

August 28, 2012

TO: THE PEOPLE OF LEGISLATIVE DISTRICT 8

GAMBLING EXPANSION – ADDITIONAL REVENUE AND JOBS

The August General Assembly Special Session enacted legislation to expand gambling, subject to the people's final approval on a November referendum. The proposal calls for a sixth Las Vegas type destination casino in Prince George's County, slated to open in mid-2016. It allows for table games at all casinos and slot machines in veterans' halls in every county except Montgomery County. In addition, the proposal transfers the responsibility for buying slot machines from the state to casino owners, allows casino owners to operate 24/7 and establishes a commission to oversee gambling.

In exchange for taking on the responsibility for slot machine purchasing, the casino owners will receive a 6% reduction on the 67% state slot machine tax. To compensate other casino owners for the additional competition that the Prince George's casino will bring, the 67% tax is reduced by 8% for Maryland Live, the Anne Arundel County casino and by 7% for the Baltimore City casino. Casino owners are allowed to petition the state for an additional 5% in tax relief.

As approved by the General Assembly, the legislation prohibits political donations from anyone who owns at least 5% of a casino.

During the House debate, I offered an amendment, which was approved and is now part of the bill, to help the many small business owners who are lottery agents. The amendment raises the percentage in revenue from the scratch offs sold from 5% to 6%. This will be a welcome infusion of additional revenue for many small business owners, including many family owned bars and restaurants, in Baltimore County and statewide.

I supported the gambling expansion because of the revenue it will bring to the state without increasing taxes on Marylanders. When I was elected in 2002, I made a promise to you and to myself that I would do everything in my power to not increase taxes. Most recently, during the May special session, I kept that promise, voting against raising the state income tax on high and middle income earners. State fiscal analysts estimate that by 2017, expanded gambling will contribute \$175 million annually to state education and \$30 million annually to local governments. In addition, approval of expanded gambling will lead to the creation of 2,300 permanent jobs.

Please do not hesitate to contact me on this or any other legislative issue of concern to you. I continue to encourage and welcome your input.