

Eagle-Tribune

Question 3 will decide fate of four Massachusetts casinos

By Shawn Regan sregan@eagletribune.com | Thursday, October 30, 2014



Question 3: Repeal casino law

Proponents of Question 3 rally at the Statehouse. On Nov. 4, voters in Massachusetts will decide on repealing the state law allowing casinos and expanded gambling.

Anti-gambling groups and residents worried about the social and financial impacts of casinos will have one last chance to repel them from the state at the Nov. 4 election. Votes will be cast even as three licenses already have been awarded and construction is either underway or poised to begin in several Massachusetts communities, including just north of Boston in Everett.

At the same time, gearing up for one final push to secure the future of casinos here are big-time casino operators, their political supporters, those counting on construction and service jobs from the mammoth facilities planned across the state, and people who have been waiting decades to experience resort-style gambling without leaving Massachusetts,

A "yes" vote on Question 3 would prohibit casinos, any gaming facility with slot machines and wagering on simulcast greyhound races. This would effectively nullify the 2011 law calling for three regional casinos and one slots parlor in the state. It would also make Massachusetts the first state to reverse course after having approved casinos.

A "no" vote would make no changes to current laws regarding gaming, paving the way for casinos to begin opening as soon as next year.

Casino opponents say the venues bring crime and traffic, and seldom deliver on promised money for communities. Supporters say casinos will create good jobs and provide needed tax revenue.

To date, the Gambling Commission has granted MGM Resorts International a license to build a \$800 million casino in Springfield; Penn National Gaming a license for a slot machine parlor at a Plainville racetrack; and approved a \$1.6 billion proposal by Wynn Resorts for a Greater Boston facility in Everett. A third casino license, slated for southeastern Massachusetts, is expected to be awarded next year.

There are no casinos planned in the Merrimack Valley. The closest is developer Stephen Wynn's proposal to build a five-star gambling resort on a 30-acre site along the Mystic River, just north of Boston in Everett. The plan includes more than 500 rooms, high-end retail stores, dining, and ballroom and meeting space.

Wynn has built or renovated some of the most extravagant casinos in Las Vegas, including the Golden Nugget, The Mirage, Treasure Island, Bellagio, Wynn and Encore.

For many, the vote will come down to whether they gamble or enjoy visiting casinos.

John Blute of Methuen said he drives to Foxwoods and Mohegan Sun casinos in Connecticut several times each year. Blute said he is excited about the possibility of a resort casino that's only 25 miles from Methuen in Everett. He added with a laugh, however, that he might be tempted to visit it a little too often.

"I know a lot of people who go to Foxwoods and Mohegan Sun all the time and are really looking forward to casinos in Massachusetts," said Blute, 43, who works for a cleaning company.

Jenine Shultz of Haverhill, a 29-year-old health care worker, said she doesn't gamble but would likely visit the Greater Boston casino for its restaurants, retail shops and atmosphere. Shultz said she is skeptical any casinos will ever be built in Massachusetts, however.

"We passed laws for casinos and we passed laws for (medical) marijuana (dispensaries), but I haven't seen either one and I'm not holding my breath," she said.

Vincent Oullette, Haverhill's Council On Aging director, runs regular bus trips to Connecticut casinos from the city's Citizen's Center. He said the trips are always very well attended.

"I haven't heard as much talk about the ballot question as I would expect, I think because the casino issue has been so drawn out over many years," Oullette said. "But if they build a casino in Everett, I think it's going to be very popular among our residents."

The impact of the election results figures to be felt throughout the state — with thousands of jobs and millions of dollars hanging in the balance.

State Rep. Brian Dempsey, D-Haverhill, the primary author of the 2011 casino bill, said he is just as confident today that casinos will have a positive impact on the state as he was when the Legislature passed the casino law three years ago in the midst of a state and national economic depression.

"There will be many people living in the Merrimack Valley and north of Boston who will work in the nearby Everett casino, as well as people in the trades who will get jobs building casinos and their related infrastructure improvements," Dempsey said.

Dempsey, chairman of the budget-writing House Ways and Means Committee, said estimates show the state will see around \$300 million annually in tax revenue once all three resort casinos are up and running. This year's state budget already includes about \$70 million in one-time licensing fees and projected slot machine revenue — money that could disappear if voters repeal the casino law, Dempsey said.

Under the state's casino law, each operator must pay an \$85 million licensing fee, as well as 25 percent in taxes on revenue. The slots parlor will be required to pay a \$25 million licensing fee and 49 percent in taxes.

Casino opponents have a vastly different outlook on the potential budget impact of casinos.

Earlier this month, the group Repeal the Casino Deal released a study suggesting bringing Las Vegas-style gambling to the state will cost its 351 communities more than \$100 million a year, as gamblers wager less on the state lottery to spend more in the casinos.

The anti-casino group's study suggests the lottery — which raises up to \$945 million a year for local aid — will take a 21.9 percent hit, offsetting the local share of state gaming taxes collected from casinos.

In the Merrimack Valley, the group projects Lawrence to suffer the biggest loss of \$1.6 and \$1.9 million in local aid cuts. The city is slated to receive more than \$5.1 million in local aid during fiscal year 2015. Collectively, Essex County cities and towns could lose more than \$10 million next year, according to the study.

Les Bernal, national director of Stop Predatory Gambling, a seven-year-old Washington D.C.-based nonprofit with an office in Lawrence, said casinos, especially slot machines, have an incalculable negative impact on poor and middle-income people. His group specifically opposes government-sponsored casinos and lotteries.

"Government sponsored casinos are dishonest public policy and create unfairness and inequity in society," Bernal said. "They are responsible for a massive transfer of wealth from low- and middle-income people to very wealthy people."

Supporters of the repeal have been significantly out-raised and out-spent by opponents, who have banked more than \$3 million to date, mostly from out-of-state gaming interests, according to the state Office of Campaign and Political Finance. Repeal supporters have raised less than \$500,000.

Polls show the casino repeal effort faces long odds with voters. A recent Suffolk University survey of about 400 likely voters, for example, showed that supporters of keeping the casino law on the books are up 53 to 38 percent.

The casino question is one of four referendums on the Nov. 4 ballot. Voters in at least six other states are also considering proposals to introduce or expand casino offerings on Election Day.