

IN THE SUPREME COURT
STATE OF FLORIDA

ADVISORY OPINION TO THE)
ATTORNEY GENERAL)
RE: LIMITED CASINOS)
_____)

CASE No. 83,886

On a request by the Attorney General
for an advisory opinion on the validity of an
initiative petition circulated under Art. XI, sec. 3

INITIAL BRIEF OF NO CASINOS, INC.,
OPPOSING THE LIMITED CASINOS INITIATIVE

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IN THE SUPREME COURT
STATE OF FLORIDA

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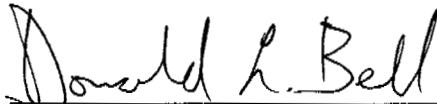
CASE No. 83,886

RE: LIMITED CASINOS

NOTICE OF PAGE NUMBERING ERROR

During last minute changes to the Initial Brief of No Casinos, Inc., a computer code was inadvertently deleted, removing the "Summary of Argument" heading from the Table of Contents, and causing the page numbers shown in the Table of Contents and Table of Authorities to be off by one page. This notice is intended to rectify the error and minimize any inconvenience.

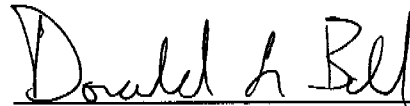
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of No Casinos, Inc.'s Notice of Page Numbering Error was served by United States Mail on this 8th day of July, 1991, on Robert A. Butterworth, Attorney General of Florida at the Attorney General's Office Plaza Level-01, The Capitol, Tallahassee, Florida 32399-1050; Julian Clarkson & Susan L. Turner, P.O. Drawer 810, Tallahassee, FL 32399-1050; Arthur J. England, Jr. & Christopher L. Kurzner, 1221 Brickell Avenue, Miami, FL 33131; and Michael Manthei, P.O. Box 11300, Tallahassee, FL 32302.



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INTERESTS OF NO CASINOS, INC.

No Casinos, Inc., is a not for profit corporation organized under the laws of the State of Florida, for the purpose of opposing casino gambling. Its members are of a like view that casino gambling is not in the best interest of the State of Florida or its citizens.

SUMMARY OF ARGUMENT

The "Limited Casinos" ballot title is misleading and fails to accurately convey the chief purpose of the measure. Many voters will be led by this title to believe that casinos are being limited when, in fact, they are being authorized for the first time. They are also being authorized in large numbers and in widespread locations. The true purpose of amendment is to unite enough persons, who are otherwise politically opposed to assure passage--thereby benefitting the proponents.

The ballot summary also fails to satisfy the requirements of section 101.161, Florida Statutes. It fails to adequately specify the changes it makes and will therefore confuse voters. It also gives the appearance of creating new rights or protections against casino gambling, when its real purpose is to eliminate those protections. The ballot summary also omits numerous material facts that are necessary to avoid misleading voters including the number of casinos authorized, accurate information on their locations and sizes, and fails to adequately explain such key phrases as "with pari-mutuel facilities" and "riverboat casinos." It also fails to inform voters of numerous collateral consequences to the operation of Florida government.

In numerous ways, the Limited Casinos initiative also violates the single subject rule of Article X, section 3, Florida Constitution. This court has strictly applied the single subject rule in the past and should adhere to a strict scrutiny standard of review.

The initiative is a classic attempt to inappropriately consolidate many different provisions in a single measure, thereby gaining the support of otherwise opposing political interests. This practice called "logrolling" is forbidden because it compels voters to support measures they oppose in order to assure passage of measures they support. It also has a great potential to do great damage to our system of governance by eliminating any system or organization in our body of laws. In the place of organization and a systematic approach to governance, logrolling produces a hodgepodge of unrelated provisions all directed to different special interests.

This initiative brings together a veritable pot pourri of casino special interests. In attracting votes for casinos in particular locations, of particular types, or particular sizes, it will compel voters to vote in favor of many provisions they may oppose.

The initiative also alters, affects, amends and performs a multitude of executive, legislative and local functions. Indeed, the effects on government are so substantial and broad that a recitation of them all would begin to sound redundant. Thus, many collateral consequences of the initiative are not directly discussed in this brief. Nonetheless, a sufficiently large body of examples is discussed to advise the court of the inappropriate scope and breadth of proposed amendment.

The initiative invades the basic legislative function of law making and the basic executive function of executing the laws.

It affects every level of government, and would usurp or perform many basic functions of government.

The initiative violates the single subject rule of Article XI, section 3. The ballot title and summary are in violation of section 101.161, Florida Statutes and they contribute to the single subject violations that occur in the text of the amendment. The initiative should not be allowed to go forward.

I. ARGUMENT

**A. THE "LIMITED CASINOS" INITIATIVE VIOLATES THE
BALLOT REQUIREMENTS OF SECTION 101.161(1),
FLORIDA STATUTES**

**1. The ballot title "Limited Casinos"
is clearly and conclusively
defective.**

Section 101.161, Florida Statutes, requires that a ballot title and summary must state "in clear and unambiguous language the chief purpose of the measure." Advisory Opinion To The Attorney General--Limited Political Terms In Certain Elective Offices, 592 So.2d 225, 228 (Fla. 1991), quoting, Askew v. Firestone, 421 So.2d 151, 155 (Fla. 1982). "A voter should not be misled" and must be given "fair notice" by the ballot. Askew, 421 So.2d 152, 155.

The ballot title for the proposed amendment is "Limited Casinos." This meager title leaves voters to interpret what is meant by the term "Casinos", aided only by the misleading term "limited." As previously discussed, the "chief purpose of the measure" is to assure that casinos will be authorized for certain favored groups who are the proponents of the measure. Another

purpose is to unite enough diverse interests, that are politically opposed, to assure passage. Those purposes are not clearly and unambiguously stated in the title, or for that matter anywhere in the initiative.

There is no way of knowing how any given voter might interpret the word "limited" as used in this title. It is likely to be perceived by different voters in many different ways. Many voters will be led to believe that the initiative is intended to limit or prevent casinos from being established in Florida. Some voters will conclude that casinos will only be authorized in some limited form. For Example, voters might reason that only certain types of gambling will be allowed, or that all types of gambling will be allowed subject to other restrictions such limits on the amount a gambler could lose. See Fishkind & Associates, Inc., Riverboat Gaming, Economic Impacts In Florida § 1.3 (November, 1993)(discussing the State of Iowa's loss limit of \$200 per gambler per cruise on riverboat casinos)(Attached as Appendix A)("Riverboat Gaming, App. A").

Still other voters will conclude that the initiative only allows casinos in certain geographic areas. While it creates the strong surface impression that its "limit" is geographic in nature, the initiative actually would allow approximately 50 or more casinos geographically disbursed throughout the State.

The only other limits directly addressed in the amendment are limits on size. No size limit is specified for the casinos identified to particular counties and the casinos that would be

authorized with pari-mutuel facilities could be up to 75,000 square feet--a size rivaling the pari-mutual facilities themselves.

Finally, riverboat casinos would be "limited" under the amendment to 40,000 square feet. This is like limiting one who wears a size 11 shoe to a size 14. The riverboat casinos now in existence average only 30,000 square feet in size. Riverboat Gaming, App. A at § 2.3. There is no reason to include the number 40,000 in the amendment except to mislead voters into believing that the riverboats authorized under the amendment would be small. Under these circumstances, use of the word limited without any clear explanation of its specific meaning is entirely misleading. This defect in the initiative can be seen by comparing it to several initiatives that have successfully used the word limited, or its variant "limitations" in their titles. In those cases the ballot title was accompanied by a summary and text that precisely described a specific limit to be imposed by the amendment. See e.g., Advisory Opinion To The Attorney General--Limited Marine Net Fishing, 620 So.2d 997 (Fla. 1993)(limiting a particular type of fishing within a particularly limited area); Advisory Opinion--Limited Political Terms, 592 So.2d 225 (Fla. 1991)(limiting the terms of certain elected officials in very specifically described ways); In re: Advisory Opinion To the Attorney General, Limitations of Non-Economic Damages in Civil Actions, 520 So.2d 284 (Fla. 1988)(imposing carefully described limits on certain damage awards).

In contrast to these cases the only thing clear or specific about the ballot title in this case is that it will mislead some voters who oppose casinos into voting for the initiative in the belief that casinos will be limited. See In re: Advisory Opinion To The Attorney General--Save Our Everglades Trust Fund, 19 Fla. L. Weekly S276, S277 (Fla. May 26, 1994)(finding that the title "SAVE OUR EVERGLADES" implied that the everglades "were lost or in danger of being lost" and the title was therefore misleading). In this case, the summary and text do nothing to clarify the title, but instead compound the confusion. This amendment would impose no real "limit" on casinos, as that term would be commonly understood by voters. Its "chief purpose" is not to "Limit Casinos." See Advisory Opinion--Limited Political Terms, 592 So.2d 225, 228 (Fla. 1991). Without further consideration, the ballot title is clearly and conclusively defective under section 101.161, Florida Statutes.

2. The Limited Casinos ballot summary is clearly and conclusively defective.

"While the Court is wary of interfering with the public's right to vote on an initiative proposal . . . [it] is equally cautious of approving the validity of a ballot summary that is not clearly understandable." In re: Advisory Opinion-- Restricts Laws Relating to Discrimination, 632 So.2d 1018, 1021 (Fla. 1994)(citing Smith v. American Airlines, 606 So.2d 618(Fla. 1992)). The limited casinos ballot summary is misleading. The summary fails to specify exactly what is being changed, thereby

confusing voters. Florida League of Cities v Smith, 607 So.2d 397, 399 (Fla. 1992).¹ It also gives the appearance of creating new rights or protections when the actual effect is to reduce or eliminate rights or protections already in existence. Id. Finally, the summary leaves out material facts necessary to make the summary not misleading. Advisory Opinion--Limited Political Terms, 592 So.2d 225, 228 (Fla. 1991).

Indeed, rather than trying to list all of those places and circumstances where casinos would be allowed, it might have been less misleading for the initiative's proponents to list in the summary the few remaining places and circumstances where casinos would not be allowed. Similarly, rather than describing so expansively the circumstances under which casinos will be authorized, it might have been more expedient to list the few remaining circumstances under which they would not be authorized. If riverboats of up to 40,000 square feet are authorized, then the amendment should have made no reference to a size limit at all, or should have referred to "riverboat casinos with no practical limit on size."²

¹ Discussing the meaning of the word "specify" in another context the court in Florida League of Cities goes on to explain that specify means "a statement explicit, detailed, and specific so that misunderstanding is impossible" Id.(citing Webster's Third New World Dictionary 1412 (1981)).

² Riverboats currently in operation average about 30,000 square feet in size. Thus, a 40,000 square foot limit is illusory. Riverboat Gaming, App. A at § 2.3.

a. **The ballot summary fails to specify the changes it will make.**

In its first sentence the ballot summary acknowledges that the initiative does not limit, but "authorizes", new casinos. However unlike the text of the initiative the summary refers to a "limited number" of casinos. The phrase "limited number" lacks the specificity required in a ballot summary. It conveys the false impression that only a few casinos are to be created. In fact, the amendment would authorize fifty or more casinos. The ballot summary fails to specify this major change from the current state of affairs in which there are no casinos. This is not to say that the summary must include a full statement of current law, but it must accurately advise voters of what new circumstance will exist if the initiative passes. Advisory Opinion--Restricts laws Relating to Discrimination, 632 So.2d 1018, 1021; Smith v. American Airlines, 606 So.2d 618, 621(holding ballot summary invalid for failing to explain that post 1968 leases would be taxed at a different rate than pre-1968 leases).

By identifying certain counties that would have a "limited" number of casinos the ballot summary conveys the impression that each of these counties would have only one casino, as described in the text of the amendment. However, many counties identified as having one casinos would have additional casinos at pari-mutuel facilities, and in Dade County the initiative would authorize at least ten casinos. No where does the ballot initiative "specify" the significant number of casinos that would

be created in Dade County; nor does it accurately specify the number that would be in any of the identified counties. This is a clear violation section 101.161, Florida Statutes. Florida League of Cities v Smith, 607 So.2d 397, 399 (Fla. 1992)(requiring specificity in the ballot summary).

After stating that casinos would be authorized in certain identified counties, and that additional casinos would be authorized "with" pari-mutuel facilities, the limited Casinos summary then says that riverboat casinos may be authorized by the legislature in "the remaining counties." This language creates the false impression that riverboat casinos could not be authorized in counties that have parimutuel facilities. In fact, the text of the amendment includes counties with pari-mutuel facilities in the counties that are considered "remaining counties." Thus, the initiative summary fails to specify that riverboat casinos could potentially be authorized in counties that have pari-mutuel facilities.

