

## Senate leaders promote the benefits of casinos

The Boston Globe

### Study forecasts 14,000 new jobs

By Michael Levenson, Globe Staff | June 19, 2010

State Senate leaders, bracing for a charged debate next week on their plan to legalize three casinos in Massachusetts, argued yesterday that the casinos will generate \$1.8 billion in annual economic activity and create 14,000 permanent jobs.

The senators cited a study they commissioned by The Innovation Group, a consulting firm whose clients include other states that have considered expanded gambling, as well some of the country's largest casino developers, including Harrah's Entertainment Inc., Wynn Resorts, and Trump Hotels & Casinos.

Senate President Therese Murray's deputies said the findings confirmed their belief that, by allowing casinos to be built in Eastern, Southeastern, and Western Massachusetts, the state will generate economic activity and recapture the estimated \$1 billion that Bay State gamblers spend annually at casinos in other states.

"If we do it right and do not chop up the market, then we can grow large casinos," said Stanley C. Rosenberg, an Amherst Democrat who is Murray's point man on casinos. "If we grow large casinos, then we can maximize our competitive ability within the region, and that leads to even more jobs and revenue."

Casino opponents faulted the findings, saying The Innovation Group was too closely tied to the gambling industry and failed to take into account the many costs associated with compulsive gambling, such as foreclosures, bankruptcy, and crime.

The president of Plainridge racetrack sees addition of slot machines as key to the harness track's success. B5

"It is not a credible report," said Kathleen Conley Norbut, president of the group United to Stop Slots in Massachusetts. "This is a phony, propped-up report to justify the Senate leadership's mania for casinos."

Rosenberg acknowledged that The Innovation Group has industry ties but said Senate leaders chose the firm because it is "very well known and very reputable" and has no active accounts with any of the developers pursuing casinos in Massachusetts. The Senate spent about \$80,000 for the firm's services, he said.

"All of these firms work for both regulators and the industry, and if you ask them very direct, straight questions, they give you very direct, straight answers, so I don't have any qualms," said Rosenberg.

Senate leaders also made a significant change in their plan yesterday. Unlike an earlier draft, the new version of the legislation does not set aside one of the casino licenses for a Native American tribe. Senators said that requiring all casino developers, including the tribes, to submit competitive proposals will generate more money for the state.

The Innovation Group study estimates that the Senate's plan will create about 3,500 jobs at each of the three casinos and 4,000 jobs at surrounding venues such as hotels and restaurants.

In addition, the study says that Massachusetts, by collecting 25 percent of the casino revenue, will reap \$360 million to \$460 million annually, helping to ease the state's chronic budget problems. In addition, the state would collect at least \$200 million by selling the casino licenses to developers.

Senate leaders, hoping to mitigate the social costs of expanded gambling, said their bill would set aside \$12.5 million annually for programs that combat compulsive gambling. In addition, it would forbid casinos from marketing to anyone under 21 and would allow family members to petition a judge to have a relative banned from the casinos, if the relative is addicted to gambling.

The Senate bill also says that even though Massachusetts bans smoking in most indoor venues, a fourth of the floor space at the state's casinos would be turned over to smokers, to make the casinos competitive with gambling parlors in other states where smoking is allowed, Rosenberg said.

The bill does not authorize slot machines at the state's two horseracing tracks and two former dog tracks, though it would give a preference for those workers to be hired at the casinos, if their tracks close within a year of the granting of a casino license.

The Senate has scheduled three days of debate on the measure, beginning Wednesday. Senators will then have to reconcile differences with the House, which passed a bill in April that authorizes two casinos, with no set-aside for Native Americans, and up to 750 slot machines at each track. Governor Deval Patrick has said he prefers a bill that legalizes casinos and not slots at the tracks, which he argues do not create as many jobs.

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