://www.elections.state.md.us/elections/2008/questions/question\\_2\\_dls\\_summary.pdf](http://www.elections.state.md.us/elections/2008/questions/question_2_dls_summary.pdf), accessed Sept. 3, 2009.

<sup>32</sup> “The Wills Group - Directors,” *The Wills Group*, available from [http://www.willsgroup.com/index.php?option=com\\_content&view=article&id=74&Itemid=81](http://www.willsgroup.com/index.php?option=com_content&view=article&id=74&Itemid=81), accessed Sept. 2, 2009.

The James G. Robinson Foundation is a private foundation administered by movie producer and philanthropist James G. Robinson and members of his family.<sup>33</sup> Robinson is the chair and CEO of Morgan Creek Productions. Combined, his foundation and his company gave \$300,000 to Marylanders United to Stop Slots. The hotel industry gave \$168,000. Of that, \$75,000 came from the Harrison Group, which “owns and operates 10 hotels and numerous restaurants in Ocean City, MD.”<sup>34</sup> The Bainum family gave \$70,000. Stewart Bainum chairs the board of Choice Hotels.<sup>35</sup> Hendricks Investments and the Hendricks Family Office, companies of John Hendricks, founder and chair of Discovery Communications, gave \$50,000. R4 Inc., a defense contractor based in Eatontown, NJ, gave \$30,000. Churches, led by the Baltimore Conference of the United Methodist Church, gave \$43,575 as a group. The Electrical Workers Union of Lanham, MD, gave \$25,000. DC Healthcare System, Inc., which “handles the Washington city government's health insurance”<sup>36</sup> gave \$24,500.

James G.  
Robinson's  
foundation and  
company gave  
\$300,000 to  
Marylanders  
United to  
Stop Slots

The bulk of the money given to oppose the measure (\$951,342) went to Marylanders United to Stop Slots.

Stop Slots Maryland 2008 raised \$65,269 from ten organizations, including \$1,000 from Marylanders United to Stop Slots, and 28 individuals. All of this committee's money came from Maryland or Virginia. The two top contributors were Tio Gringo's restaurant owners Walter and Pamela Stansell, who gave a total of \$29,125 themselves or through the restaurant.

A fourth committee, Stop Slots Fredrick, collected \$7,458 from Gregory Barford, a Monrovia CPA, and Sonja Barford.

By February of 2009, only six companies filed bids seeking to place a total of 10,550 of the allowed 15,000 slots in the five allowed locations, a response that fell well short of projections.<sup>37</sup> No bids have yet been awarded by the Video Lottery Facilities Location Commission.

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<sup>33</sup> “James G. Robinson Foundation Form 990-PF,” *Dynamo Data*, <http://dynamodata.fdncenter.org/990s/990search/990.php?ein=522019775&yr=200812&rt=990PF&t9=B>, accessed Aug. 28, 2009.

<sup>34</sup> “About the Harrison Group,” *The Harrison Group*, available from <http://www.ocmdhotels.com/about-harrison-group/>, accessed Sept. 28, 2009.

<sup>35</sup> “Stewart Bainum,” *Forbes.com*, available from <http://people.forbes.com/profile/stewart-bainum/19207>, accessed Aug. 28, 2009.