The ballot summary also fails to put voters on notice, as does the entire initiative, that the amendment would fundamentally change the State's relationships with indian tribes and would have the collateral side effect of authorizing casino gambling on indian lands. This and the initiatives other substantial collateral side effects violate the single subject rule. Advisory Opinion--Restricts laws Relating to Discrimination, 632 So.2d 1018, 1022(Kogan J. concurring)(citing Florida League of Cities v. Smith, 607 So.2d 397.

**b. The ballot summary and initiative
falsely convey the impression of
creating new rights or protections.**

The State currently has no casinos. Casinos can only be authorized by the legislature. If this amendment passes, approximately 50 casinos would automatically be authorized, and the legislature would be divested of its authority to "limit" casinos. Rightly or wrongly, the public is currently protected by the legislative process from the possibility that casinos will be authorized, and from the possibility that they will be authorized in inappropriate ways or in an inappropriate form.³

In contrast to the current situation, if this amendment passes the public will be stripped of all of these protections. However, the amendment by its repeated use of the word "limited" in the ballot title and summary misleads the public into believing that new protections in the form of limitations are being created. In fact the legislatures power to "limit" casinos is being taken away. A ballot summary that gives the appearance

³The legislative process has been described by this court as a "filtering process" that features "legislative debate and public hearings." Fine, 488 So.2d at 988-89. By including procedures for fact finding and analyzing the consequences of legislative action many other "protections" are incorporated into the legislative process. In advance of making a decision the legislature can consider the economic and social impact its decision may have on the communities to be affected. Those impacts can be calculated and planned for. Environmental and land use factors can be considered, and law enforcement concerns can be addressed. All of those protections are sidestepped by this initiative. While any initiative avoids these protections to some degree, care must be taken that the substitute protection established under our constitution--the single subject rule--is strictly applied. Id.

of creating new rights or protections when its real effect is to reduce or eliminate rights or protections already in existence fails to meet the requirements of section 101.161, Florida Statutes. Florida League of Cities v. Smith, 607 So.2d 397, 399.

c. The ballot summary and initiative omit material facts.

An initiative summary may not omit facts that are essential to understanding the proposed amendment. Id. In this instance many important facts are omitted from the ballot summary.

The ballot summary reveals that the initiative does not limit but authorizes casinos. However, the summary and the initiative omit an important piece of information the voter must be given--that is, it fails to reveal the number of casinos that are authorized. An amendment that purports to limit should explain precisely to what extent it performs that "function" so that voters can make an informed decision. This initiative does not serve the end of informing voters. The Attorney General by investigating with various state agencies was able to estimate that perhaps 50 casinos would be authorized, (Letter from Robert A. Butterworth, Attorney General to The Honorable Stephen Grimes, Chief Justice 3 (June 22, 1994)("Attorney General Letter")), but voters obviously cannot call on state agencies for such detailed information after they have entered the voting booth, and they should not be compelled to undertake large-scale fact finding under any circumstances.

The ballot summary states that it authorizes "a limited number of gaming casinos in Broward, Dade, Duval, Escambia,

Hillsborough, Lee, Orange, Palm Beach, and Pinellas Counties, with two casinos in Miami beach." Again, the exact number of casinos that would be located in each of the counties identified is omitted. This information is likely to be very important to voters from those counties, and perhaps those from other counties as well. This would not be so troubling if the text of the amendment correctly stated the number of casinos in each of the identified counties. However, the amendment text incorrectly states that most of the identified counties will have only one casino, with Broward having two and Dade having three. When all of the pari-mutuel facilities are included, as they must be, the numbers given in the amendment text are clearly wrong. These multiple misstatements in the text compound the misleading use of the term "limited" in place of specific numbers in the ballot summary.

The ballot summary also authorizes "casinos with existing and operating parimutuel facilities." It is not clear what is meant by the word "with" in this sentence. Does it mean that the casinos must be located on the current premises of parimutuel facilities? Would a casino across the street or highway from a pari-mutuel facility be considered "with" the facility? Does it only mean that they must be located in the same city?, the same County? The Attorney General was misled by this language into believing that the initiative authorized casinos at pari-mutuel facilities. (Attorney General Letter at 3) (stating that "the proposed amendment authorizes a casino to be operated at 'each

parimutuel facility')(emphasis added)). If the Attorney General was misled by this language, certainly the average voter will be misled. This important information regarding the meaning of the word "with" is omitted from the summary and voters are left to guess at what the initiative proponents intend.

The ballot summary explains that the initiative would establish "riverboat casinos", but fails to explain or define what a riverboat casino is. The term riverboat casinos is a term of art that encompasses two entirely different types of casinos. Those who have not visited such casinos will be misled into believing that the initiative authorizes casinos on boats. In reality, "riverboat casinos" that operate in other states are sometimes not really boats at all. They are permanently constructed facilities that lack any ability to navigate on water. "These facilities are more like land based casinos than riverboats." Riverboat Gaming § 1.2, App. A(describing "riverboats" in the State of Mississippi as "essentially permanent dockside facilities")⁴; William R. Eadington, Ethical and Policy Considerations In The Spread of Commercial Gambling 11 (attached as App. B)("Eadington") (explaining that in Mississippi "riverboats with casinos did not have to sail on the river; such facilities did not even have to be boats as long as they were built over the water.")

⁴The study elsewhere states that "The Florida model is a true riverboat activity." However, this statement was made in connection with another proposal to establish riverboat casinos in Florida, not the Limited Casinos initiative. See id.

If it was the Limited Casinos proponent's intention to establish such non-boat riverboat casinos⁵ then that fact should have been made clear by using some more specific phrase than "riverboat casinos" to advise voters of what they would be voting for or against.

The ballot summary goes on to state that the riverboat casinos would be authorized in "the remaining counties." However, there is no way of telling from the ballot summary, or from the initiative itself, what "the remaining counties" are. A voter who relies on the summary would be misled into believing that the "remaining counties" where riverboats could be located are all of those counties not previously identified in the summary. Thus, a riverboat casino could not be located in a county where a pari-mutuel facility is located. However, this conclusion would be erroneous. Upon carefully reading the text of the initiative one finds that riverboat casinos could be located in counties where parimutuel facilities are located.⁶ Thus, a voter who opposes casinos in relatively unpopulated areas

⁵ The fact that the initiative authorizes riverboats up to 40,000 feet--twenty-five percent larger than currently operating "real" riverboats--hints that the proponents might intend to develop non-sailing riverboats. The fact that not-sailing boats have greater accessibility and longer operating hours and are, therefore, potentially more profitable also suggests that proponents might want to take advantage of this ambiguity in the initiative. See Riverboat Gaming, App. A. § 1.3 (discussing profitability of non-sailing type riverboats).

⁶ Section 4 of the proposed amendment authorizes casinos "with" pari-mutuel facilities. Unlike the summary which refers to "remaining counties", section 5 of the proposed amendment would allow the operation of riverboat casinos in any county not identified in paragraph 1, 2, or 3.

like Jefferson County would not be on notice that two casinos could potentially be located there--one at the existing pari-mutuel facility and another riverboat facility.⁷

Because there are such a large number of misleading elements in the ballot summary and initiative, they tend to act on each other to cause additional ambiguities. This problem is illustrated by revisiting our Jefferson County example.⁸ The ballot summary seems to clearly say that Jefferson County could not have a riverboat facility because it is not a "remaining county"; only the text reveals that this is not true. However, even though Jefferson County is not a remaining county it still might not be able to have a riverboat casino if the initiative really means boats when it refers to riverboats. In that case Jefferson County might not qualify for a riverboat casino, not because of anything stated in the ballot summary or the text of the proposed amendment, but simply because it may not have a large enough body of water to float a 30-40,000 square foot riverboat. In any case, the point is that voters cannot be expected to know all of these things intuitively. Too many

⁷ This assumes of course that the phrase "riverboat casinos" does not really refer to casinos on boats. If the amendment means "boats", then one would also have to exclude all counties that do not have a river or other body of water sufficiently large to allow a 40,000 square foot boat to navigate, or assume that such bodies of water will be artificially created. This may mean that Jefferson County could not qualify for a riverboat casino after all.

⁸ Jefferson County is used only as an example. Similar problems are encountered when examining how almost any county in Florida would be effected by the amendment.

material facts have been omitted from the summary and the initiative to allow voters to cast an informed ballot.

B. THE LIMITED CASINOS INITIATIVE VIOLATES THE SINGLE SUBJECT RULE OF ARTICLE XI, SECTION 3, FLORIDA CONSTITUTION

1. The Court Must Strictly Scrutinize The Limited Casinos Initiative For Single Subject Violations.

Because they seek to amend the basic document that controls our governmental functions, those who attempt to amend the constitution through the initiative process must strictly comply with the single subject rule of Article XI, section 3. Fine v. Firestone, 488 So.2d 984, 989 (Fla. 1984).

The initiative petition is one of four methods by which the Florida Constitution can be amended.⁹ No other procedure for amending the constitution includes a single subject restriction. As the Court noted in Fine, the initiative method is the only means of amending the constitution without going through an extensive process of public hearings and debate before a measure is voted on by the people. Id. at 988. Under the other approaches to constitutional amendment, hearings and debate occur continuously--during both the creation of the amendment proposal, and after the proposal is finalized.

When the constitution is amended through any other means,

⁹ Article XI, section 1, authorizes the legislature to propose an amendment by three-fifths vote of both houses. Article XI, section 2, authorizes amendment proposals by the Florida Constitutional Revision Commission that is organized to meet and revise the constitution once each decade. Article XI, section 4, authorizes amendment by constitutional convention.

the citizens have opportunities for representational "input" during the drafting the amendment. Id. Since there is no opportunity for citizen input in the initiative process, the single subject rule of Article XI, section 3, acts as substitute form of protection against "precipitous and spasmodic changes in the organic law." Fine, 488 So.2d 984, 993 (Fla. 1984)(quoting Adams v. Gunter, 238 So.2d 824 (Fla. 1984).

The single subject rule was incorporated into the initiative process as a rule of restraint. If that restraint is to have any meaning it must be strictly applied by this Court because there is no other obstacle to rash, ill-conceived, multifarious changes in our basic law.

2. The Limited Casinos Initiative Is A Logrolling Measure

As the Court recently explained, a major purpose of the single subject rule in Article XI, section 3, is to prevent logrolling. Advisory Opinion--Save Our Everglades, 19 Fla. L. Weekly S276, S277 (May 26, 1994). Logrolling is "a practice wherein several separate issues are rolled into a single initiative in order to aggregate votes or secure approval of an otherwise unpopular issue." Id. The limited casinos proposal is a classic attempt to logroll an initiative past the voters. Among the initiative's more obvious multiple proposals are to:

- Authorize casino gambling;
- Authorize extensive casino facilities in Dade County;
- Specify the locations of casinos in eight other counties besides Dade;
- Specify the size of some casinos;
- Create legislative authority for potential riverboat casinos;

Tax casinos; and,
Authorize casinos at all pari-mutuel facilities.

There are currently five ballot initiative petitions currently circulating in Florida that deal with casino gambling. (See Initiative Petitions, App. C.). While the other initiatives have their own defects, this so-called "Limited Casinos" initiative is the worst of the lot. It seeks to consolidate many of the political and financial interests represented in the four other initiatives into a single proposal. See id.

The initiative is a veritable pot pourri of different options for developing casinos, all joined together in a single initiative for the purpose of satisfying a host of different political and financial interests--in the hope that doing so will secure passage. Because it tries to satisfy so many different constituencies, the initiative requires voters who may oppose one or more of its provisions to vote for those provisions in order to obtain passage of others. This is a classic example of logrolling in violation of Article XI, section 3.

For example, voters from North Florida may be misled into believing that casinos are necessary in Dade County. Those same voters might oppose casinos in Orange County on the theory that it would be injurious to the kind of development that has taken place in that area. Some of those people can be expected to vote for the initiative in spite of their objections to casinos in Orange County. These voters might oppose casino gambling in Orange County.

Similarly, riverboat casinos have been included in the initiative to satisfy political and financial interests that support riverboat casinos. Political interests that desire casinos in certain counties or certain other geographic areas are satisfied by provisions that provide for casinos in those areas. Pari-mutuel wagering interests, which have suffered financially from the creation of a lottery and who would otherwise fear financial losses if casinos are approved, are given the right to open casinos at their pari-mutuel facilities.

There is only one logical reason for proposing an initiative that authorizes casinos in nine counties that are identified by name, and in a hodgepodge of other locations and circumstances. That is, to obtain the support of persons who have a financial interest in opening casinos in those locations, while simultaneously eliminating their potential opposition to any initiative that did not include their interests.

The extent to which the proponents of this measure have engaged in logrolling is obvious. Indeed, the proponents of this initiative, Proposition For Limited Casinos, Inc., first began collecting signatures on an initiative petition that authorized only a single casino in Dade County and others at pari-mutuel facilities. (App. D, attached). However, they soon stopped collecting signatures on that petition and began collecting signatures on the initiative petition that is now before this court. (App. D, attached).

