

TESTIMONY OF DENISE TERRY CONCERNING LD 1611

Members of the Committee,

My name is Denise Terry. I am the president of Scarborough Downs, and I appreciate the opportunity to share my concerns about LD 1611.

My mother has been the owner and principal of the Downs since my step-father's death in 2001. My mom, who cannot be here today because of debilitating illness, was the first woman to own and manage a Maine racetrack. The Downs had lost money every year for several decades when she took over. She turned the operation around and it regularly returned a small profit until competition with the casinos eroded our revenues.

To keep the track and the industry alive, my mother liquidated many assets and invested the proceeds into the operation.

A few years ago, however, we were approached by others in the harness racing industry. They explained they had a plan to turn a profit without offering expanded gaming, and they wanted the Downs to step aside and allow a new commercial track. We reached a detailed agreement to transition the Downs to an OTB license and operation beginning this year.

To help with the transition, we provided most of Maine's live racing during the Pandemic last year and a very substantial loss.

The legislature embraced the compromise, including by passing the bill that became Public Law 2019, Chapter 626. The law made it easier for a new commercial track to meet all applicable requirements and a commercial track license was issued to the Cianchette family to operate Cumberland Fair as a commercial track in accordance with the agreement. Section 16 of that law allowed the Downs to continue as a licensed OTB; we received our OTB license effective January 1 of this year and have operated under that license.

LD 1611 would drastically alter the compromise the industry reached and under which my family and company surrendered our commercial track license. It would allow the new commercial track – or indeed any track – located within 25 miles of Portland to have a permanent Portland OTB, without regard to the wishes of the City and without regard to the rights of the existing OTBs, including the Downs, which depend on Portland customers. And the track-owned OTB would pay lower taxes than any other OTB, because its wagers would be taxed at the rate applicable to tracks – not the rate that applies to the other OTBs.

Under existing law a new OTB needs the consent of all other OTBs within 35 miles. The Downs received the support of every such OTB for the change in the law that allowed us to continue as an OTB, because the entire industry worked on a compromise and agreed it was fair to all interests. But none of the OTBS within 35 miles of Portland has agreed to LD 1611.

This is an unfair bill that rewrites an agreement the entire industry and the legislature agreed upon and implemented just last year.

Because it is unfair, I respectfully ask you to oppose LD 1611.

I would, of course, be pleased to answer any questions.