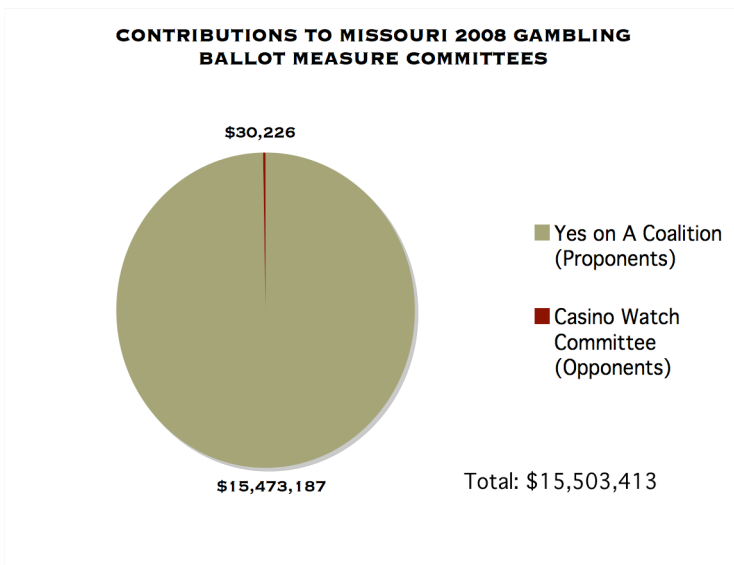
<sup>36</sup> Edward Ericson, Jr., and Van Smith, “horse Sense: Who's Betting How Much on the Slots Question,” *Baltimore City Paper*, Oct. 22, 2008 available from <http://www.citypaper.com/news/story.asp?id=16915>, accessed Sept. 2, 2009

<sup>37</sup> John Wagner and Rosalind S. Helderman, “Bidding for slots licenses falls short of Maryland plan,” *The Washington Post*, February 2, 2009, available from [http://www.washingtonpost.com/wp-dyn/content/article/2009/02/02/AR2009020202004\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2009/02/02/AR2009020202004_pf.html), accessed Aug. 28, 2009.

## MISSOURI

Proposition A took away the loss limits, limited casino gambling to casinos already built or in the process of being built, increased the gambling tax by 1 percent, and allocated the new revenues to education.<sup>38</sup> It passed with 56 percent of the vote, even though proponents outraised opponents by a ratio of 500:1.

Missouri was one of the few states that saw increased gambling earnings in 2008, mostly due to penny slots.<sup>39</sup> Earnings for FY 2009 are not yet known, but Timothy Willmot, Penn National Gaming's president and COO, said in a Penn National Gaming First Quarter 2009 conference call, "what we've seen in Riverside with the removal of the \$500 loss limit has been mostly visible on table games volumes. We've seen about a 25% to 30% increase in table games drop in the first quarter and that's really driving the revenue growth."<sup>40</sup>



The Yes on A Coalition raised nearly \$15.5 million from three contributors. Ameristar Casinos and Pinnacle Entertainment each gave over \$7.7 million dollars, and the Missouri Gaming Association gave \$48,485.

The Casino Watch Committee raised \$30,226. Mark Andrews, a retired manufacturing executive and Chair of Casino Watch<sup>41</sup> and his wife, Patricia, gave \$12,777, or 42 percent of that total. Other individuals from Missouri and one from Pennsylvania, as well as a church, donated the remainder.

<sup>38</sup> "2008 Ballot Measures," *Missouri Secretary of State Robin Carnahan*, available from <http://www.sos.mo.gov/elections/2008ballot/>, accessed Aug. 28, 2009.

<sup>39</sup> Bill Draper, "Penny slots making lots of cents in Missouri," *The Missourian*, April 19, 2009, available from <http://www.columbiamissourian.com/stories/2009/04/19/penny-slots-making-lots-cents-missouri/>, accessed Aug. 27, 2009.

<sup>40</sup> "Penn National Gaming, Inc. Q1 2009 Earnings Call Transcript," *Bnet*, available from [http://www.bnet.com/2462-14067\\_23-291282.html](http://www.bnet.com/2462-14067_23-291282.html), accessed Aug. 28, 2009.

<sup>41</sup> "About Us," *Casino Watch*, available from [http://casinowatch.org/about\\_us/profiles\\_of\\_people.html](http://casinowatch.org/about_us/profiles_of_people.html), accessed Aug. 28, 2009.