The new petition authorizes casinos in eight additional specified counties and, if approved by the legislature, at five riverboat locations. At least two additional casinos would also be authorized in Dade County. The only logical explanation for the strange nature of this expansion is that the proponents found it necessary to join additional political or financial interests in their effort. Either they needed new support, or feared the original initiative would have drawn opposition from the interests that were left out. See Mason-Dixon Political Research, Inc., Mason-Dixon Florida Poll, Survey Report, Part II Casino Gambling at 3 (May, 1994)(attached as Appendix E)(noting that the proponents of the limited casinos initiative "made several changes . . . in an avowed effort to expand potential support" and going on to say that "the wording involving Miami seemed tailor made for the owners of specific properties there.").

Because it attempts to garner support from so many different sources, the initiative presents many separate and discreet issues for voter consideration:

Should casinos be authorized?

Should casinos be authorized on a widespread basis, particularly in Dade County where nine casinos would be authorized?

Should casinos be authorized "with" parimutuel facilities?

Should casinos be privately operated, or should they be operated by the government?

Should the legislature be compelled by the constitution to tax casinos?

Should casinos be taxed?

Should casinos be authorized on riverboats?

Should casinos be authorized on bodies of water?

Should casinos be authorized in particular counties?

Should casinos be authorized with parimutuel facilities?

If authorized, what size should casinos be?

Should counties with parimutuel facilities be authorized to have riverboat casinos?

Some people will vote for the measure, in spite of their opposition to some of its parts, because they agree with one of initiatives many propositions. "No person should be required to vote for something repugnant . . . nor should any interest group be given the power to 'sweeten the pot' by obscuring a divisive issue behind separate matters about which there is widespread agreement" Advisory Opinion--Limited Political Terms, 592 So.2d 225, 232 (Fla. 1991)(Kogan J. Concurring in part, dissenting in part).

Because of the way the initiative is written, typical voters might conclude that they are simply being asked to decide whether casinos should be located in particular areas. Unfortunately voters will not be in the position to accurately judge from the information provided in the initiative where casinos will be located.

For example, many voters who are unaware of the number of parimutuel facilities in Dade County may think that they are being asked whether three casinos should be operated there when, in reality, nine or more casinos would be authorized in Dade

County when pari-mutuel facilities are included. Many other voters will find themselves pulled towards supporting the initiative's passage, while opposing many of its provisions. For example, some voters who oppose casino gambling altogether, but who are misled into believing that casino gambling could provide an additional source of revenue, may support the initiative because it imposes a tax on gambling. Others will support the authorization of riverboat casinos but oppose other kinds of casinos.

In addressing an initiative that was far more direct in stating its purposes than this one, the Court recently noted that "[t]he voter is essentially being asked to give one 'yes' or 'no' answer to a proposal that actually asks ten questions. Advisory Opinion--Restricts Laws Related To Discrimination, 632 So.2d 1018, 1020 (Fla. 1994)(finding that an initiative requiring voters "to cast an all or nothing vote" on multiple classifications violated the single subject rule). As in Restricts Laws Related To Discrimination, voters in this case will be asked to vote with a single "yes" or "no" on a host of separate questions, but they are further abused by the extent to which this initiative's true nature is concealed by a confusing assortment of misleading locational and size definitions, and by a misleading ballot summary and title.

The multifarious nature of the initiative can be seen by examining the ways in which voters' and the proponents' views might be affected if the initiative were altered. If the portion

relating to parimutuel facilities were deleted, those who support casino gambling at such facilities might oppose the remainder of the initiative. Certainly, the pari-mutuels that have offered their financial support would be moved to withdraw it, but the balance of the amendment would not be unaffected. To the extent that the initiative presents a cohesive plan or legislative scheme and to the extent that its parts are all related, that would still be true without the pari-mutuel provisions.

Similarly, if the provisions relating to casinos in Dade County, Broward County, or any other identified county were deleted, the proponents of casino gambling in that county would very likely be hostile to the remainder of the initiative. But again, to the extent that the amendment can be described as a unified whole, it would be as unified and complete without any of the provisions relating to specific counties. The balance of the amendment would not be affected.

Both those who support casinos in Dade County and those who support casino facilities at Pari-Mutuel facilities might oppose this initiative if it included only riverboat gambling. While the proponents have included a provision that requires legislative authorization for riverboat casinos, presumably all other proponents would oppose the initiative if legislative authorization were required for all casinos--since that is the current state of the law. Furthermore, the balance of the amendment would not be affected if the riverboat provisions were removed. An amendment cannot logically be said to deal with a

single subject if large parts of it can be severed while still leaving a complete amendment. These clearly separate provisions are the result of impermissible logrolling.

Because the initiative enumerates some counties where casinos would be authorized, some voters will believe (correctly or not) that casinos will not be authorized in the areas where they live, and vote for the initiative to "limit" casinos for that reason. "When voters are asked to consider a modification to the constitution, they should not be forced to 'accept part of an initiative proposal which they oppose in order to obtain a change in the constitution which they support.'" Advisory Opinion-- Restricts Laws Related To Discrimination, 632 So.2d 1018, 1019-1020 (Fla. 1994)(quoting Fine, 448 So.2d 984, 988). This court has noted that if its judicial responsibility is to mean anything, it cannot allow logrolling to occur in the initiative process. Fine, 488 So.2d 984, 995.

By bringing together constituencies who, in spite of provisions they oppose will vote for other aspects of the initiative, the proponents seeks to overwhelm the votes of those who remain opposed. For example, The Florida Legislature has determined that decisions regarding whether to allow pari-mutuel facilities in a particular locality should be controlled by a vote of the local citizens. Thus, in each area where a pari-mutuel facility is now located, local voters authorized the facility through a referendum. When parimutuel facilities were authorized local voters did not know that they were also

authorizing casinos in those locations, as will be the case if the Limited Casinos initiative passes.

In many cases the same voters who long ago approved pari-mutuel facilities subsequently rejected casino gambling when voting on the 1986 casino gambling initiative. For example, Escambia County, whose voters approved a pari-mutuel facility, rejected casino gambling by an almost three-to-one margin. Jefferson County voters, who have also approved pari-mutuel facilities, rejected casino gambling by more than two-to-one. Orange County voters, who approved pari-mutuel facilities, rejected casino gambling by an almost four-to-one margin. These voters, who overwhelmingly opposed casinos, could not have foreseen that by approving pari-mutuel facilities they would one day be compelled to accept casinos by a logrolling state-wide initiative. By accepting casinos many years ago they are now being obligated to take a casino. In addition to its logrolling implications, this is a collateral consequence of the initiative that should not be allowed to occur.

3. The Initiative Improperly Interferes With Executive, Legislative, and Local Governmental Functions.

The single subject rule of Article XI, section 3, requires that initiatives to amend the constitution "embrace but one subject and matter directly connected therewith." Art. XI, § 3, Fla. Const.

"It was placed in the constitution by the people to allow

the citizens, by initiative petition, to propose and vote on singular changes in the functions of our governmental structure." Fine, 448 So.2d 984, 988. Thus, this Court uses a "oneness of purpose standard" for examining ballot initiatives under the single-subject rule, and applies a "functionality test" to determine whether that standard is met. Under this test where a proposed amendment would "change" or "affect" more than one governmental function it is multi-subject, and violates the single subject rule. Evans v. Firestone, 457 So.2d 1351, 1354 (Fla. 1984). More recently, the court has also said that no single proposal can "alter" or "perform" multiple governmental functions. Advisory Opinion--Save Our Everglades, 19 Fla. L. Weekly S276, S277.

The Limited Casinos initiative changes, alters, performs and affects many governmental functions. This problem is further compounded by the initiative's ambiguity. Because the initiative is so ambiguous and so broad in scope, its full impact on governmental functions will not be fully known or understood until after it is a part of the constitution. "Unlike other initiatives in the past, this one is too broadly worded and has too many possible collateral effects that are not, and probably could not, be adequately explained to the people within existing constraints." Advisory Opinion--Restricts Laws relating to Discrimination, 632 So.2d 1018, 1022 (Fla. 1994)(Kogan J. concurring)(noting also that any initiative that is so broad as to have "an unstated domino effect" on our governmental system

violates the single subject rule). However, some of the ways in which the amendment would change, affect, alter or perform different governmental functions are identified below.

- a. **The amendment performs or usurps traditionally local government functions including planning, zoning, land use and environmental decision making.**

By requiring that casinos be authorized in particular locations, such as "with pari-mutuel facilities", in "the City of Miami Beach", and in "the South Point Redevelopment Area" the amendment would perform traditional functions of local government including planning and the making of local zoning, land use, and environmental decisions, in violation of the single subject rule. Advisory Opinion--Restricts Laws Relating To Discrimination, 632 So.2d 1018, 1020 (noting, among other things, that the initiative violated the single subject rule by "encroaching on municipal home rule powers"). By stripping local authorities of their ability to determine where large-scale businesses (casinos) should be located, and the circumstances under which they should be authorized to operate in particular areas, the amendment would not just affect but completely "performs" these local functions. See Advisory Opinion--Save Our Everglades, 19 Fla. L. Weekly S276, S277.

- b. **The amendment usurps or performs executive branch functions in the area of land use, planning, and environmental protection.**

Local governmental authority in the areas of land use, planning, and environmental protection is currently supplemented

by the land use and environmental protection authority vested in several executive branch agencies by the legislature,¹⁰ including the Department of Environmental Protection ("DEP"), The Department of Community Affairs ("DCA"), and the Florida Cabinet.

The distribution of environmental, planning, and land use authority between local authorities and executive branch agencies was established by the Florida legislature over many years. The amendment proposed under the Limited Casinos initiative would usurp the legislative function of allocating such authority through the basic legislative function of law making.

The basic executive branch function is the execution of laws established by the legislature. The function of executing the legislature's will would at least be altered, and in some instances completely stripped from the Cabinet, DEP and DCA by

¹⁰ Our legislature has placed great emphasis on "comprehensive planning" at every level of government. See, e.g., Ch. 380, Fla. Stat. (1993)(Florida Environmental Land and Water Management Act of 1972); §§ 163.3161-163.3215, Fla. Stat. (1993)(Local Government Comprehensive Planning and Land Development Regulation Act); §§ 186.001-186.031, 186.801-186.911, Fla. Stat. (1993)(Florida State Comprehensive Planning Act of 1972). The State's executive branch, and each County, have been required by the legislature to develop "comprehensive plans" for future development that take into consideration all of the factors that affect quality of life. This important planning function of local government and of the executive branch agencies would be performed or usurped by the proposed amendment, and the legislature's power to require such planning under Article IV would also be altered by the Limited Casinos Initiative. When it comes to casinos, or any other matters that might be affected by the establishment of casinos, the legislature's authority, as well as the executive authority to plan, approve, and disapprove will be altered or divested, and the will of the initiative drafters will be substituted for sound executive and legislative judgments.

the Limited Casinos initiative.

For example, in spite of the fact that some pari-mutuel facilities were located many years ago, in areas that today might be considered too sensitive for further development, no state agency will be able to prevent the creation of a casino "with" an existing pari-mutuel facility. Because the maximum size of many of the authorized facilities would be determined by the amendment, neither The Florida Cabinet, nor DEP, nor DCA, nor any local government could intervene to limit that size--no matter what the consequences. See e.g., Advisory Opinion--Restricts Laws Relating To Discrimination, 632 So.2d 1018, 1020 (finding a single subject violation based on encroachments on executive branch authority). To illustrate the impact the amendment would have on just the executive branch functions of land use, and environmental protection--which are of course elements of the basic executive function of executing the laws--consider the Florida Cabinet.

Article IV, section 4 of the Florida Constitution establishes the Florida Cabinet and provides that in addition to its enumerated duties the cabinet "shall exercise such powers and perform such duties as may be prescribed by law." Fla. Const. Art. IV, § 4(a). Pursuant to its power under Article IV, section 4, the legislature passed section 380.07(6), Florida Statutes. Under that statute, the Florida Cabinet sits as the Florida Land And Water Adjudicatory Commission and grants or denies permission to develop land and water, consistent with the requirements of

Chapter 380, Florida Statutes, the Florida Environmental Land and Water Management Act of 1972.¹¹

The potential questions that might arise, and that the Cabinet would be entitled to address, in connection with large scale casino development projects initiative are potentially limitless in number. Many, if not all, of these projects would be considered developments of regional impact if undertaken under current law. Review of any development of the size and scope contemplated in the amendment would be required if undertaken at a pari-mutuel facility, and probably would be required at any other casino type facility. § 380.0651(3)(b), Fla. Stat. (1993)(describing current guidelines and standards for requiring DRI review). It is also probable that the port facilities for any riverboat casino would be required to undergo DRI review. 380.0651(3)(b), Fla. Stat. In addition, the riverboat casinos would probably be required to obtain an approved lease of submerged land from the Cabinet sitting as the Board of Trustees of The Internal Improvement Trust Fund. See generally, Chapter 253, Florida Statutes (discussing the Cabinet's duties with regard to submerged lands).

