



Legislative Brief

OCTOBER 30, 2009

VOTE NO ON ISSUE 3: SHOW PENN NATIONAL THAT \$50 MILLION DOESN'T BUY YOUR VOTE!

Predatory gambling has reared its ugly head again this election led by the Penn National gambling syndicate. They wrote the provisions that they want you to put in Ohio's Constitution making them a monopoly in Ohio. If approved by voters, they will decide who operates casinos in the four largest cities in Ohio. They also decided to pick a tax rate that is below most of the states in the Midwest. *Dispatch* reporter Joe Hallett writes that Pennsylvania and West Virginia casinos both pay 55% while Ohio taxpayers will only get 33% to reduce their taxes. The difference is \$430 million less for Ohio counties, large cities and schools. Joe further points out that Penn National decided to pay only \$50 million for a casino license fee that Maryland casino expert Jeffrey Hooke said that a fair price would be in the \$300-\$500 million range. If Ohio's four casinos paid \$400 million the state would receive \$1.6 billion instead of \$200 million to help balance the budget without taxes. Coupled together these two provisions shortchange Ohio taxpayers \$2 billion the first year and one-half billion every year thereafter.

The major argument given by the proponents of Issue 3 is that it will provide 34,000 jobs. If you carefully examine the facts, 19,000 are temporary short-term construction jobs that have been promised to labor unions that already have workers. It becomes questionable what number of those unemployed will be hired. The other 15,000 is overly exaggerated to win votes. Most of the casinos in the Midwest employ 800 to 1200 full and part-time employees. If you multiply 1200 times four casinos that would be less than 5000 jobs, this is only 1/3rd of the 15,000 positions that they suggest will be created. Professor John Kindt, an Illinois U. gambling expert has completed a study that suggests that for every slot machine taking in \$100,000 per year, creating loss revenue to the community, one job is lost in another business. Each casino is anticipated to have 5000 slot machines on the casino floor.

Many Ohioans, who clamor to bring casinos to Ohio so that they don't have to travel across state lines to gamble, argue that Ohio is losing millions of dollars. What they never take time to discover is the cost of all the negatives economically, socially and criminally that go hand in hand with predatory gambling casinos? A study done by Illinois Professor Earl Grinols found that crime in casino communities increases by 8 to 10% after a couple of years and continues to grow thereafter.

Anyone who tills the land will have plenty of bread, but one who follows worthless pursuits will have plenty of poverty. The faithful will abound with blessings, but one who is in a hurry to be rich will not go unpunished.

(Proverbs 28: 19-20 NRSV)

NOVEMBER 3RD
PLEASE VOTE NO
ON
ISSUE 3
STOP
PREDATORY GAMBLING
THANK YOU

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Ohio IMPACT



A Clemson University's study found that the average annual cost of increased crime due to casinos was \$65 per adult per year. Gambling is a major cause of white collar crime including embezzlements and thefts from churches and other non-profit organizations. Gambling is poor public policy. It always fails to deliver the long-term revenue that it promises; it increases crime, bankruptcy and addiction in the states where it is allowed to operate. E. Grinols wrote Gambling in America: Costs and Benefits. He says, "For every \$1 in gambling tax revenues it requires \$3 in social costs. Non-gamblers pay for the massive social costs that the casino gambling industry brings along with it."

Art Schlichter and his mother, Mila, are honorary co-chairs of a new group called Families Against Issue 3. "Our horrible personal experience show how gambling can destroy any family," Mila Schlichter said. "If you understand the nature of gambling addiction, you know Issue 3 will bring a blight on Ohio," Art said. "We're proof positive: four full-blown casinos here will wreck many Ohio families." A study by Hiram U. professors estimates that 80,000 families will have one of its members join the ranks of problem gamblers in Ohio with four casinos.

Bishop Bruce Ough, Episcopal leader of the West Ohio Conference of the United Methodist Church made the following statements at an October 1st press conference on Issue 3. "Casinos are predatory by their very nature; they make windfall profits for their owners from the gambling losses of our most vulnerable neighbors. Casinos derive much of their profits from the poor who spend more than they can afford to lose. In effect, this is a regressive tax. Proximity to a casino increases the levels of addiction. National

studies indicate that people who live within 50 miles of a casino are twice as likely to become gambling addicts. Problem gamblers ruin their lives and harm their families through increased debt, bankruptcy, home foreclosures, divorce, spousal abuse, child abuse and suicide. Casinos do not bring economic development. Instead, casinos have the opposite effect of pulling money out of the economy. This harms existing businesses and causes thousands of hard working citizens to lose their current jobs. This is documented anew in the recent report on statewide economic and social factors of Issue 3 that was published by Hiram College. The out of state companies that will operate these casinos will deplete the Ohio economy further as they take their profits elsewhere. Casinos ultimately lead to the loss of jobs and small businesses in the communities in which they are located."

Thomas Suddes, writer for the *Cleveland Plain Dealer*, provides evidence that the proponents of Issue 3 are misleading folks with their claims of 34,000 jobs. He found that Penn National's own filings with the Securities and Exchange Commission, as of last Dec., had nationwide--a total of 14,693 employees (including part-timers) at 18 casinos and racetracks. Knowing this fact would four Ohio casinos employ 15,000? Actually dividing 14,693 by 18 sites equals 816 people per site multiplied times four Ohio casinos would be 3,264 total jobs.

Mr. Suddes projects that the 33% tax based on enrollments and Budget Office projections, Issue 3 might offer Ohio public schools about 69 cents per school day per pupil. Doesn't it sound like another Ohio Lottery promise to fund our local schools, and even the little bit they provide is more than the casinos? †††