# ARKANSAS

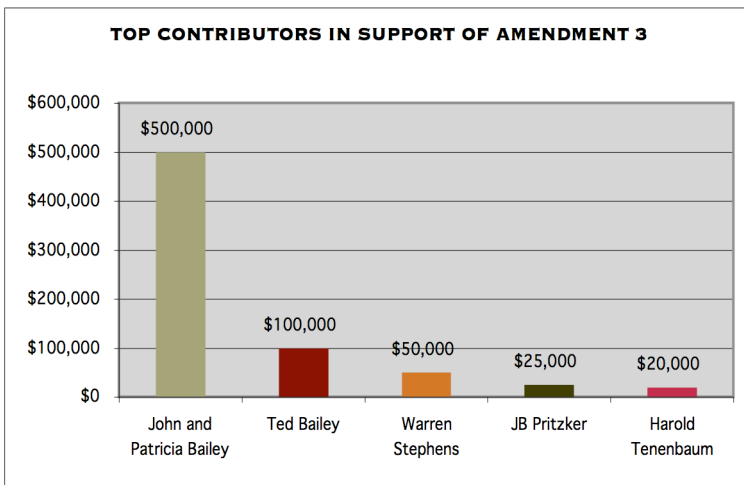
Amendment 3 created a state lottery and dedicated the proceeds to college scholarships.<sup>42</sup> The measure passed with 63 percent of the vote. Nationally, 42 other states, plus the District of Columbia, Puerto Rico and the Virgin Islands, have a lottery.<sup>43</sup>

## CONTRIBUTIONS TO AMENDMENT 3 COMMITTEES

COMMITTEE	TOTAL
<b>PROPOSERS</b>	
Hope for Arkansas	\$836,430
<b>PROPOSERS' TOTAL</b>	<b>\$836,430</b>
<b>OPPOSERS</b>	
Family Council Action Committee	\$127,982
Arkansas Committee for Ethics Policy	\$74,962
United Methodists Against Gambling	\$18,308
<b>OPPOSERS' TOTAL</b>	<b>\$221,252</b>
<b>OVERALL TOTAL</b>	<b>\$1,057,681</b>

The one committee that formed in favor of the measure, Hope for Arkansas, raised almost four times as much as the three committees that formed to oppose it.

Several prominent citizens gave generously to Hope for Arkansas. Chief among them stood the Bailey family, with \$602,000 total, or 72 percent of the amount collected by Hope for Arkansas. The patriarch, Dr. Ted Bailey, gave \$100,000; his son, property manager John Bailey, and John's wife, Patricia, gave another \$500,000; son Ted Bailey and his wife, Maranda, gave \$1,000; and daughter Madeline Henry and her husband, David, also gave \$1,000. Banker Warren Stephens

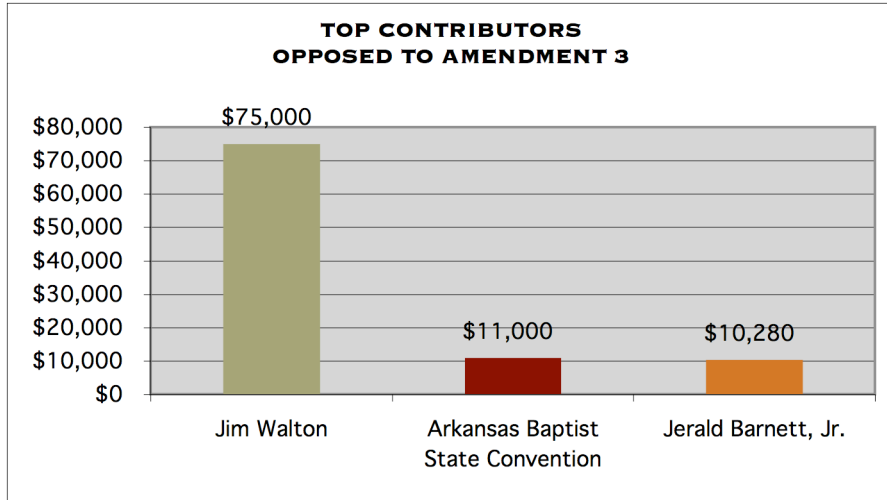


gave \$50,000. Investor and heir to Hyatt hotel fortune JB Pritzker gave \$25,000. Harold Tenenbaum, founder of Tenenbaum Recycling Group, a scrap metal processor, gave \$20,000. The top five contributors gave 83 percent of the total raised by the committee. All but \$25,000, or 97 percent, came from in-state sources.

