

BALLOTWATCH

Important Facts

- 13 gambling measures
- Six states: California, Florida, Michigan, Nebraska, Oklahoma, Washington
- More than 50 gambling initiatives since 1980

FOCUS ON GAMBLING

Gambling continues to be a popular topic. Thirteen gambling measures are on the ballot in six states, and gambling measures were considered in Missouri in August and in Maine in 2003. More than 50 gambling and gaming initiatives have appeared on statewide ballots since 1980, almost two-thirds of which have passed, an impressive number. "Gambling has changed from a moral to an economic issue. Voters care more about tax revenue and job creation from casinos now than the 'sinfulness' of gambling," says IRI President John Matsusaka.

CALIFORNIA

The California ballot has two competing initiatives to expand casino gambling. Gov. Arnold Schwarzenegger (R) has vowed to "destroy" both measures, and they are his top priorities in November. Both are running behind in the polls.

Prop. 68, sponsored by race tracks and card houses, asks Indian tribes to pay the state 25% of their revenue. If the tribes do not agree, which is expected, the state's five existing race tracks and 11 existing card rooms would be allowed to operate slot machines, paying 32% of the net win from their slot machines to the state and local governments. Half of the funds received by the state would be dedicated to provide services



for abused and foster care children, 35% would go for police, and 15% for fire fighters.

Prop. 70, sponsored by the Agua Caliente Band of Cahuilla Indians of Palm Springs, would require the governor to offer tribes 99-year compacts allowing them an unlimited number of slot machines and the right to offer the full menu of casino games. In exchange, the tribes would have to pay the state about 8.8% of net income (the corporate profit tax rate). The tribes would not have to make these payments if they lost the exclusive right to conduct certain types of gambling within California.

The measure would effectively nullify compacts recently negotiated by the governor and some tribes that are expected to raise \$1 billion for the state each year.

The measure is supported by the Howard Jarvis Taxpayers Association. In addition to Gov. Schwarzenegger, the measure is opposed by U. S. Senator Dianne Feinstein (D) police and sheriff organizations, the California Chamber of Commerce, the AFL-CIO, the state Democratic and Republican Parties, the League of Conservation Voters, and the California Taxpayer Association.

FLORIDA

Amendment 4, backed by horse and greyhound race tracks, would authorize Miami-Dade and Broward County voters to approve slot machines in racing and jai alai facilities. The tax revenue would be dedicated to education. The measure is opposed by the Florida Chamber of Commerce.

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GAMBLING (CONTINUED)

MICHIGAN

Proposal 04-1, an initiative, would require popular approval at both the state and local level before new forms of gambling facilities could be established. The measure is backed by tribes and Detroit casinos.

NEBRASKA

Nebraska voters will decide five gambling measures in November. Three initiatives (**417, 419, 420**) would allow establishment of two casinos in Omaha near the state border. The argument is that gambling is already available across the border, so Nebraska is exposed to the downsides of casinos, but is receiving none of the revenue. The measure would also allow 4,900 slot machines and video gambling machines in bars, restaurants, and horse tracks.

The initiatives are supported by the Coast Casino in Las Vegas and local keno and horse racing interests.

The legislature placed two competing measures on the ballot, **Amendment 3** that would also authorize two casinos (without specifying the location) but not the slots, and **Amendment 4** that would dedicate the revenue to specific uses, primarily the environment and education.

The campaign for Amendment 3 is being financed by the Venetian casino in Las Vegas. Investor Warren Buffett is a prominent opponent of the measures. The state already allows horse racing, keno, and has a lottery.

OKLAHOMA

Oklahoma has three gambling-related measures on the ballot. **Questions 705 and 706** would create a state lottery and dedicate the funds to education. The measure was proposed by Gov. Brad Henry (D) and is supported by the Oklahoma Education Association. A similar measure was rejected by 60% of the voters in 1994. These measures are headed for passage, however, according to opinion polls.

Question 712 would allow Indian tribes to offer new types of gaming machines and card games on tribal lands, and would allow slot machines to be installed at three state horse race tracks. Proceeds from authorized gaming at race tracks would go to: the race track, the owners of the winning horses, horsemen's organizations, breed organizations, and the state to be used for educational purposes. Some of the proceeds from authorized gaming by Indian tribes go to the state to be used for educational purposes and compulsive gambling programs.

The measure is supported by the horse racing industry. Another measure to expand gaming at race tracks was rejected in 1998.

WASHINGTON

Initiative 892 would authorize non-Indian gambling establishments to operate the same type of electronic scratch ticket machines that tribes are already authorized to operate. The state would

claim 35% of the net win, with the proceeds dedicated to property tax reduction.

The measure is organized by initiative entrepreneur Tim Eyman and is backed by casinos. It is opposed by Governor Gary Locke (D), the Muckleshoot and Tulalip Tribes and other tribal gaming interests, and Christian groups.

The measure is running slightly ahead in late-September polls.

"Gambling has changed from a moral to an economic issue."