

AGAINST HOUSE BILL 605
Testimony to the House of Delegates Ways and Means Committee
Constitutional Amendment – Gaming - Expansion
By Paul Geller, Community Advocate; Thursday, February 20, 2020

Chair Kaiser, Vice Chair Washington, distinguished Delegates,

Please give an unfavorable report for House Bill 605.

On January 11, 2017¹, I asked the former Senate President if our public schools could receive a greater percentage of casino gambling revenues. His answer shocked me for its bravado and stark candor. I was told percentages were not going to change, and the reason was now disgraced former casino magnate, Steve Wynn, was a good friend of his, and Wynn deserved to make a living too.

When voters in Maryland approved slot machine legislation on November 4, 2008, they did so based on these words, “Authorizes the State to issue up to five video lottery licenses for the **primary purpose of raising revenue for education of children in public schools...**”

When Maryland voters approved gaming expansion to include “table games” legislation on November 6, 2012, slick ads promised help for our public schools and these words were on the ballot, “**Do you favor the expansion of commercial gaming in the State of Maryland for the primary purpose of raising revenue for education...**”

In the last dozen years, Maryland voters twice were asked to take it in good faith that both referenda would help our schools. Based strictly on the percentages, I would say we were severely shortchanged. And, I cannot imagine how giving up the protections of a statewide referendum to possibly further expedite and expand gambling would benefit anyone. Especially with all the talk about sports betting, and how it, too, will be positioned as helpful to education.

When it comes to video lottery terminals (VLT), here is the breakdown based on October 2019 numbers of where the \$92,401,329.65 generated that month went by percentage:

Casino Operators.....	47.00%
Education Trust Fund.....	39.75%
Purse Dedication.....	5.85%
Local Impact Grants.....	5.43%
Lottery RG other casino.....	1.00%
Race Tracks Facility Renewal Account.....	0.96%
Small, Minority, Women Business.....	0.01%

*****Do you believe 39.75% qualifies as being the primary purpose of raising revenue for education?**

¹ Listen to the exchange at 40:21 on the Marc Steiner Show, <https://www.steinershow.org/podcasts/annapolis-summit-senate-president-mike-miller-and-house-speaker-michael-busch/>

Back when VLTs started, the Education Trust Fund received 45% of revenues, Casino Operators got their 45%, and the other 10% went to several other sources. Where did that 5.25% reduction in proceeds to the Education Trust Fund go, and how did the casino operators gain an additional 2%?

It gets worse. Table Game Revenue is a complete train wreck. How many voters would think these percentages were a good deal for our schools? The Education Trust Fund gets only 15%; local jurisdictions receive 5%; and casinos rake in 80%.

Based on numbers for the fiscal year ending on June 30, 2019, a formula change to 50% of revenues for the Education Trust Fund would yield an additional \$115,185,803.71 from Video Lottery Terminals and \$222,317,781.48 from Table Game revenue. **The combined \$337,503,585.19 would go a long way to helping fulfill the ballot initiative we agreed to.** 50% should be the bare minimum. Until that happens, we need to table this discussion of HB605.

Please right this fundamental wrong and change the percentages the Education Trust Fund receives from casinos. In the meantime, **please give an unfavorable report to HB605.** Maryland residents deserve a voice when it comes to the expansion of more societal ill causing vices such as sports betting. Maryland residents deserve better.

Thank you for your service. And remember the kids of our state. They are our future. And they are counting on all of us to do the right thing.

Thank you.

Paul Geller (electronic signature)

Paul Geller
Community Advocate
ppgusaAThotmail.com