<sup>42</sup> "November 4, 2008 Candidates and Ballot Issues," *Arkansas Secretary of State Charlie Daniels*, available from [http://www.votenuaturally.org/2008\\_elections/candidates\\_ballot\\_issues\\_nov4\\_election.pdf](http://www.votenuaturally.org/2008_elections/candidates_ballot_issues_nov4_election.pdf), accessed Aug. 31, 2009.

<sup>43</sup> "Lotteries and Revenue by State," *National Conference of State Legislatures*, available from <http://www.ncsl.org/default.aspx?tabid=12746>, accessed Aug. 31, 2009.

Of the three committees opposed to Amendment 3, the Family Council Action Committee raised the most. Wal-Mart heir Jim Walton contributed 60 percent of this committee's money, at \$75,000. The committee enjoyed a wider donor base, with over 263 other individual contributors kicking in. All but \$2,321 of this committee's money, or 98 percent, came from within Arkansas.



The Arkansas Committee for Ethics Policy raised \$74,962, of which 71 percent came from Baptist and Assembly of God churches. The two top committee contributors were the Arkansas Baptist State Convention, weighing in with \$11,000, and the Clear Creek Baptist Association, which gave \$4,000.

United Methodists Against Gambling collected \$18,308. Jerald Barnett, Jr., chair of the educational network Education America,<sup>44</sup> donated \$10,280, or 56 percent of the total. Various Methodist churches gave \$5,225.

Projections of money raised for scholarships range from \$55 million annually (estimated by the state Department of Finance and Administration) to \$100 million a year (estimated by Lt. Gov. Bill Halter).<sup>45</sup>

<sup>44</sup> "People 360 BETA," *Hoover's*, available from <http://people.hoovers.com/fl/lake-mary/executives/chairman/jerald-m-barnett-jr>, accessed Aug. 31, 2009.

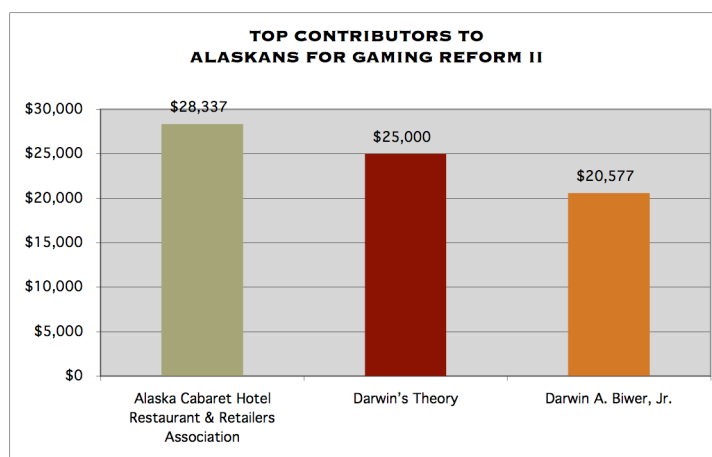
<sup>45</sup> Michael Wickline, "Banker Stephens donates \$50,000 to support lottery," originally appeared in *Arkansas Democrat-Gazette*, no date given, available from <http://www.hopeforarkansas.org/news/?id=4>, accessed Aug. 24, 2009.



## ALASKA

Primary Measure 1 sought to establish the Alaska Gaming Commission. It failed with 61 percent of the voters against it, despite the fact that no committee formed to go against the lone committee in favor of the measure, Alaskans for Gaming Reform II. That committee raised \$109,234.

Top contributors gave two-thirds, or 67 percent, of all money raised by this committee. All but \$70 raised by this committee came from within the state. Eighty-eight percent, or \$96,714, came from contributors listing an Anchorage address.



