

TESTIMONY OF HOLLYWOOD CASINO, HOTEL AND RACEWAY

IN OPPOSITION TO

L.D. 2213, "An Act to Support Veterans' Organizations and Other Nonprofit Organizations and Federally Recognized Indian Tribes by Updating Electronic Gambling Laws"

February 27, 2024

Senator Hickman, Representative Supica and honorable members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Chris Jackson. I am a partner in the lobby firm Mitchell Tardy Jackson here in Augusta. I am a resident of Bowdoinham, and I am here today to testify in opposition to L.D. 2213 on behalf of my client, Hollywood Casino, Hotel and Raceway in Bangor and its 250 employees.

Hollywood has been licensed as a slot machine operator since 2005 following a statewide referendum and a City vote in 2003 and, following a county-wide referendum, a casino operator with table games since 2012.

Since that time, the facility has paid out nearly \$200 million in total payroll, and contributed well over \$400 million in total gaming taxes to the state of Maine. I hope you all agree that is a significant contribution to the State of Maine and the Greater Bangor Region.

As you are all no doubt aware, current law requires that any proposed casino or slot machine facility may not be issued a license unless it has been approved by a statewide referendum vote and a vote of the municipal officers or municipality in which the casino or slot machine facility is to be located. This is an important issue for you to contemplate, as time and time again, your constituents have rejected casino expansion at the ballot box, most recently by a margin of 89%-11% just a few short years ago.

Additionally, state law requires that a casino operator license or slot machine operator license may not be issued to any casino or slot facility located within 100 miles of a licensed casino or slot machine facility.

These laws are in place, in part to help protect not only the huge investment the current casinos have made in Maine, but to protect the tens of millions of dollars in annual revenue that the State of Maine receives from slot and table game cascades. This amounts to tens of millions of dollars annually to causes such as gambling addiction, UMS, MCCS and MMA scholarships, harness racing purses, agricultural fairs, the Fund for a Healthy Maine, veterans support and even money to help support Maine's OTBs.

Passage of this legislation, coupled with the several other gaming bills currently being considered by the Committee would easily constitute the greatest single expansion of

gaming in our State's history, without approval from the voters, and threaten facilities in Bangor and Oxford, and thereby threaten this important stream of revenue for these entities.

Electronic pull tabs, like historical horse racing machines, are just another name for video slot machines or video gaming terminals. As you can see in the images I have handed out (or do your own simple Google image search of "electronic pull tabs"), it is clear that what waddles like a duck and quacks like a duck..... is a duck.

ProPublica, an independent, non-profit newsroom dedicated to investigative journalism in the public interest, wrote in an article titled, How Illinois Bet on Video Gambling and Lost, "Today, more than 30,000 video slot and poker machines operate outside casinos (in Illinois), more than any other state in the country.

"The machines, which legislators said would generate billions of dollars in revenue for the cash-strapped state, are spread out over 6,800 establishments, dotting highways and towns... you will see feather flags, billboards and neon signs advertising video slots and poker in bars and restaurants, truck stops and storefront gambling parlors.

"Illinois now has more locations to legally place a bet than Nevada. But the meteoric rise of video gambling has proven to be little more than a botched money grab."

<https://features.propublica.org/the-bad-bet/how-illinois-bet-on-video-gambling-and-lost/>

The state of Maine has always been a responsible gaming state, ensuring that all types of casino style gambling is done within the four walls of a highly regulated facility with strict oversight by the MGCB, ensuring that all players are over 21, players with gambling addictions are banned, the safety and security of patrons, etc etc.

Allowing EGTs will destroy this framework overnight. No protection from minors playing, no protection for addicted players, and even more so, no way to ensure criminal elements are kept away - smash and grabs, violence, money laundering, etc.

All gaming expansion in Maine has been voted on by the people of Maine, and this bill – coupled with the myriad other gaming bills before you this session, would put thousands of machines across our state without any say by the people.

Hollywood Casino's gross gaming revenues dropped 16-18% annually since the opening of the Oxford Casino in 2012 before leveling out more recently. While we are licensed to operate 1,500 slot machines, the market really supports about half that number. To say that the market is limited is not an overstatement. It is competitive, exorbitantly taxed, hyper-regulated and, yes, saturated. We compete for limited gaming dollars, and passage of LD 2213 would further erode our ability to compete and contribute to Maine's economy.

We would ask that you please oppose this legislation for those reasons. Thank you.