The initiative authorizes many casinos with a gaming area of 75,000 square feet. To provide some basis for comparison the court may want to consider that the gaming areas of these casinos

¹¹ In addition to granting or denying permission to develop, under section 380.07(6), the cabinet may also condition or restrict its orders. Thus, the Cabinet's power to control the nature and extent of development projects is extensive.

alone are in the same range of size as many dog racing facilities.

The Orange Park Kennel Club is 100,000 square feet. The Sanford-Orlando Kennel Club is 77,000 square feet, and the Sarasota Kennel Club is 99,171 square feet. Melbourne Greyhound Park is 63,000 feet, the Pensacola Kennel Club is 48,504 square feet, and the Jefferson County Kennel Club is 84,500 square feet. Assuming additional supplemental space for food service, non-gambling entertainment, parking, etc., it is clear that the casino facilities authorized under the amendment would be very significant development projects. Under the amendment, many pari-mutuel facilities would need to double in size just to accommodate their new casino gaming areas.¹²

By determining that casinos should be authorized "the amendment implements a public policy decision of statewide significance and thus performs an essentially legislative function." Advisory Opinion--Save Our Everglades, 19 Fla. L. Weekly S276, S277. By permitting and authorizing casinos in particular locations the amendment performs, alters and affects the land use and environmental permitting functions of the Cabinet, DEP, and DCA--executive branch functions. "Where an initiative performs the functions of different branches of government, it clearly fails the functional test for the single

¹² Florida Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering, Pari-mutuel facilities, addresses, ownership, square footage and acreage (Attached as App. F).

subject limitation." Id. In this case the amendment performs both legislative and executive functions.

Since the legislature's power--granted under Article VI, section 4--to assign these responsibilities to the cabinet is usurped, the constitutionally assigned and traditional legislative function of allocating executive branch power is also affected. Finally, Article VI, section 4, of the Florida Constitution which provides that the Cabinet "shall exercise such powers and perform such duties as may be authorized by law" is itself affected, because the amendment would affect the legislature's future ability to determine that the cabinet should be engaged in these functions. Nowhere does the initiative identify Article VI as an affected constitutional provision. Unlike its predecessor which forbid amendments affecting different sections of the constitution, the single subject rule contained in our current constitution is not locational in nature. However, in order to give fair notice to the public the amendment must still identify the articles or sections it substantially effects. Fine, 448 So.2d 984, 989 (Fla. 1984)(finding that "an initiative proposal should identify the articles or sections of the constitution substantially affected").

- c. **Section 3 of the amendment impermissibly affects at least three different legislative functions.**

Besides its other provisions authorizing casinos and imposing ambiguous locational and size requirements on casinos,

section 3 of the proposed amendment "mandates" that several actions shall be taken by the legislature. Under just section 3 of the amendment, three discreet legislative functions would be affected. First, the legislature would be compelled to implement the amendment, presumably by passing additional legislation. Second, the legislature would be required to impose a tax on casinos. Third, the legislature would be required to create licenses for the casinos authorized by the amendment.

"Where a proposed amendment affects more than one government function it is clearly multi-subject." Evans, 457 So.2d 1351, 1354. This is true even though the functions "affected" may be confined to a single branch of government. Id. (noting that Fine found multiplicity because the proposed amendment affected several legislative functions). Because it imposes a tax, the amendment affects Article VII of the Constitution (Finance and Tax), in addition to amending Article X, section 7 (Lotteries). Creating legislation to implement a constitutional provision is obviously a legislative function and this court has previously found that the taxing function was separate from other functions of government. Fine, 448 So.2d 984 (taxation treated as a separate function of government where an amendment sought to restrict taxing power). In Advisory Opinion--Save Our Everglades, 19 Fla. L. Weekly S276, S277 (May 26, 1994) the Court noted that:

the initiative implements a public policy decision of statewide significance and thus performs an essentially legislative function. The initiative also imposes a levy . . . the exercise of these traditional

legislative functions is not even subject to the constitutional check of executive branch veto.

Id at S277.

Like the initiative in Advisory Opinion--Save Our Everglades, the initiative in this case would implement a public policy decision of statewide significance--authorization of casino gambling. It also imposes a levy, and like other initiatives this court has found in violation of the single subject rule it has a wide range of unstated collateral consequences for other governmental functions. Advisory Opinion--Restricts Laws Relating To Discrimination, 632 So.2d 1018, 1021 (finding single subject violation because both the summary and the text of the amendment omitted any mention of "the myriad of laws, rules, and regulations" affected.).

d. The Initiative Performs Legislative And Executive Functions By Authorizing And Compelling Negotiations For Casinos on Indian Reservations.

Under The Federal Indian Gaming Regulatory Act, "all State laws pertaining to the licensing, regulation, or prohibition of gambling . . . apply in indian territory to the same extent as such laws apply elsewhere in the State." 18 U.S.C. § 1166(a). However, "Indian tribes have the exclusive right to regulate gaming activity on indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a State which does not, as a matter of criminal law or public policy, prohibit such gaming activity." 25 U.S.C. § 2701(5).

Gambling under the Act is defined to include Class III

gaming, which includes casino gambling. Lac du Flambeau Band Of Lake Superior Chippewa Indians v. Wisconsin, 770 F.Supp. 480, 482 (W.D. Wis. 1991).

If a tribe adopts an ordinance or resolution authorizing casinos in accordance with the Act, then the State must negotiate to enter an agreement that will allow such gaming on indian lands, but only if the State allows casino gambling for any other purpose by any person, organization, or entity. See id. (citing 25 U.S.C. § 2710).

Because Florida prohibits casino gambling elsewhere in the State, it can continue to prohibit casino gambling on the indian lands within the state. However, if the proposed Limited Casinos amendment becomes law it would allow casino gambling by persons other than indians and at locations other than on indian lands. Thus, the State would be required to negotiate to allow casino gambling on indian lands. Chippewa Indians v. Wisconsin, 770 F.Supp. 480 (finding State of Wisconsin by amending constitution and changing laws so as not to prohibit Class III gaming, was required to negotiate for such gaming on indian lands). Thus, in clear violation of the single subject rule, the Limited Casinos amendment would perform an additional governmental function not mentioned in the proposed amendment--determining that casino gambling will be authorized on indian lands.

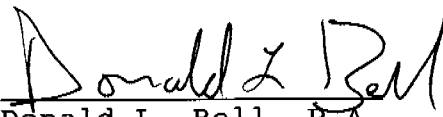
CONCLUSION

WHEREFORE, No Casinos, Inc., respectfully requests that the Court enter an order finding that for all of the foregoing reasons the Limited Casinos initiative violates the single subject rule of Article XI, section 3, Florida Constitution, and that the ballot title and summary are in violation of section 101.161, Florida Statutes.

Respectfully submitted this 6th day of July, 1994.



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APPENDIXES

**RIVERBOAT GAMING
ECONOMIC IMPACTS IN FLORIDA**

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November 1993

Economic Impact of Riverboat Gaming in Florida

1.0 Market Overview

1.1 General Description

Since 1991 riverboat gaming has grown in popularity and in profits throughout the Midwest and Gulf states. Riverboat gaming includes casino style gaming tables and slot machines. Popularity has been especially strong along the Mississippi River where historically steamboats and paddlewheel boats cruised from city to city. The interest in Riverboat Gaming stems from the shifting demand and spending patterns of the population. In general as the population ages, there is more disposable income available, more leisure time, and a desire for less strenuous but still exciting forms of entertainment. As more Americans have become exposed to gaming, the interest in and acceptance of gaming has increased markedly.

As the industry has grown competition has increased. Cities and boat owners are continuing to upgrade their boats and shoreside facilities. Expansion and new boat licensing is underway in six states, of which three states presently have licensed and active riverboats.

Local and state economic appeal of riverboat gaming comes from the taxes on operations, jobs created and tourism benefits. Taxes generally consist of an admission tax and win tax. Spin off effects result in increased tourism and local retail spending.

1.2 States with Riverboat Gaming

At present there are six states where riverboat gaming has been approved at the state level. These states are, Illinois, Indiana, Iowa, Louisiana, Mississippi and Missouri. Four have active and licensed riverboats while two have approved state legislation but are pending with local referendums or are in the local application process. The states with operating riverboats are, Mississippi, Illinois, and Iowa Louisiana. These states represent 24 active riverboats, with 11 in Mississippi, 9 in Illinois, 3 in Iowa and 1 in Louisiana. Missouri, and Indiana have legislation approved at the state level. Indiana will also require local referenda for local licenses. Of the two local votes held in November 1993, one has passed and one has failed. In addition, these states are in the process of reviewing applications for new riverboat licenses. Among all six states, over 90 new applications have been filed. While it is expected that not all applications will be approved and that some operators will be unable to complete their projects, we can expect a doubling of the number of operating riverboats within two years. While this has significant implications for boat owners and operators from a competitive standpoint, it suggests significant

revenue generating potential for state and local governments. It should be noted that Mississippi operations are essentially permanent dockside facilities, with unrestricted access and more hours for gaming per day. These facilities are more like land based casinos than real riverboats. As a result, the Mississippi experience is impressive in its revenue generation for state and local governments but, also has experienced more criticism with respect to gambling abuse and crime. The Florida model proposed is a true riverboat activity and therefore is more comparable to the Illinois experience than that of Mississippi.

1.3 State Performance Review

Illinois riverboats have been operating since September, 1991. The number of Operating boats along with Revenues and admissions have steadily increased in Illinois despite a national recession.

Illinois Statistics

Year	Number of Boats	Admissions	State Revenues
1991	2	309,143	2.6
1992	5	2,824,953	26.9
1993*	9	6,700,000	64.0

* 1993 estimated, all revenues in millions of dollars

Mississippi has 11 operating riverboats. Some of these have moved to the state from Iowa. These moves were prompted by increasing competition in Iowa and a loss limit of \$200 per gambler per cruise on Iowa boats which limits total boat revenue and profit. Growth in the Mississippi operations have been very rapid and revenues have been very strong.

The Mississippi market is different in some ways from the Iowa or Illinois markets in that all Mississippi boats are dockside and do not cruise. Passengers then may come and go as they please taking either 15 minutes to play or 10 hours. It is likely this increases revenue and overall traffic but it is hard to determine actual admissions since no admission tax is charged except in the Tunica market. Admission figures shown below then are extrapolations based on revenues and timing of boat openings.

Mississippi Statistics

Year	Number of Boats	Admissions	State Revenues
1992	5	1,050,000	12.6
1993*	11	9,500,000	52.0

* 1993 estimated, all revenues in millions of dollars

Iowa has three boats currently operating and two new boats pending which are likely to be open by year end, 1993. As mentioned earlier, Iowa has seen three boats relocate due to competition from Illinois and in-state operations, and due to loss limits. It is generally acknowledged that the \$200 loss limit per gambler per cruise limits the total win per boat on an annual basis. Because Iowa is having difficulty competing, there continue to be efforts at the state level to have the legislature eliminate the loss limit, though there is no immediate certainty this will be accomplished in the next year.

Iowa Statistics

Year	Number of Boats	Admissions	State Revenues
1991		2,023,310	NA
1992	3	2,746,460	13.2
1993*	3	2,955,222	NA

* 1993 estimated, all revenues in millions of dollars

Louisiana's first boat went into operation in early November 1993. A second boat is scheduled to open in December. A total of fifteen licenses have been granted in Louisiana and this is the maximum number allowed to operate in the state at present. It is expected that half a dozen boats will be open by March 1994 and that all fifteen will be operational within a year. Reliable statistics are not yet available on Louisiana riverboat performance.