Darwin A. Biber, Jr., chair of the committee, owner of Darwin's Theory, and "the world's biggest seller of Cinnamon Schnapps,"<sup>46</sup> gave a total of \$45,577, or 41 percent of the committee's total. Bars as a group gave a total of \$44,750, or 40 percent of the total. Biber pointed out in an editorial in the *Anchorage Daily News* that Alaskans already play games of chance, legally and illegally, and said that Measure 1 would "consolidate all gaming oversight into a single [agency] to make enforcement more efficient..."<sup>47</sup> Opponents said some studies link a host of social ills to gambling and that the measure, as written, left all gambling decisions to as few as three commissioners with very little guidance regarding what could be allowed.<sup>48</sup>

<sup>46</sup> "Darwin's Theory," *Alaska.Net*, available from <http://www.alaska.net/~thndrths/>, accessed Aug. 31, 2009.

<sup>47</sup> Darwin Biber, "Measure enhances gaming oversight," *Anchorage Daily News*, Aug. 19, 2008, available from <http://www.adn.com/opinion/v-printer/story/499182.html>, accessed Aug. 24, 2009.

<sup>48</sup> Megan Holland, "Gambling proposal could allow casinos, lotteries," *Anchorage Daily News*, Aug. 24, 2008, available from <http://www.adn.com/politics/story/503508.html>, accessed Aug. 24, 2009.

## MAINE

Question 2 sought to allow one company, Evergreen Mountain Enterprises, LLC, to build the only casino in Maine. Supporters said as many as 800 direct jobs would be created by such a casino.<sup>49</sup> The two committees in favor of the measure raised \$2.7 million; 20 percent of that came from Maine contributors. Three committees opposed to the measure raised \$840,066; 93 percent of the money given to them came from within Maine. Question 2 failed when it gained only 46 percent of the vote.

### CONTRIBUTIONS TO QUESTION 2 COMMITTEES

COMMITTEE	TOTAL
<b>PROPOSERS</b>	
Vote Yes on 2 for Maine	\$1,883,356
Mainecasinonow.com	\$789,219
<b>PROPOSERS' TOTAL</b>	<b>\$2,672,575</b>
<b>OPPOSERS</b>	
Casinos No!	\$824,497
Gambling with the Way Life Should Be	\$15,558
No Slots for Me	\$11
<b>OPPOSERS' TOTAL</b>	<b>\$840,066</b>
<b>OVERALL TOTAL</b>	<b>\$3,512,641</b>

Two committees supported Question 2. Mainecasinonow.com brought in \$789,219. The lion's share, \$532,719, came from the initiative's progenitor and first owner of Evergreen Mountain Enterprises, Seth Carey,<sup>50</sup> and his law firm, Carey and Associates. Of that amount, \$424,872 came in the form of in-kind donations for items such as campaign management and signature management. Loans for an additional \$200,000 came from a contributor named Paul Thornton, with no further identifying information provided in the committee's reports.

Vote Yes on 2 for Maine brought in \$1.9 million, all from Olympia Gaming Maine LLC of Las Vegas, within the six-week period between September 15 and October 30, 2008. Olympia Gaming acquired a controlling interest in Evergreen Mountain Enterprises, LLC in September, 2008.<sup>51</sup>

Primary contributors to Casinos No! were the mail order clothing store LL Bean Company, Bean family members, and LL Bean employees. All told, the LL Bean company and individuals associated with it contributed \$488,100, or 59 percent of the committee's total. Retiree Richard Kurtz of Maine gave an additional \$60,000. Roxanne Quimby of Burt's Bees gave \$50,000.

<sup>49</sup> Eric Russell, "\$184 million project touts job creation; Maine tribes, Hollywood slots silently monitoring campaign issue," *Bangor [Maine] Daily News*, Oct. 24, 2008, Page A1, accessed Sept. 2, 2009.

