

Testimony of Matthew Gallagher, General Manager, Oxford Casino

In Opposition to

LD 1944, An Act Regarding Tribal Gaming

Joint Standing Committee on Veterans and Legal Affairs

January 3, 2024

Senator Hickman, Representative Lupica, and Members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Matt Gallagher, and I am General Manager of Oxford Casino Hotel in Oxford, Maine. I testify today in opposition to each of these bills today that will historically expand gaming in the State of Maine, but this testimony will focus on LD 1944, An Act Regarding Tribal Gaming.

Oxford Casino & Hotel opened for business June 6, 2012 on a 100-acre property along Route 26 in Oxford. Over the past 12 years, the Casino has expanded three times, including a \$25 million investment in a 107-room hotel, a new restaurant, and an expanded gaming floor. Currently, 980 slot machines and 23 table games are housed at the Casino, and two restaurants and two full bars operate on the property. Importantly, Oxford Casino employs over 400 Mainers – the vast majority with full benefits – bringing economic vitality to a region that sorely needs it. Attached to my testimony is a detailed description of the beneficiaries of the Oxford Casino, which extend both locally, regionally, and statewide.

LD 1944 attempts to create a structure to allow the Tribes to operate casinos on each of their four reservations, as well as to operate a casino off the reservations, through negotiation with the State, thereby allowing for at least 5 more casinos in Maine. This would be the most comprehensive expansion of gaming in Maine history, especially when combined with the other bills offered today.

1. Oxford Casino is a successful economic engine that will be hurt by these bills.

Since Oxford Casino opened its doors in 2012, we have clearly seen the incredible economic benefits brought to the Town of Oxford, the region, and the State. A few facts worth noting for 2023:

- Employees: 400 (but, 500+ pre-pandemic)
- Gaming taxes paid (state and local): Over \$40.0M
- Estimated sales, hotel, beverage, and meal taxes paid: \$709,000.

The success of Oxford Casino created an economic foundation, has lifted a poor region of Maine, and spurred additional business growth in Oxford, Western Maine, and beyond. Unemployment was nearly 11 percent in Oxford County back in 2012 but has dropped to 3.1 percent. Specifically, the Casino employs well over 200 Oxford County residents and over 100

Androscoggin County residents, as well as residents of Cumberland, Franklin, Penobscot, York, and Kennebec Counties. Employees have earned millions of dollars in wages and benefits, and well over \$50 million in taxes have been generated – boosting funding for essential services in the region. A new hotel opened across Route 26, dining establishments continue to develop in the surrounding area, and needed business and public health infrastructure projects have come to fruition. Oxford Casino helped saved this part of Maine and gave these folks hope for financial stability.

A bill allowing the expansion of at least 5 new casinos in the State will ultimately cost the State jobs in areas that need these jobs and this economic activity the most. Oxford County has come a long way since the Casino opened.

2. Current laws are working.

In order for Maine to best compete with the Massachusetts gaming facilities and the New Hampshire charitable casinos, the Oxford Casino needs stability in the Maine gaming market and predictability in the regulatory environment. Maine will receive no further benefit from an expansion of gaming facilities, which will saturate the market for our small population. Enforcement of the existing laws will bring such stability, i.e. 100 mile market areas and the requirement of a statewide vote for casino/racino facilities.

a. The existing market areas are good for Maine.

Maine's existing market areas are working. After a long period of study, Massachusetts determined that three casino zones were sufficient for its nearly 7 million people. In comparison, Maine has developed two regions separated by 100 mile market areas, which are sufficient for our rural nature and only 1.3 million people. It is important that Maine continues to enforce these current 100 mile market areas, which have been supported three times in statewide referenda. Oxford Casino already serves the southern Maine market area and is the "Southern Maine Casino,"¹ and Hollywood Casino already serves the Northern and Central Maine market area.

b. Mainers want the ability to approve of gaming expansion by a statewide vote.

Importantly, Mainers have demonstrated time and time again that they do not want an expansion of gaming, but do want the ability to decide whether gaming is expanded in the State. This massive effort this session to expand gaming in Maine is coming after solid defeats of efforts to expand casinos in Maine both at the Legislature and on statewide ballots. Additionally, polling has determined that 87% of the State supports a statewide vote for approval of casino facilities, rather than approval by the Legislature.

¹ 84% of Oxford Casino's revenue comes from within a 120 minute drive, with 65% of the revenue coming from within 31-120 minutes.

3. Oxford Casino created jobs in a region that needs them.

As previously noted, Oxford Casino employs about 400 Mainers in an area that desperately needs economic development and jobs. Development of more casinos in Maine, including a southern Maine casino, will simply cannibalize much of Oxford's revenue and take jobs from a rural, poor county. Thus, more casinos in Maine, including a southern Maine casino would produce almost no net new revenue or employment for the state.