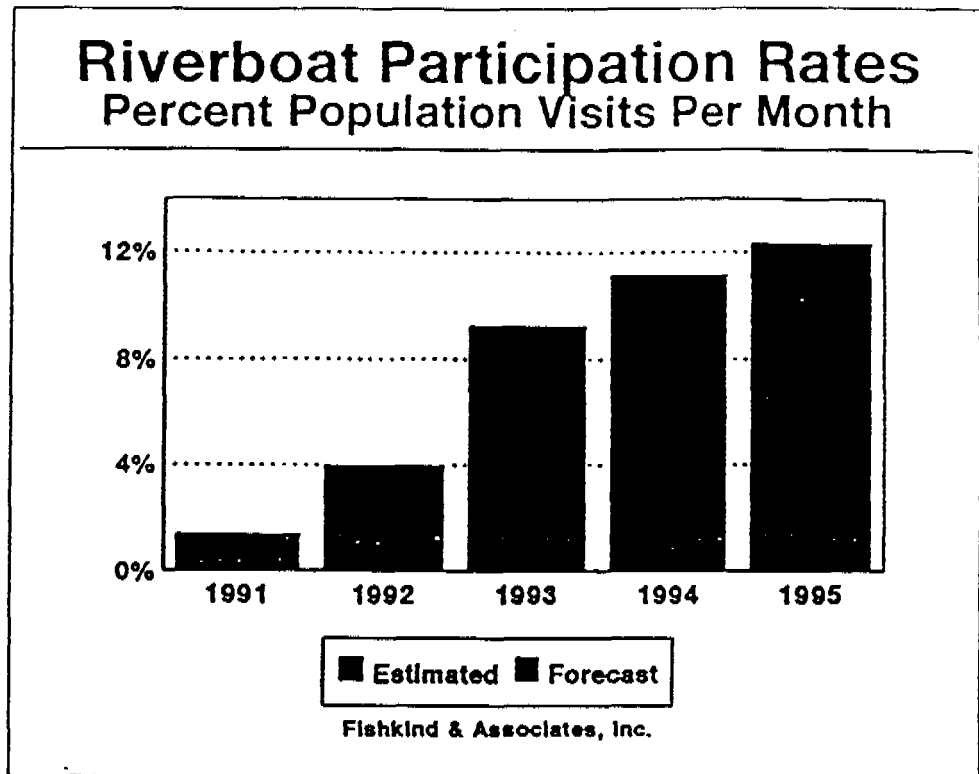
1.4 Participation Rate

The growth trajectory is steep for participation and admissions as a percent of population in the active states. Admissions as a percent of population has grown from 1.4% to 9.3% in the past three years among active states.

Looking toward the future, we can expect the current rate of participation to continue. The unanswered question however is, by how much might the future participation rate grow? Looking at Mississippi and Illinois to possible evidence of leveling we see none at present. Realistically however, as boats proliferate and the newness of riverboat gaming wears off, we can expect the growth in participation rates to slow sharply. Based on these considerations, we expect the overall participation rate to reach 12.4% by 1995.

Demographic trends and discussions with boat operators indicate that the middle age to elderly and those with greater disposable

income are more likely to participate in riverboat gaming. As the largest segment of the population ages, the baby boomers will become increasingly likely participants. This suggests that places like Florida, with its high rates of tourism and large numbers of elderly residents, likely will have high participation rates.



1.5 Conclusion for Expansion opportunity In Florida

Florida has numerous coastal population centers which offer significant resources capable of accommodating increased tourist activity. Riverboat gaming is well suited to Florida because of this concentration and coastal/water orientation of many of the markets. Many of these areas are also second home locations for wealthy retirees and so possess two important characteristics for riverboat gaming participants, 1) wealth and disposable income and 2) leisure time.

At present, adjacent neighboring states do not offer riverboat gaming. With riverboat gaming Florida's ability to attract out of state visitors for overnight visits would be increased or at least retained as more gulf coast states do offer riverboat gaming.

2.0 Potential Economic Impacts in Florida

2.1 Florida Market Size

At the estimated 1995 participation rate of 12.4% of the population (see section 2.1), Florida would generate 21 million admissions per year. In addition, Florida as a world class destination resort attracts nearly 40 million tourists per year. A ten percent capture rate of tourists would add an additional 4 million passenger trips per year. Finally, the higher proportion of retirees in the population suggests the 12.4% participation rate would likely be closer to 14%. Thus, the estimated 1995 market demand in Florida for riverboat gaming is over 28 million admissions annually.

2.2 Boat Characteristics and Supportable Number For Florida

The average boat size among the newer, active riverboats is approximately 30,000 square feet. This translates into a passenger capacity of 1,600 with approximately 1,250 gaming positions per boat. On an annual basis, assuming 55% average occupancy per cruise, the annual admissions per boat can be expected to reach 1.6 million passengers annually. Based on the passenger trip demand, from section 2.1 above, this translates into support for approximately 18 riverboats.

2.3 Direct Economic Impacts

The direct economic impacts stem from revenues, employment and income generated by the riverboat itself. These revenues are filtered through the economy and result in additional direct employment and earnings. The table "Economic Impacts of Florida Riverboats" provides details of the economic impact. The estimated direct economic impact in Florida from 18 operational riverboats is nearly \$2.7 billion per year. Indirect economic benefits are over \$200 million annually (see page 6).

Employment and incomes are based on actual data from Mississippi and Illinois, where the majority of operating riverboats are currently located. Win per admission data is based primarily on the Illinois experience which would be most comparable to Florida because of the cruise aspect of operations as compared to dockside operations. Mississippi wage data is the most complete currently available. It is our expectation that average Florida wages would be higher than the average wage in Mississippi. The table below indicates the relationship between average wages statewide in Florida and Mississippi, and estimated resulting Florida wage in 1995.

Mississippi-Florida Wage Differential

	1990 Average Wage	Wage Differential
Mississippi	17,718	
Florida	21,032	+18.7%

The average Mississippi riverboat wage is \$18,704, based on data obtained from the Mississippi Casino Operators Association. Applying the wage differential to the current Mississippi salary and inflating by 3% per year, we expect 1995 Florida riverboat wages to be \$23,554 annually.

Based on employment data, average employment per boat is approximately 850. After all boats are operational, this would generate 15,300 riverboat jobs plus nearly 37,300 additional jobs in related direct employment, plus 2,700 in on-site restaurant employment, resulting in approximately 55,200 jobs in total.

2.4 Tourism and Indirect Economic Impacts

The indirect impact from visitors and riverboats to area hotels and restaurants, etc. is significant. Riverboat gaming likely will be an important aspect of Florida's tourism industry retention efforts. This is because as riverboats proliferate, there will be less need to travel to other locations for riverboat gaming. It will become increasingly likely that riverboat patrons will be local area residents or tourists already destined for Florida. For tourists who wish to make riverboat gaming an important component of their vacation, Florida will lose tourism and tourist market share if the state does not provide this activity when many other states do. Places like Las Vegas, Virginia, the Caribbean and eventually Cuba are the up and coming competitors. New casinos, new theme parks and new attractions at these locations may soon offer vacation options, activities and facilities that Florida does not. Gaming in Florida also may provide in-state vacation opportunities to Floridians who otherwise might be encouraged or lured out of state for their vacations.

There will be positive indirect economic impacts from additional nights stayed by tourists or overnight stays from state or local residents. A February 1993 report to the City of Mobile Alabama conducted by the city's Gaming Task Force provides insight as to the level of additional overnight tourism that can be expected from riverboat gaming.

The Mobile study analyzed data provided by Iowa's Quad Cities Convention & Visitors Bureau and the Iowa Racing & Gaming Commission. This data indicates that an additional 327,000 roomnights directly attributable to riverboats were generated in the Quad City Area, in the first year of riverboat operations. Based on

estimates of visitor growth and gaming attendance this translates into one additional roomnight for every five riverboat admissions.

In Florida, our view is that the roomnights generated per admission will be less than those generated in the first year of operations in Iowa. The reasons for this view are 1) total visitors to the Quad Cities Area declined slightly in the second year of riverboat operations and 2) by the time Florida offers riverboat gaming many other states will have similar facilities making single purpose trips less likely. Our roomnight estimates are 1 roomnight for every ten admissions. This is substantially more conservative than the roomnight generation rate cited by Iowa and Mobile. Our expectation is that 2.9 million additional roomnights will be generated as a result of riverboat gaming.

Even at these conservative estimate levels, indirect economic impacts generated are \$205.3 million annually. This represents 7,700 jobs, in addition to the 55,200 directly related jobs expected.

2.5 Boat and Shoreside Investment

Construction costs of riverboats are from \$10 million to \$15 million on average, at present. Eighteen riverboats put in operation in Florida would yield a minimum \$200 million dollar initial impact resulting from construction, assuming most work would be done in Florida.

In the majority of locations substantial shoreside investments have also taken place to support the riverboat dockage, visitor parking, restaurant and hotel needs. These investments have varied from as low as \$500,000 in earlier years to \$40 million in local shoreside revitalization and new construction. Recent shoreside expenditures have been over \$10 million per riverboat project. These investments have been taking place because of the need for local hotels and surrounding resort attractions. We can expect similar investments in shoreside facilities at each Florida location where riverboats might be located. Construction estimates for additional hotels excluding land, shown in the table on Indirect Economic Impacts, reach nearly \$70 million.

3.0 State and Local Revenue Potential from Taxes

Revenues from taxes will be examined more fully in the fiscal impact analysis where all government revenues from riverboat gaming will be netted against government costs resulting from the activity. For market analysis purposes however it is useful to know to what levels states are currently imposing taxes, how are these taxes being imposed, and what is the approximate tax impact on the proposed Florida industry. Generally speaking, states have been administering collections either through their bureaus of revenue and tax collections or through the state gaming commissions.

3.1 State and Local Tax Rates

In each of the states where riverboat gaming is held the state and local authorities have imposed taxes and fees. Taxes are imposed on the "adjusted gross win" of boats. This amount is the revenue the boat receives from gaming proceeds, adjusted for win monies returned to gamblers. Generally, these win tax rates vary from 12% to 20% among active states. The proposed Florida rate is 18%. Win tax revenues are distributed to state general funds and agencies involved in administration, revenue collection and enforcement. Some of the state win taxes are also returned to local area governments. In addition to the "win" tax, most governments impose an admissions fee or "head tax". Head tax rates vary from locality to locality and are generally in the range of \$1.00 to \$3.00 per head. The table below indicates the win tax rates currently in effect in each state. Local governments may charge varying rates within states and so figures may vary from city to city within states as compared to head tax rates shown below. The head tax rates shown below are based on discussion with local and state officials in each of the locations listed. These local revenues are often used to operate associated non-profit development or charitable organizations in the riverfront area, or are contributed directly to the local government general fund.

Win Tax Rates

	Total
Illinois	20.0%
Indiana	20.0%
Iowa	20.0%
Louisiana	18.5%
Mississippi	12.0%
Missouri	20.0%

Head Tax Rates

	Total
Illinois	\$2.00
Indiana	\$3.00
Iowa	\$1.00-\$1.50
Louisiana	\$2.50
Mississippi	\$0-\$1.50
Missouri	\$2.00

3.2 Gaming Revenues and Direct Taxes

Gaming revenue can be measured per admission or per gaming position. In Illinois revenue is measured on a per admission basis. Over the past three years, the revenue per admission has been between \$50 and \$60 dollars. In Iowa, which has a \$5 maximum per bet and a limit on the maximum allowable loss per cruise of \$200, the win per admission has been stable at approximately \$30 since 1991.

Given the assumptions of 28.7 million admissions as described in section 2.2, total gaming revenue in the State of Florida is estimated at \$1.6 billion. At 18% tax rate on win, this would result in annual revenues to the State of Florida of \$291 million and at \$2.00 per head, head tax revenues of an additional \$57 million.

In addition to direct gaming tax revenues and head tax revenues there are additional taxes that will be collected through tourist development taxes, retail sales taxes, ad valorem taxes and gasoline taxes. In the summary table on Economic and Tax Revenue Impacts the total tax revenues expected are presented. Direct annual revenues from gaming and head taxes are anticipated to reach \$348 million. Revenues from additional taxes are expected to reach \$23 million annually plus one time construction sales taxes of \$11 million. The combined annual tax revenues expected are \$370.6 million.

4.0 Conclusion

The market and economic analysis has demonstrated large potential in Florida. The market is estimated to be supportive of 18 riverboats with annual passenger admissions of 28.5 million. The direct and indirect economic impacts are estimated at \$3.0 billion. Total direct and indirect employment is anticipated to reach 62,900 jobs. In today's economy this would lower Florida's unemployment rate from 6.8 percent to 5.9 percent, nearly one full percentage point statewide.

Forthcoming sections of this report will discuss the costs and impacts to state and local government in greater detail.