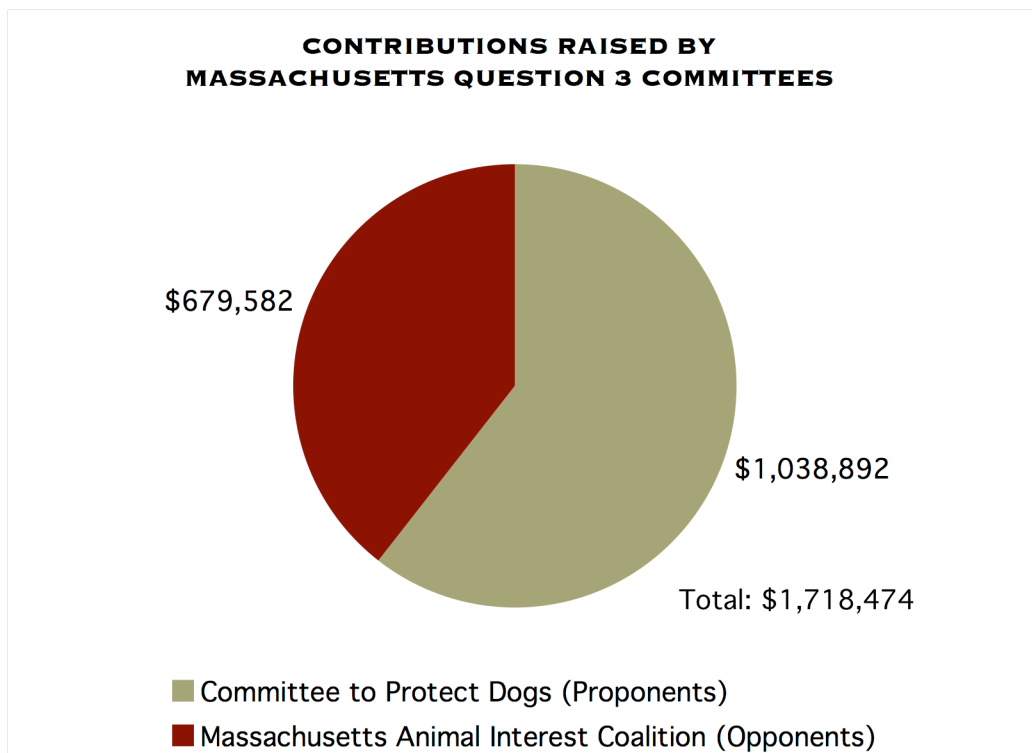
<sup>50</sup> *Ibid.*

<sup>51</sup> "Olympia Group to Invest in Proposed Oxford County Resort Casino," *The Olympia Group*, available from [www.olympiagroupcompanies.com/press/Casino-Press.pdf](http://www.olympiagroupcompanies.com/press/Casino-Press.pdf), accessed Sept. 2, 2009.

Another committee, Gambling With the Way Life Should Be, raised \$15,558. The Christian Civic League of Maine gave \$14,226 of that, or 91 percent. Ninety-eight percent of this committee's money came from within Maine. A third committee, No Slots for Me, raised \$11.

## MASSACHUSETTS

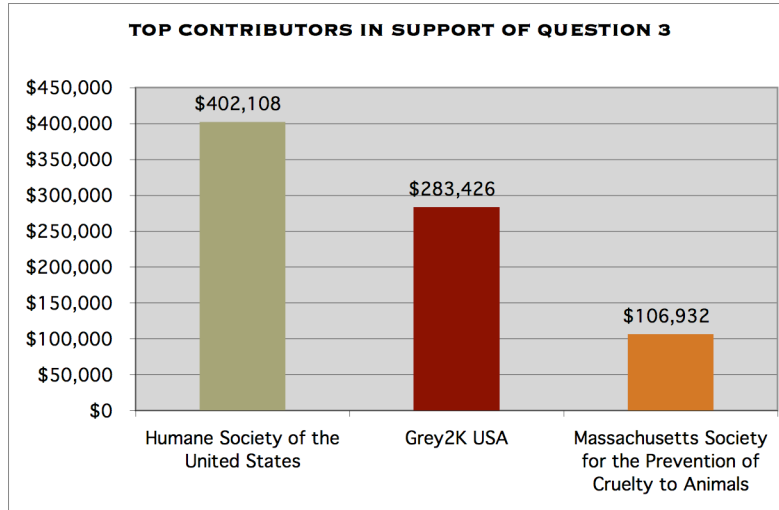
Question 3 outlawed betting on dog racing by 2010, passing with 56 percent of the vote. The argument was less about the merits or evils of gambling as it was about animal rights versus tax revenues and jobs.



