

Table Games: Can the Promises Be Kept? By James Acly

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In the classic movie *12 Angry Men* Henry Fonda plays a lone juror questioning an apparent open-and-shut murder case. In the jury room he questions each witness's account—testimony that had convinced the other 11 jurors of the defendant's sure guilt. Each witness's story falls apart one by one. As well, each juror comes to see that his initial vote was a mistake.

We should ask similar questions about the many claims being made in support of table games.

1. If expanded gambling is so good for our economy, why did Warren Buffett — America's most successful capitalist — oppose legalization of casinos in his home state of Nebraska? Buffett rejects the idea that casinos bring economic development, pointing out that money spent on gambling is money lost to the local economy. He says, "Net, it's a big loser for the citizenry." See the interview online at www.votenotablegames.org.

2. Proponents say table games are good for our local businesses. In 2005 the Nebraska Economics and Business Association studied the effect of casinos in Iowa on four years of retail sales taxes to measure business sales. Iowa cities with casinos had tax revenue growth 80 percent lower than similarly sized Iowa cities with no casinos: 3.3-percent growth in cities with casinos versus 16.7-percent growth in cities without casinos. As Warren Buffett said, gambling drains a local economy because each casino dollar is a dollar not spent at local businesses.

3. The rosy predictions of table games generating money for our schools and local governments are based on Penn National's earning projections. What are the economic assumptions those projections are based on? Do they accurately reflect the slowdown in our national economy? Do they reflect the slowdown in the growth in gambling revenues seen across the country? Do they reflect competition from Pennsylvania and Maryland?

A September 9, 2009, New York Times article reported state tax revenue losses caused by the decline in gambling earnings nationwide: Illinois gambling tax dollars were down \$166 million in the last fiscal year; Nevada lost \$122 million; and New Jersey lost \$62 million. The September 11, 2009, Las Vegas Review-Journal reported Nevada gaming money has declined for 19 months straight. Connecticut's Foxwoods casino, one of the country's largest and most successful casinos, reportedly faces a \$1.45-billion default from a decline in revenues due to the poor economy and competition. According to the Times article, experts now question whether the industry is reaching market saturation.

On-line gambling (illegal under current law) poses an additional new threat to brick-and-mortar casinos, with national brands like Harrah's recognizing that internet gambling may be the future of the industry and lobbying for its legalization.

These are national trends that must be figured into the assumptions of tax benefits for Jefferson County. The assumed millions for our schools require it. Or, will short tax revenues, market saturation, and competition from Pennsylvania and Maryland casinos erode the rosy assumption?

With Las Vegas revenues down 11.1 percent this year, should Charles Town assume it can outperform The Strip?

4. Does anyone remember the City of Charles Town's draft comprehensive plan unveiled in 2006? It included a vast "Entertainment District," hundreds of acres stretching 1.5 miles from the race track along Rt. 340 to Marlowe Road. The city dropped this and other features of its plan after widespread citizen outcry. Coincidentally, around the same time, a top Penn National executive reportedly told our county commissioners of his vision to transform Charles Town into another Branson, Mo., except this would be a Branson with casino gambling. If that "vision" prompted Charles Town's Entertainment District, will it be dusted off and brought back to life if table games are approved? Is that the future you want to see for Charles Town and Jefferson County?

5. Two years ago Penn National touted its plans to build a 500-room casino hotel to loom over Charles Town. Curiously, they are not saying much about the hotel this time around. Aren't Jefferson County voters entitled to know how Penn National plans to develop its property — both the 500-room casino hotel on the race track property and the 100-plus acres where Shenandoah Downs once stood — before they decide how to vote?

6. Shouldn't local merchants understand what kinds of stores, restaurants and arcades will be brought in to compete against them?

If these questions have made you stop and think about your vote, and you would like to know more, please visit www.VoteNoTableGames.org.