Direct Economic Impacts of Florida Riverboats

Number of Boats	18
Passenger capacity per boat	1,600
Casino Area sf/boat	30,000
Construction cost per boat	\$15,000,000
Number of trips per day	5
Time on each trip, hours	3
Average passenger/capacity ratio	55.0%
Number of passengers per trip	880
Percent of Passengers gambling	85.0%
Admission price per person	\$5
Expenditure on food bev and misc. per person	\$5
Head tax per person	\$2
Net gaming expenditure per admission per trip	\$56
Number of operating days per boat per year	360
Employment per boat	850
Average wage per employee	\$23,554
 Calculations from Assumptions:	
Total Passenger trips per year	28,512,000
Total Gamblers per Year	24,235,200
Revenue from boarding fees	\$142,560,000
Total head tax revenue per year	\$57,024,000
Win Per Boat Per Year	\$89,678,571
Win For All Boats Per Year	\$1,614,214,286
Gaming Proceeds Tax per Boat Trip	\$8,968
Gaming Proceeds Tax Per Year @ 18.00%	\$290,558,571
<u>Direct Economic Impacts</u>	<u>\$2,678,873,449</u>
Win and Admission Revenue from Riverboat Operations Less Tax	\$1,409,191,714
Direct Effect Revenues Multiplier	\$1,269,681,735
<u>Direct Earnings</u>	<u>\$831,564,031</u>
Earnings	\$360,376,758
Direct Effect Earnings Multiplier	\$471,187,272
<u>Direct Employment</u>	<u>52,563</u>
Employment (Includes Food & Beverage Employment)	15,300
Direct Effect Employment Multiplier	37,263
<u>Expenditures For On-Board Food & Beverage</u>	<u>\$71,280,000</u>
Direct Effect Earnings Multiplier For Food & Beverage related Jobs	\$42,062,328
Direct Effect Employment Multiplier For Food & Beverage related Jobs	2.659
Local Sales Tax	\$1,069,200
State Sales Tax	\$3,207,600

Tourism and Indirect Economic Impacts of Florida Riverboats

Expenditures of New Tourists:

Number of New Tourist Roomnights	2,851,200
Amount spent per party per trip - hotel	\$35
Amount spent per party per trip - restaurant	\$20
Amount spent per party per trip - Misc./Ent.	\$7
Amount spent per party in retail stores	\$6
Amount spent per party on gasoline	\$4

<u>Construction Expenditures For New Hotel Rooms</u>	<u>\$78,115,068</u>
Income Generated by Hotel Construction	\$46,095,702
One-Time Employment Generated	2,914

Total Expenditures and Income & Employment Generated

Hotels & Motels: Total Amount Spent	\$99,792,000
Total Income Generated	\$58,887,259
Total Employment Generated	3,722
Restaurants Total Amount Spent	\$57,024,000
Total Income Generated	\$33,649,862
Total Employment Generated	2,127
Entertainment Total Amount Spent	\$19,958,400
Total Income Generated	\$11,777,452
Total Employment Generated	744
Retail Sales Total Amount Spent	\$17,107,200
Total Income Generated	\$10,094,959
Total Employment Generated	638
Gasoline Sales Total Amount Spent	\$11,404,800
Total Income Generated	\$6,729,972
Total Employment Generated	425

<u>Annual Indirect Economic Impact in Region</u>	<u>\$205,286,400</u>
Income Generated	\$121,139,505
Employment Generated	7,657

Summary of Economic and Tax Revenue Impacts

<u>Direct Economic Impacts</u>	\$2,678,873,449
Direct Earnings	\$831,564,031
Direct Employment	52,563
 <u>Expenditures For On-Board Food & Beverage</u>	 \$71,280,000
Direct Effect Earnings Multiplier For Food & Beverage related Jobs	\$42,062,328
Food & Beverage Related Jobs	2,659
 <u>Indirect Economic Impacts</u>	 \$205,286,400
Income Generated	\$121,139,505
Indirect Employment Generated	7,657
 <u>One Time Economic Impact From Hotel Construction</u>	 \$78,115,068
Income Generated	\$46,095,702
Employment Generated	\$2,914
<i>Total Annual Economic Impact</i>	<i>\$2,955,439,849</i>
<i>Total Annual Income Impact</i>	<i>\$994,765,863</i>
<i>Total Ongoing Employment</i>	<i>62,879</i>
<u>Gaming Proceeds Tax Per Year @</u>	18.0% <u>290,558,571</u>
 <u>Total head tax revenue per year</u>	 <u>\$57,024,000</u>
 <u>Local Tax Revenue</u>	 <u>\$10,483,621</u>
Hotel Motel tax Revenue (@ 3%)	\$2,993,760
Sales Tax Revenue @1.5%	\$3,977,424
Property Tax Revenues	\$2,812,142
Gasoline Taxes	\$700,295
 <u>State Tax Revenue</u>	 <u>\$12,512,440</u>
Sales Tax Revenue @4.5%	\$11,932,272
License/Permit fees for Boats & employees	\$180,000
Gasoline Taxes	\$400,168
 <u>One Time Revenue Impact From Hotel Construction</u>	 <u>\$10,936,110</u>
Local Sales Tax Revenue	\$781,151
State Sales Tax Revenue	\$10,154,959
<i>Total Riverboat Tax Revenue (wagering and head tax)</i>	<i>\$347,582,571</i>
<i>Total Additional Tax Revenue (hotel, sales, gasoline, etc.)</i>	<i>\$22,996,062</i>
<i>ALL REVENUES</i>	<i>\$370,578,633</i>

Ethical and Policy Considerations in the Spread
of Commercial Gambling

by

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INTRODUCTION

By the 1990s in the United States, Canada, the European Community, Australia and New Zealand, there had emerged a substantial increase in the legal and social acceptance of commercial gambling. Gaming industries had become increasingly sophisticated and legitimate to reflect this reality. From a consumer's perspective, gambling had transformed itself over the last thirty years from an inappropriate 'sinful' endeavor to a mainstream participatory activity. Furthermore, as acceptability had increased, various special interests, ranging from charities to churches to private enterprises to government agencies, lobbied for the right to offer commercial gaming services to the general public so as to capture the resultant economic benefits, often for some higher purpose than merely their own self-interest.

But in spite of its increased presence and acceptance, gambling remained quite controversial as an activity and a commercial enterprise. Attempts to bring about its expansion or to change the existing institutional structures that offer gambling services would often encounter vociferous opposition. Furthermore, commercial gaming industries would still come under question on legitimacy grounds. They would often be stigmatized by old perceptions such as ties to organized crime, association with political corruption or links to moral decay. Clearly, some of these perceptions had valid historic roots, though many were based on exaggeration or had become outdated by changing legal or institutional factors. Yet, there were enough vestiges of the past surrounding commercial gaming to keep members of the interested general public wondering about the actual level of integrity - or lack of it - associated with commercial gaming industries and their regulators on one hand, and the possible negative social effects of widespread gambling on the other. Furthermore, there had been considerable variation in experience among jurisdictions that allowed commercial gaming. In some, the issues of corruption, social damage, and adverse impacts were perceived as considerably more severe than in others.

But for the most part, public policy attitudes towards gambling throughout the industrialized world had shifted from viewing gambling as a vice to seeing it as an opportunity to be exploited. This is perhaps the main reason why there was, and continues to be, such a strong trend toward legalization of new forms of commercial gaming and the relaxation of constraints on existing commercial gaming activities over the past decade. Based on the events leading up to the mid-1990s, these trends promise to continue and perhaps even accelerate by the turn of the twenty-first century.

ETHICAL AND POLICY ISSUES IN JURISDICTIONS THROUGHOUT THE WORLD

As possibilities for legal commercial gambling have arisen in various countries through legislative or other processes, policy-makers have had to weigh a variety of economic, moral and social considerations. The economic impacts of introducing commercial gaming industries are generally tangible, quantifiable and perceived as positive, whereas moral issues and social impacts linked to gambling are usually intangible, difficult to measure and on balance considered to be negative. However, when gambling is moved from the list of prohibited activities into legal status with specified criteria for eligibility for gambling suppliers and particular rules as to how gambling services can be offered, substantial potential economic rents often arise. Allocation of such economic rents then becomes an integral part of the public policy process, though allocation of the social costs is usually ignored.

Generally speaking, the latent demand among the general public to participate in gambling activities emerges when gambling moves from illegal to legal status. Revenues generated by legal gambling typically far exceed the volume of illegal or social gambling that such legalization might have displaced. Furthermore, since the guidelines by which commercial gambling can be operated and controlled are created by a political process, the allocation of economic rents to 'deserving' parties also becomes part of the deliberation.

The fact that there is a strong latent demand for gambling - that, given the option, many people will choose to gamble - has not by itself been a sufficient reason for moving from prohibition to legalization. In order to be politically acceptable, the legalization of gambling must be linked to one or more 'higher purposes' that can receive a portion of the created economic rents and overcome the arguments against gambling. Such higher purposes can be grouped into tax benefits, investment stimuli, job creation, regional economic development or redevelopment, and revenue enhancement for deserving interests.

Thus, for example, lotteries have been introduced for the express purpose of enhancing government revenues. Casinos have been legalized in hopes of stimulating local and regional economies, and revitalizing or bolstering existing tourist industries. Charities have been authorized to sponsor a variety of gambling activities - such as bingo, pull-tab tickets or 'Las Vegas nights' - because the revenues extracted from gambling's excess rents allows the organizations to better fulfill their charitable objectives. Indian gaming in America and Canada has received political support because of its ability to provide economic development opportunities and wealth for otherwise impoverished Indian tribes and bands.

But seldom does gambling become legal without a public debate on both its merits and its costs. The traditional arguments against gambling are threefold:

1. Gambling is immoral and works against family and social values that directly link reward to hard work. Such values require the head of household to contribute income for the well-being of the family unit rather than squander it on vices. They also encourage activities that lead to self-improvement rather than the wasting of time;
2. Gambling is inseparable from law-breaking, political corruption, and infiltration by organized crime. This is because it preys on the weaknesses of individuals for whom gambling leads to irresponsibility. Law-breaking will take place even with legal gambling because the need for gambling money will lead some to theft or embezzlement, to deal with 'loan sharks', or to pursue other illegal means to stay 'in the action'. Political corruption will take place as long as society establishes rules to legally constrain gambling or prohibit certain types of gambling, and public officials have the ability to thwart such constraints or prohibitions by 'looking the other way' or removing them in return for bribes or other considerations. Organized crime can enter any vacuum created by an activity linked to gambling which is popular but officially prohibited. Such activities are placed outside the reach of normal contract law and can therefore be exploited through a 'black market' in such a manner as to meet demand; and
3. Gambling can lead to personal and family tragedies from compulsive or pathological gambling behavior. Some individuals who are unable to control their gambling behavior will financially ruin themselves and their families as a result of gambling. Alternatively, irresponsible gambling will lead to greater personal and financial stress on the individual and his or her family, and may manifest itself through greater degrees of family problems in the form of erosion of trust and communication, increased spousal or child abuse, or a higher incidence of family disintegration.

In public debate concerning gambling legalization, policy makers must evaluate the strength of these arguments in light of the consequences of keeping gambling in a prohibited state, even though there is no guarantee that illegal gambling will truly be prohibited, in comparison to circumstances where gambling will be legally sanctioned but constrained through a variety of regulatory or statutory options.

The general objections to legal gambling have weakened during the second half of the twentieth century. Moral arguments, which in the past had been most strongly put forward by churches and government bodies, have suffered partly because of the diminishing authority such institutions presently carry in comparison to

previous times, and partly because many churches and governments have themselves become actively involved - through charitable gambling, church bingo and lotteries - in the delivery of gambling services. Furthermore, in comparison to previous generations, the attitudes of the general public do not rank gambling as much of an immoral activity in the 1990s.¹

Political corruption and organized crime concerns are likely to emerge in an environment where gambling is either prohibited or highly constrained but where public officials have some discretion as to whether they will enforce the law. As legal commercial gaming has become more legitimate and established, and as regulatory bodies have become more professional and sophisticated, the opportunities for corruption and for organized crime infiltration into gambling operations have diminished.

The issue of compulsive or pathological gambling is complex. There are really two related issues that emerge: first, how prevalent is the incidence of compulsive gambling, especially when society changes the legal status of gambling; and second, what strategies will be most effective in shaping policies that deal with the consequences of compulsive gambling, whether or not it is legal. The issue of incidence involves both the question of definition - what constitutes being a 'compulsive gambler' - and measurement - the number of compulsive gamblers in jurisdictions with different degrees of access to legal or illegal gambling opportunities. Though still an area that needs considerable refinement, studies that have been completed in the United States and elsewhere indicate an incidence of compulsive gambling of between one percent and five percent of the adult population.² Furthermore, greater access to legal gambling seems to lead to a greater incidence of compulsive gambling.

On the question of appropriate public policy, some comparisons can be made regarding societal treatment of gambling and other 'morally suspect' activities. On one hand, with gambling, there has been a trend toward allowing people to have greater control over their choice of activities and to be more responsible for the consequences for their actions. But this principle has not been applied uniformly over the so-called 'vices', such as alcohol, tobacco, illicit drug use, prostitution and pornography. These vices, along with gambling, have similar economic and social characteristics: strong demand for consumption of the activity from select segments of the population, an acknowledgement that the activity must be constrained to some extent to control its negative social consequences, and a history of changing social and legal tolerance and acceptance. With some activities - such as illicit drugs - there has been a strong drive to prohibit both use and sale, accompanied by severe penalties for violations of legal sanctions. With other activities - such as tobacco smoking - there has been an increase in restrictions on both users and producers, partly to protect the potential smoker against being 'seduced' into

smoking (thus prohibitions against certain types of marketing) and to protect non-smokers from the health and aesthetic costs of having to share space with smokers (leading to the creation of 'smoking prohibited' spaces). In some cases, the response has been with stiffer penalties on those who abuse the activity - as with more severe penalties for drunken driving violations - or selective non-enforcement of the law in certain geographic areas, as with street prostitution.