Both sides agreed that the dog-racing industry was in decline; however, Raynham-Taunton Greyhound Park owner George Carney said the two dog-racing tracks in Massachusetts paid \$40 million in taxes between 2000 and 2007.<sup>52</sup> What they could not agree on was whether the dogs were treated well or ill by track handlers.

The Committee to Protect Dogs raked in \$811,553 (78 percent of its money) from animal welfare groups. The top three contributors gave \$792,466. Forty-two percent of the money raised by the Committee to Protect Dogs came from out of state; most of that (\$402,108) from the Humane Society of the United States. The rest came from 87 individuals in several states.

<sup>52</sup> Christine Legere, "Track owner in race to win ballot fight," *Boston Globe*, Oct. 9, 2008, available from [http://www.boston.com/news/local/massachusetts/articles/2008/10/09/track\\_owner\\_in\\_race\\_to\\_win\\_ballot\\_fight/](http://www.boston.com/news/local/massachusetts/articles/2008/10/09/track_owner_in_race_to_win_ballot_fight/), accessed Aug. 25, 2009.



The money that flowed into the opposing committee, Massachusetts Animal Interest Coalition, mostly came from Raynham-Taunton Park: \$593,966 from Massasoit Greyhound Association; \$19,667 from Holmes, Inc.; \$3,710 from Massasoit Industrial Corp; and \$1,038 from Massasoit Catering Inc. In total, the Park gave \$618,382, or 91 percent of all money raised to oppose the measure. The percentage of money originating within the state of Massachusetts was also 91 percent. This committee had a single individual contributor and \$50 in unitemized donations.

With the passage of the measure, dog racing is slated to phase out by January 1, 2010; in May, 2009, the Massachusetts Senate heard arguments about putting slot machines in state racetracks, including the two dog-racing tracks. The Senate rejected slots this time, but legislators are expected to take up the question again soon.<sup>53</sup>

<sup>53</sup> Matt Viser, "Senate rejects plan to add slots," *Boston Globe*, May 22, 2009, available from [http://www.boston.com/news/local/massachusetts/articles/2009/05/22/senate\\_rejects\\_plan\\_to\\_add\\_slots/](http://www.boston.com/news/local/massachusetts/articles/2009/05/22/senate_rejects_plan_to_add_slots/), accessed Aug. 25, 2009.

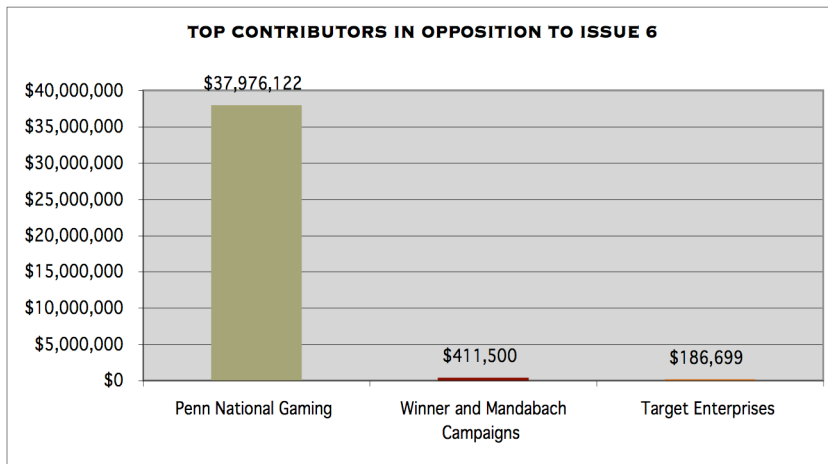
## OHIO

Similar to Maine, Issue 6 came after several prior unsuccessful attempts to allow casinos in the state. Issue 6 sought to extend a monopoly to a single casino within the state, and also failed. This casino was to be operated by MyOhioNow, LLC, a partnership between Brad Pressman, Rick Lertzman, and Lakes Entertainment.<sup>54</sup> Opponents of the measure were largely funded by competing gambling interests. Penn National Gaming, Inc. gave \$38 million, or 98 percent, of the \$38.7 million raised to oppose Issue 6. It owns a casino in Indiana, some 40 miles from the proposed Ohio site. The company challenged the legality of signature gathering for Issue 6, but the measure qualified for the ballot.

