

## **MASSACHUSETTS RESIDENTS LARGEST TAX GENERATORS AT NEW ENGLAND CASINOS AND SLOT PARLORS**

### **Bay Staters continue strong spending at Connecticut casinos and Rhode Island slot parlors**

The Center for Policy Analysis (CFPA) at the University of Massachusetts Dartmouth announced today that, for the seventh year in a row, Massachusetts residents patronizing New England's casinos and slot parlors, collectively, generated more tax revenues to Connecticut, Rhode Island and Maine state governments combined than did the residents of any other state.

Dr. Clyde W. Barrow, CFPA director and the study's principal investigator, said that "it is extraordinary that Massachusetts residents generate more gaming tax revenues than do residents of any other New England state without Massachusetts hosting a single casino gaming venue within its borders."

The finding, contained within the CFPA's 2011 edition of *The New England Casino Gaming Update*, which tracks annual patron origins and spending at New England's casinos and slot parlors, found that Bay State residents, since 2004, contributed 36.61% or nearly \$1.6 billion -- of all gaming tax revenues generated by New England residents at the region's two destination resort casinos and three slot parlors.

Massachusetts residents' spending at those five gaming and entertainment venues last year alone generated nearly \$222 million in tax revenues to those states' treasuries: more than \$86 million to Connecticut, more than \$135 million to Rhode Island, and about \$287,000 to Maine.

In addition to Massachusetts residents collectively generating the largest amount of tax revenues at New England's five casinos and slot parlors, they also represent the single largest out-of-state spending group and the single largest out-of-state patron group at both of Connecticut's destination resort casinos and Rhode Island's slot parlors.

Barrow said that this "continuing export of discretionary spending, tax revenues, and jobs by Massachusetts has been going on for 18 years and, from all outward appearances, it may go on indefinitely. If these were minimum wage jobs at a manufacturing facility, or entry-level at a mutual fund or bank, state officials would be scrambling to craft a package of tax concessions and other giveaways to keep those jobs in Massachusetts."

Instead, Barrow added, "Massachusetts exports gaming-related spending, tax revenues, jobs and tourism into other New England states, and those state governments utilize that revenue to fund state and local services, teachers' salaries, and to grow tourism --- all at a direct cost and threat to the commonwealth's own fiscal and economic growth."

In 2010, Massachusetts residents spent over \$857 million on gaming and non-gaming expenditures at Foxwoods and Mohegan Sun casino in Connecticut, at Twin River and Newport Grand slot parlors in Rhode Island, and at Maine's Hollywood Slots facility. Bay Staters spent over \$613 million on gaming and non-gaming expenditures at Connecticut's destination resort casinos; more than \$243 million at Rhode Island's two slot parlors; and nearly \$700,000 at Maine's slot parlor.

Connecticut's casinos share 25% of slot machine revenues with state government. However, table game revenues are not shared with the state of Connecticut. The study estimated that Connecticut casinos last year generated about \$564 million in table game revenues. If the two Native American casinos shared 25% of table game revenues with the state, as previously proposed in Massachusetts, Connecticut would have captured \$141 million in additional tax revenues last year.

Rhode Island's slot parlors share 59% to 61% of slot machine revenue with the state. However, the slot parlors do not offer table games. Last Wednesday, legislation was filed in Rhode Island's House of Representatives seeking approval for live table games at Twin River.

Legislation passed last year with the Massachusetts State Legislature called for the licensing of three destination resort casinos and a limited number of slot machines at two racetracks. The legislation included a 25% tax on the slot machine and table games revenue generated by resort casinos, and a 49% gaming tax on slot machine revenues generated by race tracks.

While Bay State spending at the Connecticut casinos in 2010 declined compared to 2009, Massachusetts spending again increased at Twin River, Rhode Island's largest slot parlor, which underscores that the lingering effects of the Great Recession, especially stubbornly high unemployment, and rising gasoline prices have affected the spending patterns of Massachusetts residents.

"Slot parlor patrons are convenience gamblers," Barrow said. "Their gaming decision rest mostly on proximity to the facility." Given a choice of a 90-minute drive to a Connecticut casino, as opposed to a 45-minute drive to a Rhode Island slot parlor, convenience slot players prefer a facility that's closer and less expensive to reach." As a result, Barrow noted that the number of visitations to Twin River by New Hampshire and Maine residents has also been increasing over the last two years.

"As long as the economy remains sluggish," Barrow added, "and gasoline prices remain high, a facility like Twin River is going to draw more and more convenience gamblers from Massachusetts. Currently, for every \$60 that a Massachusetts resident spends at a

Connecticut casino, another Massachusetts resident will spend \$40 at a Rhode Island slot parlor.”

In 2010, Rhode Islanders spent over \$472 million on gaming and non-gaming expenditures at the region's casinos and racinos --- nearly \$210 million at the Connecticut casinos and over \$262 million at their home state slot parlors.

Ocean State residents' spending at those venues last year generated \$175 million in tax revenues --- nearly \$146 million to Rhode Island state government and over \$29 million to Connecticut state government.

Maine residents spent \$92 million, generating \$31 million in tax revenues. New Hampshire residents spent over \$63 million, generating nearly \$11 million in tax revenues. And Vermont residents spent about \$6.4 million, generating about \$1 million in tax revenues.

Connecticut residents spent over \$1.1 billion last year, primarily at Foxwoods and Mohegan Sun, generating about \$162 million in tax revenues --- most of it to Connecticut state government.

<b>NEW ENGLAND</b>	<b>Slot Win</b>	<b>Other Gaming</b>	<b>Total Gaming</b>	<b>NonGaming</b>	<b>Grand Total</b>	<b>Contribution</b>
<b>TOTAL</b>	<b>\$1,923,895,488</b>	<b>\$564,107,210</b>	<b>\$2,488,002,698</b>	<b>\$548,207,334</b>	<b>\$3,036,210,032</b>	<b>\$666,615,063</b>
MA	\$566,544,521	\$141,348,602	\$707,893,123	\$149,290,412	\$857,183,535	\$221,634,990
RI	\$355,281,983	\$48,225,482	\$403,507,465	\$68,617,086	\$472,124,551	\$175,109,468
CT	\$640,002,308	\$257,130,677	\$897,132,984	\$221,097,305	\$1,118,230,290	\$161,889,411
NH	\$37,258,498	\$13,424,994	\$50,683,492	\$12,563,166	\$63,246,658	\$10,854,205
ME	\$74,117,219	\$6,110,530	\$80,227,749	\$11,629,876	\$91,857,625	\$31,351,228
VT	\$3,753,184	\$1,419,733	\$5,172,917	\$1,240,796	\$6,413,713	\$991,365
NY	\$180,477,562	\$71,861,204	\$252,338,766	\$61,765,736	\$314,104,502	\$46,165,520
NJ	\$28,031,312	\$11,066,345	\$39,097,657	\$9,571,024	\$48,668,681	\$7,240,640
OTHER	\$38,428,902	\$13,519,643	\$51,948,545	\$12,431,931	\$64,380,476	\$11,378,236

For a copy of the full report of the poll results go to:

<http://www.umassd.edu/seppce/centers/cfpa/> Click, What’s News! on left side of page.

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