Compulsive gambling has been variously interpreted to indicate that the individual has little or no control over his or her actions while gambling, and therefore cannot be held responsible for the consequences.³ Because of this, it has been difficult to ascribe guilt or responsibility to the adverse consequences that arise from compulsive gambling. To prohibit gambling penalizes the majority for the weaknesses regarding gambling behavior inherent in a distinct minority. To allow gambling but require commercial gaming industries to absorb the costs and consequences of compulsive gambling places an undue burden of identification and policing upon suppliers of gaming services. To hold the individual fully responsible for actions done as a result of gambling raises the specter of diminished capacity. Thus, government is often expected to mitigate the severity of compulsive gambling through appropriate regulatory and operational constraints both on operators and gamblers.

If legal gaming industries already exist when a jurisdiction is considering introducing new forms of commercial gambling, the economic trade-offs can become more difficult and the moral and social costs more ambiguous. For example, pari-mutuel wagering associated with thoroughbred racing has had a considerably longer legal status than most other forms of gambling in many countries. However, when other forms of commercial gaming are introduced, pari-mutuel wagering often suffers from the new competition.⁴ Thus, as a result of the economic threat, racing lobbies often become formidable opponents to the introduction of new forms of legal gambling in their jurisdictions, but instead of couching their arguments on the adverse economic impacts, they often revert to moral or social arguments which criticize gambling in general.

When this occurs, existing legal gaming industries often find themselves in the company of organizations who oppose gambling for more idealistic grounds: church groups who are morally opposed to gambling and its impact on values and the family; law enforcement agencies who are concerned about the potential for criminal spillovers; and social services organizations, who see gambling as a disruptive factor for a class of people whose lives are already somewhat tenuous. However, the general effectiveness of such campaigns in opposition to gambling have weakened in recent years in the face of apparently successful and acceptable new forms of legal gambling.

Moral and social considerations are difficult to identify and evaluate in the legislative process. Whereas economic impacts are tangible and quantifiable - in the form of jobs, payrolls, tax revenues, and new investments - negative social impacts are usually qualitative and intangible - such as increased financial distress within families, a greater incidence of spousal and family abuse, and a higher propensity for embezzlements and petty theft. Because of the historic prohibitions against gambling, there are concerns about what widespread gambling might do to if unleashed on a previously unexposed public. Because there has been so little experience with easily accessible commercial gaming in the past, introducing gambling rapidly and openly carries with it many risks of the unknown - of what might go wrong in society as a bi-product of a cornucopia of available gambling opportunities.

Yet, even when a jurisdiction makes the commitment to legalize a form of gambling for whatever 'higher purpose', there is usually enough lingering doubt concerning the wisdom of such an act as to induce policy makers to saddle the new industries with a variety of regulations and constraints that will hopefully mitigate the potential for social damage, or protect existing economic interests. Such regulations might be directed at protecting consumers of gambling from their own folly, such as with prohibitions against the granting of credit for gambling purposes, maximum wager size limitations or maximum loss limits. They may take the form of restrictions on the ability of the gaming industry to promote itself, as with prohibitions on advertising or solicitations. They might restrict the access to or ambience of the gambling activity, as with geographic constraints, entrance fees or dress code requirements, mandated closing hours, or prohibitions against alcohol or live entertainment. Or they might protect the existing competing gaming or non-gaming industries by limiting the areas in which newly legalized gaming operations might compete.

Such restrictions are usually above and beyond the 'fundamental' objectives of regulation, which are: to protect the integrity of the games and wagers by regulating against cheating and fraud; to protect the integrity of tax collections by requiring acceptable accounting standards and practices; and to protect the general integrity of the gaming industry by establishing procedures to guard against infiltration by undesirable into ownership and management positions in gaming operations.

In summary, though many legislative bodies have chosen to allow commercial gambling to become a legal presence within their jurisdictions, there remains enough lingering doubt about negative side-effects that such authorization is often accompanied by a wide array of restrictions and regulations to limit the overall negative impacts that might arise. Yet when placed within the context of increasing presence of commercial gaming activities, such restraints might later be analyzed more in terms of their adverse

competitive impacts. This creates the dynamic that will likely influence the future policy debates among decision makers for how best to allow commercial gaming to exist within the social framework.

Thus, a common theme that emerges among industrialized countries is the struggle to answer the following broad questions. If commercial gambling is going to be authorized:

- who should be allowed to capture the economic rents associated with supplying gambling services;
- how should the general public be protected against their own potential weaknesses when confronted with the opportunity to gamble; and
- how should the interests of other presently legal industries, whether involved with gambling at present or not, be protected against the adverse competitive pressures that could arise?

The following discussion looks specifically at the experience in the United States in trying to provide some insight into these issues.

COMMERCIAL GAMING AND THE LEGALIZATION PROCESS: THE U.S. EXPERIENCE

From the mid-1960s to the 1990s, the proliferation of gambling took place in a variety of ways in different countries throughout the world. Yet important common patterns emerge, and many of these are reflected by the experience of jurisdictions in the United States.

Legalization of commercial gaming in the United States has tended to be directed at specific objectives, which primarily have been economic in nature. There are four main commercial gaming industries in America that have emerged in the second half of the twentieth century: lotteries, casino-style gambling, pari-mutuel wagering, and charitable gambling. Each will be discussed in the context of the challenges pointed out above, and with regard for the policy alternatives that have presented themselves.

LOTTERIES

Lotteries, which were outlawed in all the United States by the end of the 19th century because of widespread fraud and corruption, were reintroduced into New Hampshire in 1964. The first twentieth century lottery was authorized primarily for tax revenue generation purposes, serving as a form of 'voluntary' taxation that would be paid for largely by residents of other states. This lottery model was copied and improved upon by neighboring states so that, by the

1990s, lotteries had spread throughout the country.

In terms of understanding why modern lotteries came back to America, it is useful to note their initial organizational and market structure characteristics.⁵ Lotteries were created by state legislatures as government-owned monopolies whose explicit purpose was to generate revenues for state government. This would allow states to avoid having to increase other taxes. Advocating traditional tax increases had become politically unpopular in the United States, especially by the 1970s. With a monopoly on lottery gambling, the states could charge monopoly prices and extract monopoly rents, which they typically did. Of every dollar spent on lottery products, fifty percent would usually be retained by the lottery and the other fifty percent would be paid back to lottery winners as prizes.

Once one or more states were successful in operating lotteries in a region, pressure increased for non-lottery states, especially those adjacent to lottery states, to jump on the bandwagon. Where introduced, lotteries were proving popular as a 'harmless' form of gambling. In States without a lottery, citizens would often cross borders to purchase lottery tickets. These situations eroded the arguments in opposition of lotteries.

By 1992, lotteries had spread to over thirty-four states encompassing more than eighty percent of America's population. Gross sales before payment of prizes for lotteries in 1991 exceeded \$20 billion. Furthermore, many of the remaining non-lottery states were under increasing pressure to authorize their own lotteries.

Lotteries have had the general effect in the United States of sanitizing and popularizing commercial gaming in the minds of the general public. State lotteries have introduced more Americans to commercial gaming than has any other form of gambling. Lottery-style gambling, as run by the government, has also been economically successful and free of scandal, and because of that, many of the older images linked to other forms of gambling, such as corruption, nefarious characters, rigged games, and destroyed lives, were revised in light of the relatively clean image of lotteries.

But lotteries have not been free of controversy. There are various intriguing and difficult policy issues that have emerged with American style lotteries. First on the list is the question of whether the government should even be in the lottery business. Lotteries in the United States are big business, but there is enough lingering sentiment about gambling being morally suspect that a case can be made over whether the government is best serving its citizenry by acting as a supplier of gambling services. It is one thing to authorize an activity and then regulate it in the public interest. It is quite another to establish a legal monopoly, and then exploit that monopoly for revenue purposes

without an obvious system of regulatory checks and balances.⁶

A second and related controversial issue regarding lotteries is whether government should be using sophisticated marketing techniques to increase lottery sales. Lotteries in America are sold with the same verve and effectiveness as are soaps, beer, and other consumer commodities. Furthermore, there is little doubt that lottery sales are strongly influenced by marketing efforts. However, because of the morally ambiguous view toward gambling that is held in some quarters, it is legitimate to pose the question as to whether the lottery is indeed a product that should be sold with the same techniques that are so effective with other consumer goods.

A third concern that lotteries raise is whether governments should be concerned that lottery sales are disproportionate among society's have-nots. Lottery Commissions, because they are political bodies, have always been sensitive to the issue that government revenues raised through lotteries are effectively regressive taxes.⁷ People who buy lottery tickets come disproportionately from lower income groups, disadvantaged groups, ethnic groups, the elderly, the unemployed and the gullible. Furthermore, as competition for discretionary income gets stronger and niche marketing becomes more finely tuned, it is likely that these groups are where new market growth for lottery products will most effectively be developed. To the extent lotteries are, by their essence, a tax - indeed, some observers have called them 'a tax on the stupid' - if a greater proportion of income from lower income groups is spent on lotteries, then lotteries represent a regressive form of taxation.

Probably the most intriguing question for lotteries in the future is whether lotteries should expand by introducing forms of gambling that are traditionally not lottery products. Perhaps the best illustration of this is video lottery terminals, or VLTs.⁸ VLTs were introduced by the South Dakota Lottery in 1989, and by the Oregon, Louisiana and West Virginia lotteries in 1992. As revenue generators, the VLTs have been quite successful in their first few years of operation. In South Dakota, for example, there were about 6,000 units placed in age restricted outlets such as bars and taverns throughout the sparsely populated state by 1992, and the gross winnings of all VLTs amounted to \$150 million, or about \$200 per capita. Such performance is quite strong in comparison to traditional lottery sales in the United States.

This experience is occurring at a time when Lottery Commissions in many states are finding the sales growth of traditional lottery products flattening or declining. As a result, there is considerable political pressure on Lottery Commissions to find new ways to expand lottery sales. Many lotteries are considering introducing gambling activities that traditionally have not been viewed as lottery games but rather as casino games, such as VLTs or

Keno, or heretofore illegal forms of gambling, such as sports pool wagering. As such, lotteries are becoming more exciting, more interesting, and potentially more addictive and damaging to society at large. Furthermore, as states and provinces confront record budget deficits in the 1990s, pressure for better revenue performance by lotteries will likely continue consideration of this type of product development.

When lotteries were established in the various states, casino-style gaming was uniformly illegal in every one of them. Furthermore, when lotteries were authorized, the kind of gambling envisioned within the lottery legislation was usually far more passive and uninteresting than interactive casino-style gambling. Aside from the legal issue of whether lottery laws can be used to authorize casino-style gambling under the aegis of the lottery, there is a broader ethical question of whether statutes prohibiting casino-style gambling should be invalidated by administrative action of a Lottery Commission. In total, the conflicts inherent in these issues pose intriguing questions about lotteries that are far from being resolved.

CASINOS

The second major commercial gaming industry in the United States in terms of gross gaming revenues is casino gaming. Since 1988, many American jurisdictions have begun the process of determining how the economic opportunities that casinos promise can best be exploited. Until the mid-1970s, Nevada was the only state in the United States that allowed ongoing casino operations. In 1976, New Jersey voters authorized the development of a casino industry in Atlantic City which has since grown in terms of gross gaming revenues to nearly the size of Las Vegas' casino industry. However, all other attempts to bring casino gaming to the United States between 1976 and 1988 failed.

However, beginning in the fall of 1988, three important events occurred that began a process of rapid change in the presence of casino gambling in the United States: a statewide ballot issue in South Dakota approving limited stakes casino gaming in the small mining community of Deadwood; passage by Congress of the Indian Gaming Regulatory Act of 1988; and legislative approval of riverboat gambling in Iowa in early 1989. Since then, the presence of casino-style gambling in America has exploded, with a wide variety of new forms of casino gaming appearing in various jurisdictions.

There have been distinct patterns which have emerged from these consequential events. Both the South Dakota and Iowa authorizations began with the implicit premise that those forms of casino gaming were relatively benign and controllable in terms of their possible negative social side effects. The South Dakota

referendum, for example, limited the maximum wager size to \$5 and kept casino operations small by allowing no more than thirty table games or gaming devices per casino license. Furthermore, the remoteness of Deadwood would minimize social problems that might be associated with casino gaming.

In Iowa, casino gaming was restricted to riverboats along major waterways only. Admissions fees would be charged to gain entrance onto the riverboats, wagers in excess of \$5 were not permitted, and players were limited to a maximum loss of \$200 per riverboat excursion. Furthermore, the state of Iowa earmarked three percent of gross gaming revenues for problem gambling treatment programs in the state.