### CONTRIBUTIONS TO ISSUE 6 COMMITTEES

COMMITTEE	TOTAL
<b>PROPOSERS</b>	
My Ohio Now	\$25,693,377
<b>PROPOSERS' TOTAL</b>	<b>\$25,693,377</b>
<b>OPPONENTS</b>	
No on 6 Committee	\$38,603,782
Vote No Casinos	\$85,896
The United Methodist Anti-Gambling Task Force	\$22,255
<b>OPPONENTS' TOTAL</b>	<b>\$38,711,933</b>
<b>OVERALL TOTAL</b>	<b>\$64,405,310</b>

Gambling interests gave \$63.7 million of the total raised both pro and con, or 99 percent. The lone committee in support was entirely funded by Lakes Entertainment, with the exception of a small donation by MyOhioNow.com cofounder Brad Pressman.



<sup>54</sup> "Ohio Casino Referendum Stands," *Gamblingplanet.org*, available from [http://www.gamblingplanet.org/GP\\_news\\_Ohio\\_Casino\\_Referendum\\_Stands](http://www.gamblingplanet.org/GP_news_Ohio_Casino_Referendum_Stands), accessed Sept 8, 2009.

Winner and Mandabach Campaigns, and Target Enterprises, are marketing firms based in California.

In addition to the committee funded primarily by Penn National Gaming, two other committees opposed the measure: Vote No Casinos, and the United Methodist Anti-Gambling Task Force.

The matter of gambling in Ohio was far from decided by the failure of Issue 6. Gov. Strickland decided to allow slot machines at Ohio racetracks after Issue 6 failed; Penn National Gaming denies accusations of improprieties concerning the formation of a group seeking to overturn his decision. The company backs a referendum, set to be decided this November, that would allow casino gambling in four major Ohio cities.<sup>55</sup>

## OREGON

Measure 62 sought to redistribute some of the lottery funds to go to public safety. This measure did not weigh the overall question of gambling, but rather addressed the way gambling proceeds are used. Hence, we do not discuss it in much detail. Oregon's "CSI Measure"<sup>56</sup> failed after 61 percent of the voters voted no. Of the seven committees registered to support or oppose Measure 62, five weighed in on additional measures, as well.

### CONTRIBUTIONS TO MEASURE 62 COMMITTEES

COMMITTEE	TOTAL
<b>PROPOSERS</b>	
Oregon Anti-Crime Alliance*	\$971,416
Taxpayer Defense Fund*	\$176,944
Freedomworks Issues PAC*	\$127,656
Parents Education Association*	\$43,168
Family Safety Committee	\$6
<b>PROPOSERS' TOTAL</b>	<b>\$1,319,191</b>
<b>OPPOSERS</b>	
Defend Oregon*	\$15,516,065
No on Measure 62	\$47,896
<b>OPPOSERS' TOTAL</b>	<b>\$15,563,960</b>
<b>OVERALL TOTAL</b>	<b>\$16,883,151</b>

—END—

<sup>55</sup> Tom LaMarra, "Things Get Messy in Ohio Gambling Battle," *Bloodhorse.com*, available from <http://www.bloodhorse.com/horse-racing/articles/52371/things-get-messy-in-ohio-gambling-battle>, accessed Sept. 4, 2009.

<sup>56</sup> Kristin Foden-Vencil, "Ballot Measure 62: 'The Oregon: C.S.I. Measure'," *OPB News*, Sept. 29, 2008, available from <http://news.opb.org/article/3175-ballot-measure-62-oregon-csi-measure/>, accessed Aug. 25, 2009.