4. Maintain stability and predictability to allow Oxford Casino to best compete.

The Northeast is saturated with casinos. In this environment, Oxford Casino wants to be a great success for its host community and region and its partner, the State of Maine. In order to continue to be the successful economic driver for its host region and to best compete with the large resort casinos of our neighbors to the South, Oxford needs stability at least in Maine's gaming market and predictability in the regulatory and tax environment.

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State of Maine
Gambling Control Unit
Revenue Distribution - Oxford Casino

SP23

OXFORD CASINO

MONTHLY SLOT ACTIVITY - 2023

	January - 2023	February 2023	March - 2023	April - 2023	May - 2023	June - 2023	July - 2023	August - 2023	September - 2023	October - 2023	November - 2023	12/01/2023 to 12/05/2023	12/06/2023 to 12/12/2023	12/13/2023 to 12/19/2023	12/20/2023 to 12/26/2023	12/27/2023 to 12/31/2023	December - 2023	YTD
Number of Machines in Play	966	958	954	970	972	971	971	957	950	952	964	968	968	968	970		969	963
Funds In - Bills and Tickets	\$ 58,691,612.22	\$ 62,793,573.32	\$ 70,055,574.96	\$ 72,408,740.36	\$ 72,333,335.33	\$ 77,187,519.83	\$ 81,181,962.03	\$ 78,731,000.46	\$ 74,645,308.47	\$ 65,167,212.87	\$ 64,863,066.31	\$ 9,169,982.37	\$ 12,633,805.33	\$ 12,752,281.72	\$ 15,647,281.90		\$ 51,253,351.72	\$ 829,312,257.88
Funds Out - Bills and Tickets	\$ 51,975,182.85	\$ 55,560,532.33	\$ 62,160,537.76	\$ 64,850,074.82	\$ 64,652,569.54	\$ 69,275,409.04	\$ 72,431,692.81	\$ 70,597,506.13	\$ 66,324,136.30	\$ 58,532,093.86	\$ 58,255,615.10	\$ 8,307,758.57	\$ 12,146,105.68	\$ 11,491,516.75	\$ 14,184,314.53		\$ 46,129,697.63	\$ 740,745,048.17
Unclaimed tickets (Dollar Value)	4,866.58	5,796.85	7,013.74	5,703.20	5,932.21	5,229.42	5,940.25	7,669.15	6,877.83	5,799.39	5,656.24	796.61	1,178.57	2,478.93	5,273.77		7,728.88	74,233.74
Net Slot Revenue	6,721,315.95	\$ 7,238,837.84	\$ 7,902,050.94	\$ 7,564,368.74	\$ 7,686,698.00	\$ 7,917,340.21	\$ 8,756,209.47	\$ 8,141,163.48	\$ 8,328,050.00	\$ 6,640,918.40	\$ 6,613,107.45	\$ 383,020.81	\$ 1,488,678.12	\$ 1,293,243.90	\$ 1,466,241.14		\$ 5,131,382.97	\$ 88,641,443.45
Average Slot Win %	7.96%	8.39%	8.02%	7.76%	7.94%	7.75%	8.15%	7.87%	8.05%	8.06%	8.03%	7.52%	8.35%	7.83%	7.53%		7.71%	7.97%
Average Pay Back % to Players	92.04%	91.61%	91.91%	92.24%	92.06%	92.25%	91.85%	92.13%	91.95%	91.94%	91.97%	92.68%	91.55%	92.17%	92.68%		92.30%	92.02%
Total Percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%
Total Tax revenue Due the State @ 46%	\$ 3,091,805.33	\$ 3,329,865.40	\$ 3,634,943.45	\$ 3,479,609.66	\$ 3,535,881.09	\$ 3,641,976.48	\$ 4,027,856.35	\$ 3,744,935.19	\$ 3,830,903.01	\$ 3,054,822.47	\$ 3,042,029.40	\$ 406,189.57	\$ 684,883.94	\$ 594,891.73	\$ 674,470.93		\$ 2,360,436.17	\$ 40,775,064.01

Distribution:

