

TESTIMONY OF HOLLYWOOD CASINO, HOTEL AND RACEWAY
IN OPPOSITION TO
L.D. 1164, "An Act to Create Economic Opportunity for Wabanaki
Nations Through Internet Gaming"

March 31, 2025

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, and I am here today on behalf of our client, Hollywood Casino, Hotel and Raceway in Bangor, to urge you to oppose L.D. 1164.

Hollywood has been licensed as a slot machine operator since 2005, following both a statewide referendum and a City vote of approval in 2003. And, the property has been licensed as a casino operator with table games following a County wide vote in 2012.

Since that time, the facility has paid out \$200 million in total payroll and contributed more than \$400 million in total gaming taxes to the State of Maine. Additionally, the property has paid millions in property taxes and covers the debt service on the Cross Insurance Center for the City of Bangor. I think we can all agree that this is a major contribution to the State and the Greater Bangor Region. In 2024 alone, Hollywood distributed nearly \$18 million from the slots cascade to various causes, as required by law. In addition, more than \$6 million from slots activity was directed to the General Fund.

Current 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, and that the people of Maine must approve of any new casino license through a statewide referendum. These laws are in place not only to protect the hundreds of millions of dollars that have been invested in starting and expanding the casino, but also to protect the tens of millions of dollars in annual revenue that the State receives from slot and table game cascades.

Some of you may be surprised to learn that for every dollar that is put into a slot machine, the property only retains roughly 8-10 cents, which must then be used to cover our approximately 50% tax rate to the state, and all customary business expenses, including wages and benefits for our 250 team members in Bangor.

Passage of L.D. 1164 would constitute the largest single expansion of gaming in our State's history, without approval from the voters, and threaten facilities in Bangor and Oxford, and thereby threaten the cascade and the organizations that rely upon these funds. Hollywood's parent company does operate iGaming in a handful of jurisdictions and recognizes, when legislation is crafted properly, it can be complementary to the primary gaming environment and key constituencies to whom the industry provides jobs, economic investment, and significant tax revenue.

However, in this bill the State's federally recognized tribes would undoubtedly partner with out of state operators to run iGaming, none of whom have made any investment in Maine. This would take money out of the State while creating minimal jobs, and worse, likely costing jobs by taking customers away from our two commercial casinos - both of which are operational only because they passed statewide votes by the people of Maine.

What is abundantly clear is the benefits of brick-and-mortar regulated commercial gaming at Hollywood and Oxford are proven – thousands of direct and indirect jobs and hundreds of millions in capital investment and tax revenue. The proposed iGaming framework in LD 1164 ignores this investment and partnership between the State and Maine's commercial casinos, and therefore Hollywood opposes this bill.

As the Legislature continues to consider this issue, we urge the Committee and your fellow lawmakers to ensure that legislation include a requirement that all online gaming licenses are tethered to the commercial brick-and-mortar casinos, and to please consider the potential negative effects of untethered licenses on the thousands of existing jobs, past and future capital investment in and around the properties, cascade beneficiaries, and associated local benefits provided by Maine's existing casino industry.

Thank you.

Hollywood Slots Machine Cascade (2024)

*1% of handle (gross) to the General Fund: \$6,259,641.88
GCB Administration/Gambling Addiction: \$1,836,451.41
Fund for a Healthy Maine: \$4,591,128.98
University of Maine Scholarship Fund: \$883,712.63
Maine Maritime Academy: \$34,513.26
Harness Racing Purses: \$4,591,128.98
Agricultural Fair Support Fund: \$1,377,338.69
Fund to Encourage Racing at Maine's Commercial Tracks: \$1,836,451.63
Fund To Stabilize OTBs: \$459,112.91
Sire Stakes Fund: \$1,377,338.69
Maine Community College System: \$459,112.91
City of Bangor: \$459,112.91

In addition to providing tens of millions annually in tax revenue that is distributed throughout the State, Hollywood Casino Bangor also happily supports dozens of worthy charitable organizations, including, but not limited to the following:

Heart of Maine United Way, Maine Veterans Project, Bangor Area Homeless Shelter, Partners for Peace, Bangor Humane Society, Bangor Region YMCA, Eastern Maine Development Corporation, Ronald McDonald House, Bangor Area Recovery Network, and dozens of other local organizations. Notably, over the last five years, Hollywood Casino Bangor has contributed more than \$100,000 to support those individuals who are experiencing homelessness and food insecurity.

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