

Position Points: Casinos Promise, but Seldom Deliver

- Since 1978, gambling interests have been making big promises to Florida voters about the supposed benefits of expanded gambling. Their promises have consistently fallen short.
- Remember the promises made about the Lottery? Gambling promoters sold Floridians on the hope of more money for education; they even promised the public votes every 2 – 4 years on whether to continue it. Instead, the Lottery money replaced, rather than enhanced, our state's investment in education¹. And the voters have **never** again been asked to consider the Lottery at the ballot box.
- Card rooms were allowed at pari-mutuels in 1996 with the promise of limited days, limited hours and \$10 pots². Just 18 years later, card rooms are now no-limit gambling dens, open at least 18 hours a day, 365 days a year³.
- In 2004, voters were told that slots would be limited to Miami-Dade and Broward counties, and to just seven existing pari-mutuel facilities⁴. Gambling interests actively claimed the state would net \$500 million per year in new tax revenue – again, for education⁵. Ten years later, the South Florida slots have failed to generate even 40 percent of that figure each year⁶.

¹ Troxler, Howard. "Don't be fooled, lottery is not helping education as it proclaims." St. Petersburg Times. November 3, 2003.

http://www.sptimes.com/2003/11/03/Columns/Don_t_be_foiled_lott.shtml

² Keller, Larry and Nichol, Steve. "Tracks, Frontons Get State's Ok To Offer Low-stake Card Rooms." Sun Sentinel. June 1, 1996. http://articles.sun-sentinel.com/1996-06-01/sports/9605310589_1_card-rooms-mutuel-pari

³ §849.086, Fla. Stat. (2014).

⁴ Article X, Section 19 Ballot Language (2004).

<http://election.dos.state.fl.us/initiatives/fulltext/pdf/30910-2.pdf>

⁵ Floridians for a Level Playing Field "Yes on Amendment 4" TV ad (2004).

<https://www.youtube.com/watch?v=tM5fl9BqDic>

⁶ Educational Enhancement Trust Fund Financial Outlook Statement (2014).

http://edr.state.fl.us/content/revenues/outlook-statements/educational-enhancement-tf/140805_EETFoutl.pdf

- A recent court decision on the matter has added an eighth facility and opened the doors for the legislature to legalize casino gambling across Florida.⁷ **Where will it end? Casinos prey on existing businesses.**
- Most economic studies that make big jobs claims are paid for by the casino industry. The fact is that **when casinos are introduced into a developed economy like ours, they do little more than cannibalize existing jobs and businesses.**
- Despite industry claims, most gamblers would be Floridians or tourists already visiting⁸ – so money put in a slot machine or on a blackjack table is money not spent in a local restaurant, entertainment complex, movie theatre, night club, or some other sector of Florida’s economy.
- **That’s why 40 percent of the restaurants and one third of the retail establishments in Atlantic City went out of business after the casinos opened⁹.** Most “success stories” spouted by gambling interests derive from places that have little in common with Florida – like Las Vegas and the Mississippi Gulf Coast – where virtually no commerce existed before the introduction of casinos. But in developed economies like Florida’s, gains in the casino gambling industry have come at the expense of existing jobs and businesses. **Who pays for expanded casino gambling? You do.**
- **Studies paid for by the gambling industry promise big payoffs for the state but fail to take into account the economic and social costs of expanded gambling that must be borne by taxpayers.** These costs include: revenue offsets for taxable money spent in a casino that is not

⁷ Vasquez, Michael. “Hialeah Park makes it across ‘slots’ finish line.” The Miami Herald. April 27, 2012.

⁸ Klas, Mary Ellen. “Report: Expanded Florida gaming would have minimal impact.” The Bradenton Herald. October 18, 2013. “But if legislators allow expanded gambling, Floridians would continue to make up 93 percent of the casino industry’s revenues. An estimated 5 percent of the revenues come from out-of- state visitors, with nearly 3 percent from Florida’s snowbird population.”

⁹ The Luck Business: The Devastating Consequences and Broken Promises of America’s Gambling Explosion, Robert Goodman, p. 22 (1995).

spent in another sector of the economy, the cost of regulation, the cost of additional law enforcement, and the cost of counseling, treatment and support for families of addicted gamblers. When all of these costs are calculated and subtracted from revenues, gambling ends up being a net loss for taxpayers.

- A 2010 report by the New Hampshire Gambling Commission concluded that adding one casino (in New Hampshire) would raise \$219 million in state revenue, but the total social cost would be \$287.7 million: a net drain of \$68.7 million¹⁰.
- Florida has spent years – and billions – to diversify our economy. Legalizing Vegas-style casinos won't advance those efforts, and is inconsistent with the kind of state we want Florida to be. **Mega-casinos do not reduce gambling.**
- The “sleight of hand” is one of the casino promoter’s best tricks. **The fact is that an expanded gambling bill would put the biggest casinos in the world right here in Florida. The casino proposed by Malaysian gambling conglomerate Genting would be nearly double the size of the largest casino in the world¹¹.**
- In fact, even if Genting limits the casino size to just eight percent of its development, that Miami casino would be big enough to house six modern marquee casinos on the Las Vegas Strip – with room to spare! The Genting casino alone would comfortably fit the casinos of the MGM Grand, the Wynn, the Mirage, the Bellagio, Caesar’s Palace and the Venetian¹².

¹⁰New Hampshire Gaming Study Commission Final Report of Findings. May 18, 2010. <http://www.nh.gov/gsc/documents/20100520.pdf>

¹¹Blake, Scott. “Genting Group Seeking Miami Casino Flies Leaders To Asia.” Miami Today. September 1, 2011. <http://www.miamitodaynews.com/news/110901/story1.shtml>

¹²The casinos of the MGM Grand, the Wynn, the Mirage, the Bellagio, Caesar’s Palace and the Venetian would total 784,000 square feet. Baigorri, Manuel. “The 20 Biggest Casinos.” http://images.businessweek.com/ss/09/08/0825_worlds_largest_casinos/1.htm; Lasvegas.com Caesar’s Palace Overview. <http://www.lasvegas.com/listing/caesars-palace/52/>; Sylvester, Ron. “How much does it cost to build a strip resort?” Vegas Inc. March 8, 2013. <http://www.vegasinc.com/business/tourism/2013/mar/08/how-much-does-it-cost-build-strip-megaresort/>

- If 3 casinos of this size are built – which was proposed during last year’s Legislative Session – Florida would have as much casino gambling as 20 or more casinos on the Las Vegas strip – and all the money would be in the hands of just 3 companies, none of which are based in Florida.