Department of Education (K-12)	\$ 1,680,328.98	\$ 1,809,709.49	\$ 1,975,512.71	\$ 1,891,092.24	\$ 1,921,674.53	\$ 1,979,335.00	\$ 2,189,052.38	\$ 2,035,290.89	\$ 2,082,012.59	\$ 1,660,229.62	\$ 1,653,276.87	\$ 220,755.21	\$ 372,219.54	\$ 323,310.71	\$ 366,580.29		\$ 1,282,845.75	\$ 22,160,361.06
University of Maine System	258,770.67	278,695.26	304,228.97	291,228.19	295,937.88	304,817.60	337,989.68	314,248.91	321,462.73	256,339.46	255,265.95	34,084.60	37,470.70	49,819.18	58,598.91		198,071.39	3,417,056.69
Maine Maritime Academy	10,081.97	10,858.26	11,853.08	11,346.54	11,530.04	11,876.01	12,258.69	11,397.63	11,659.27	9,297.28	9,258.35	1,236.23	2,084.45	1,810.54	2,052.74		7,183.94	128,601.06
Maine Community College System	201,639.48	217,165.13	237,061.54	226,931.07	230,600.93	237,520.21	262,686.29	244,234.90	249,841.49	199,227.55	198,393.21	26,490.62	44,686.94	38,787.29	43,987.23		153,941.48	2,659,243.28
Penobscot and Passamaquoddy Tribes	268,852.64	289,553.51	316,082.04	302,574.76	307,467.92	316,693.60	350,248.36	325,646.54	333,122.00	265,636.74	264,524.30	35,330.83	59,555.13	51,729.72	58,649.65		205,255.33	3,545,657.74
General Fund for Admin Costs of GCB	201,639.48	217,165.13	237,061.54	226,931.07	230,600.93	237,520.21	262,686.29	244,234.90	249,841.49	199,227.55	198,393.21	26,490.62	44,686.94	38,787.29	43,987.23		153,941.48	2,659,243.28
Host Municipality (Oxford)	134,426.31	144,776.76	158,041.01	151,287.37	153,733.96	158,346.81	175,124.20	162,823.26	166,561.00	132,818.37	132,262.15	17,660.42	29,777.56	25,864.86	29,324.92		102,627.66	1,772,828.86
Agricultural Fair Support Fund	67,213.16	72,388.37	79,020.51	75,643.68	76,866.98	79,173.41	87,562.09	81,411.63	83,280.49	66,409.18	66,131.07	8,830.21	14,888.78	12,932.43	14,662.41		51,313.83	886,414.40
Harness racing Purses	67,213.16	72,388.37	79,020.51	75,643.68	76,866.98	79,173.41	87,562.09	81,411.63	83,280.49	66,409.18	66,131.07	8,830.21	14,888.78	12,932.43	14,662.41		51,313.83	886,414.40
Sire Stakes Fund	67,213.16	72,388.37	79,020.51	75,643.68	76,866.98	79,173.41	87,562.09	81,411.63	83,280.49	66,409.18	66,131.07	8,830.21	14,888.78	12,932.43	14,662.41		51,313.83	886,414.40
Host County	67,213.16	72,388.37	79,020.51	75,643.68	76,866.98	79,173.41	87,562.09	81,411.63	83,280.49	66,409.18	66,131.07	8,830.21	14,888.78	12,932.43	14,662.41		51,313.83	886,414.40
Dairy Improvement Fund	33,606.58	36,194.19	39,510.26	37,821.85	38,433.49	39,586.70	43,781.05	40,705.82	41,640.24	33,204.59	33,065.54	4,415.10	7,444.39	6,466.21	7,331.21		25,656.91	443,207.22
Maine Milk Pool	33,606.58	36,194.19	39,510.26	37,821.85	38,433.49	39,586.70	43,781.05	40,705.82	41,640.24	33,204.59	33,065.54	4,415.10	7,444.39	6,466.21	7,331.21		25,656.91	443,207.22
Total	\$ 3,091,805.33	\$ 3,329,865.40	\$ 3,634,943.45	\$ 3,479,609.66	\$ 3,535,881.09	\$ 3,641,976.48	\$ 4,027,856.35	\$ 3,744,935.19	\$ 3,830,903.01	\$ 3,054,822.47	\$ 3,042,029.40	\$ 406,189.57	\$ 684,883.94	\$ 594,891.73	\$ 674,470.93		\$ 2,360,436.17	\$ 40,775,064.01

MONTHLY TABLE ACTIVITY - 2023

	January - 2023	February 2023	March 2023	April - 2023	May - 2023	June - 2023	July - 2023	August - 2023	September - 2023	October - 2023	November - 2023	12/01/2023 to 12/05/2023	12/06/2023 to 12/12/2023	12/13/2023 to 12/19/2023	12/20/2023 to 12/26/2023	12/27/2023 to 12/31/2023	December - 2023	YTD
Number of Tables	28	28	28	28	28	29	29	29	28	26	26	26	26	26	23		25	28
Table Opener (Dollar Value)	\$ 38,981,574.75	\$ 34,076,029.25	\$ 37,723,898.50	\$ 37,091,484.50	\$ 38,925,161.00	\$ 34,470,300.25	\$ 37,049,291.50	\$ 37,586,163.00	\$ 35,828,173.50	\$ 37,149,091.50	\$ 36,350,710.75	\$ 6,152,954.75	\$ 8,332,964.75	\$ 9,934,887.00	\$ 7,569,252.00		\$ 26,490,058.50	\$ 431,721,997.00
Fills (Dollar Value)	3,868,200.00	4,371,130.00	5,409,690.00	4,211,100.00	3,759,780.00	5,057,170.00	4,426,240.00	5,000,350.00	5,434,560.00	4,335,450.00	4,264,610.00	345,840.00	1,111,680.00	875,890.00	1,684,160.00		4,417,670.00	54,555,950.00
Progressive Jackpot Payouts (Cage)	100,863.30	129,497.00	206,192.85	126,372.70	101,574.05	255,453.48	203,238.40	71,207.50	95,146.70	20,407.50	115,022.30		2,629.30	1,702.35	82,413.00		86,744.55	1,511,720.33
Credits (Dollar Value)	60,720.00	115,310.00	404,467.50	336,291.00	44,270.00	1,332,359.75	93,840.00	238,967.00	276,259.00	249,763.00	153,900.00	191,039.00	461,290.25	451,724.50	29,340.00		1,133,993.75	4,440,141.00
Table Drop (Dollar Value)	5,541,918.05	5,609,217.00	6,501,437.00	5,715,988.00	5,152,869.00	5,507,284.00	5,921,840.00	6,008,353.00	6,455,187.00	5,511,489.00	5,706,943.00	376,606.00	1,169,733.00	1,095,118.05	1,115,129.00		4,346,586.05	67,979,111.10
Table Closer (Dollar Value)	38,893,070.25	34,115,955.00	37,750,486.50	37,057,237.75	39,003,384.25	34,328,295.00	37,018,276.75	37,676,771.25	35,734,606.25	37,272,240.00	36,324,156.00	5,920,637.75	5,764,933.25	5,539,179.50	2,359,209.25		26,584,559.75	431,759,038.75
Progressive Player Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Net Revenue	1,545,070.25	1,263,825.75	1,316,609.65	1,680,672.05	1,414,008.20	1,385,015.02	1,355,186.85	1,266,370.75	1,108,172.05	1,528,543.00	1,454,655.95	388,428.00	439,282.45	273,442.80	69,453.25		1,070,666.50	16,388,796.02
Total Tax revenue Due the State @ 16%	\$ 247,211.24	\$ 202,212.11	\$ 210,657.55	\$ 268,889.53	\$ 226,241.31	\$ 221,602.41	\$ 216,829.90	\$ 202,619.31	\$ 177,307.51	\$ 244,566.88	\$ 232,744.96	\$ 46,318.08	\$ 70,285.19	\$ 43,750.85	\$ 10,952.52		\$ 171,306.64	\$ 2,622,189.35

Distribution:

Department of Education (K-12)	\$ 154,507.02	\$ 126,382.57	\$ 131,660.95	\$ 168,055.95	\$ 141,400.81	\$ 138,501.51	\$ 135,518.67	\$ 126,637.04	\$ 110,817.18	\$ 152,854.28	\$ 145,465.59	\$ 38,948.80	\$ 43,922.25	\$ 27,344.28	\$ 6,846.52		\$ 107,066.65	\$ 1,638,868.22
GCB Admin Expense/Gambling Addition	46,352.11	37,914.77	39,498.30	50,416.79	42,420.24	41,550.45	40,655.61	37,991.13	33,245.16	45,856.30	43,639.68	8,634.54	13,178.47	8,203.28	2,033.60		32,119.99	491,660.53
Host Municipality (Town of Oxford)	30,901.40	25,276.51	26,332.19	33,611.18	28,280.17	27,700.30	27,103.75	25,327.42	22,163.45	30,570.87	29,093.13	5,739.76	8,765.65	5,466.56	1,369.07		21,413.34	308,144.21
Host County (Oxford County)	15,450.71	12,638.26	13,166.11	16,805.61	14,140.09	13,850.15	13,551.87	12,663.72	11,081.72	15,285.43	14,546.56	2,894.86	4,392.82	2,734.43	684.53		10,706.66	163,886.89
Total	\$ 247,211.24	\$ 202,212.11	\$ 210,657.55	\$ 268,889.53	\$ 226,241.31	\$ 221,602.41	\$ 216,829.90	\$ 202,619.31	\$ 177,307.51	\$ 244,566.88	\$ 232,744.96	\$ 46,318.08	\$ 70,285.19	\$ 43,750.85	\$ 10,952.52		\$ 171,306.64	\$ 2,622,189.35