Both South Dakota and Iowa began casino gaming with the belief that the economic benefits which casino gaming would create would be within the scale of what the affected communities could utilize. Both states devised constraints that would limit casino gaming's appeal to out-of-state or major corporate interests. And Iowa established funding mechanisms to mitigate whatever damage might occur as a result of casino gaming.

Though they did not realize it at the time, South Dakota and Iowa established models for other states to follow suit with variations of mining town casino gaming and riverboat casino gaming respectively. The pattern that emerged was for new jurisdictions to copy the legislation of their predecessors, but to be slightly less restrictive in the regulations governing their new casino industry. Thus, when Illinois authorized riverboat gambling in 1990, they allowed credit and did not incorporate maximum wager limits or loss per excursion limits. When Mississippi legalized riverboat casinos in 1990, they allowed 'dockside' casino operations, which implied not only that riverboats with casinos did not have to sail on the river; such casino facilities did not even have to be boats as long as they were built over the water. Missouri's 1992 referendum authorizing riverboat casinos also allows boats in some locations to remain dockside. When the voters of Colorado approved small stakes casino gaming for three Rocky Mountain mining towns in 1990 based on South Dakota's approach, they did not restrict the size of the gaming operations to any pre-set number of games or devices.

Indian gaming has had a different set of political consequences. The Indian Gaming Regulatory Act was passed in response to a Supreme Court decision in 1987, *Cabazon v. the State of California*.¹⁰ The *Cabazon* decision recognized that Indian tribes in America were autonomous governmental entities which existed within states but were independent from civil or regulatory control from the states. Thus, if a state allowed any person for any purpose to operate gaming within their jurisdiction, then Indian tribes with reservation land within that state could not be prohibited from operating the same type of gambling on tribal land.

Furthermore, the state could have no regulatory authority over the Indian gaming operations within their borders.

Cabazon carried the implication of the unregulated spread of a variety of forms of gambling, so Congress passed the Indian Gaming Regulatory Act - IGRA - to create a framework for states and tribes to negotiate what forms of Indian gaming would be allowed and how the state's public policy interests might be protected through regulatory oversight. However, when IGRA was passed into law, it was still unclear what its true impacts would be. IGRA noted that states must negotiate in good faith with Indian tribes, and that if states did not negotiate in good faith, tribes could go to federal court for mediation or arbitration. As a result, many of the important consequences of IGRA and Indian gaming have come about as a result of Indian lawsuits and court interpretations.

Either by negotiating processes or through judicial findings, Indian casino gaming spread rapidly in the five years following IGRA's passage. Major Indian casinos appeared in the states of Connecticut, Wisconsin, Michigan, Minnesota, Washington, California and Arizona. Often Indians were able to gain the right to operate full-service Nevada-style casinos because the state in which their tribal lands are located allowed a highly restricted form of casino-style gambling, such as charity 'Las Vegas' casino nights. Because such situations led to full scale casino gaming for Indian tribes within those states, the public policy debate was substantially changed. No longer would states have to debate the issue of whether or not to have casinos; Indian casinos were clearly established. Rather the debate shifted to how many casinos a state should have, where they should be located, and who should benefit. As of 1993, it is clear that Indian casino gaming is continuing to spread throughout the United States, and following closely behind it will be the continued proliferation of non-Indian casino gaming.

Another noteworthy development of American casinos has been the emergence of urban casino gaming. Historically, casinos in Europe and America had been geographically isolated from population centers, at least partly because of a belief that casinos are deleterious for urban working class populations. Legal American casinos in operation as of the end of 1992 - whether in Nevada, Atlantic City, or in mining towns, on riverboats, or on Indian reservations - had all held to that general pattern. However, in 1992, New Orleans became the first American jurisdiction to legalize an urban casino, with passage of a law authorizing a monopoly casino for that city. Subsequently, St. Louis and Kansas City, Missouri authorized riverboat casinos close to their urban centers. Other American cities such as Chicago, Hartford and Bridgeport, Connecticut actively debated the possibility in 1992.¹¹

Other cities unsuccessfully attempted to legalize casinos in recent years because they found themselves in dire economic straits and

felt that casinos offered one of the only ways out. Such cities as Gary, Indiana, Detroit, Michigan, and East St. Louis, Illinois, share an economic desperation not unlike what prevailed in Atlantic City in 1976. There is very little economic hope left for these places, and a casino or casinos could perhaps save them. However, there are harsh lessons to be learned for such cities from Atlantic City, especially as far as urban redevelopment is concerned.¹² In Atlantic City, the creation of a casino industry that brought 30 million visitors to the city each year, and created over 50,000 jobs, did not alleviate the urban blight or poverty that had plagued that city. Regrettably, because of the similarities of Atlantic City to these other cities - in terms of economic desperation and circumstances - the same general disappointing outcomes would also likely apply.

The past decade has also brought about significant growth and change for the major existing casino cities in the United States. In Atlantic City fifteen years after legalization, the casino industry has grown to apparent maturity, but there is increasing concern about the future health of Atlantic City and its casino industry. Between 1988 and 1992, over half of Atlantic City's dozen casinos went through bankruptcy, and one of them closed permanently. Atlantic City experienced its major growth in the 1980s and, as with other American industries that expanded in that period, many of the problems of Atlantic City's casinos can be traced to over-leveraging and over-reliance on debt financing for capital expansion. The Atlantic City casino industry effectively gambled that the growth it experienced in the 1980s would continue. It did not, and Atlantic City also failed to cure its fundamental problems, such as urban blight. Some of these problems may no longer be curable, and legalization of casino-style gambling threatens to compete for and cut into some of Atlantic City's eastern seaboard markets. Thus, there is reason to believe that Atlantic City's slowdown in growth may indeed be permanent.

Las Vegas, Nevada, on the other hand, has been a boomtown virtually without precedent. According to the 1990 census, Nevada was the fastest growing state in the United States for the decade of the 1980s, increasing by more than 50 percent to 1.2 million, and Las Vegas was the center of growth in the state. The causes of population growth in Las Vegas are easy to see. About 30 percent of the labor force is employed in the gaming, hotel and recreation sector. By 1994, Las Vegas will have the ten largest hotels in the world, all of them casino-hotels. Las Vegas is probably the premiere convention city in the world, in terms of convention facilities and available hotel rooms. In terms of variety and quality of live entertainment available, Las Vegas compares favorably with virtually all of the world's capital cities. There are over 75,000 hotel rooms in Las Vegas, more than can be found in Manhattan and London combined.

All this has come about in the last thirty years. In the 1960s,

conventional wisdom viewed Las Vegas as a city controlled by organized crime, a place filled with transients, low-lifers and opportunists. The transformation of Las Vegas is a direct result of the popularity and growth of casino-style gambling, and as of the 1990s no end is in sight for its casino-fueled growth boom.

One reason for the continued growth of Las Vegas - and of other casino centers in Nevada - has been the underlying philosophy with which governmental bodies have regulated Nevada's casinos. The principles by which regulators have overseen the casino industry are relatively narrow. The purpose of regulation of casino gaming is to protect the image of the state's casino industry by

- insuring the integrity of the accounting procedures used by casinos to assure the state its appropriate share of taxes;
- monitoring the honesty of the games and wagering opportunities offered so that the public can be confident of protection against cheating; and
- protecting the integrity of casino owners and key employees by precluding undesirable from obtaining gaming licenses.

Nevada has incorporated few moral positions about casino gaming into its regulatory framework, especially in comparison to other American jurisdictions with casinos. Few of the social concerns related to widely available casino gambling have affected Nevada's public policy toward gambling or its regulation of the casino industry. As far as the state is concerned, regulation should not adversely affect the economic performance of the casino industry unless an absence of regulatory action threatens the long run integrity or image of the industry itself. Such feelings are based in the formative period of Nevada's regulation; in the 1950s and 1960s, the real risk to the state's casino industry was the threat of federal intervention because of historic associations with organized crime and a federal view that gambling was morally wrong.¹³

The regulatory process in Atlantic City, by contrast, is far more cumbersome on casinos in terms of restrictions, requirements, and costs of regulatory compliance. This is at least partially due to the position that New Jersey regulatory bodies have been reluctant to give up control of a variety of areas of decision-making that in Nevada are left to the discretion of casino management.

But in spite of its recent successes, there are questions about the Las Vegas casino economy that pose concerns over the next few years. There is an ongoing issue about if and when Las Vegas will become over-built. And if it does, there might be severe attrition among the older, smaller casino properties, which may not be able to compete effectively against the newest and largest 'must see' casino destination resorts that have been built in that city. Most fundamental is the question of whether tourists will continue to visit Las Vegas, and spend as much time and money there, when they can find casino-style gambling opportunities in a variety of other

states and jurisdictions throughout the country.

PARIMUTUEL WAGERING

The third component of the American commercial gaming industries is pari-mutuel wagering, in the form of on-track horse racing and dog racing, along with jai alai and off-track wagering.¹⁴ Pari-mutuel wagering in America is clearly the weakest member of the American commercial gaming industries. Generally speaking, pari-mutuel wagering has not been able to effectively compete against other legal forms of gambling during the expansions of the past three decades. It is vulnerable to virtually any competition from alternative forms of commercial gaming, whether they are lotteries, casino-style gambling, sports betting, or even charity gambling.

The economic plight of the pari-mutuel wagering industry can be attributed to difficulties associated with new player development. These in turn are probably related to the fact that it takes much longer to become proficient at handicapping races than it does to master other forms of gambling. Furthermore, the racing industry has not been very effective in broadening the base of pari-mutuel bettors. Finally, pari-mutuel wagering, especially on-track horse racing, used to be the 'only game in town'. The loss of racing's regional monopolies over legal commercial gaming with the introduction of new legal gambling options has undoubtedly contracted the size of pari-mutuel markets.

However, because of their long term economic weakness and their vulnerability to competition, the parimutuel wagering industry and the horse racing industry have become quite politically astute in America. Often, they have been the major opponents to new forms of commercial gambling. In the casino campaign in Ohio in 1990, for example, the racing industry was the major contributor to the opposition, mounting a war chest of \$1 million. Opponents to casinos argued through the media that casinos would bring organized crime, compulsive gambling and other social costs to Ohio, yet managed to skirt the issue of similar problems with the racing industry. However, it is clear the economic interests of the racing industry were at risk should the casino referendum have passed.

CHARITABLE GAMBLING

The final component of commercial gaming industries in America to be noted here is charitable gambling. Charitable gambling, in the form of bingo, pull-tab tickets¹⁵, and low stakes casino-style gambling, is an activity that often gets ignored when examining gaming industries, but in many parts of the United States, it is a rapidly growing, though somewhat disorganized, industry. Furthermore, it has achieved significant dimensions in some

jurisdictions. For example, in Minnesota, with a population of just over four million, total charitable gambling sales were approximately \$1.2 billion in 1991, with gross gaming win of about \$230 million.

However, charitable gambling has typically been under-regulated, often encountering serious problems with theft, cheating, accounting irregularities, and fraud.¹⁶ One of the main reasons why under-regulation of such activities occur has been a naive attitude on the part of authorizing legislative bodies that strict regulation would not be necessary because people working for charities would not steal or cheat, perhaps because they were committed to the causes reflected in their charities. Experience has demonstrated that this is not the case, and the lack of regulation in charitable gambling has led to numerous scandals and control problems. It has been a common pattern that when gambling is established without regulation or oversight, eventually someone will have their hand in the till.

THE INTERACTION OF ECONOMIC FORCES AND POLICY OBJECTIVES

As more forms of commercial gaming compete for what eventually will be a saturated commercial gaming market, some policy objectives will come into conflict with the economic viability and survivability of competing forms of gaming. As new gambling activities become available to the general public, they will displace other less convenient, less exciting, less cost effective, or less accessible forms of gambling. For example, racing and pari-mutuel wagering in the United States will likely continue to go through major contraction because of the proliferation of other competing forms of gambling and their inability to effectively compete.

One of the effects of economic hardship on a socially regulated gaming industry is the pressure that arises at a political level to bring about a relaxation of the constraints under which the industry must operate. Initially, a gaming industry may have been legalized because policy makers felt it could be controlled - symbolically or in reality - and made acceptable through constraints on location, operations, or wagering conditions. Pragmatically, such rules may initially have been the only way to make such gambling legislation politically palatable to opponents. However, once a gaming industry is established in a region, it begins the process of becoming legitimate - as a taxpayer, an employer, and a member of the local or regional community. If its continued existence is threatened by competitive forces, it becomes far more difficult to argue to preserve the social constraints, especially if they have not been very effective in accomplishing their initial purposes.

This pattern has already begun to emerge among some of America's new gaming industries. Iowa provides an excellent example. Though its riverboat casinos only began operations in 1991, there already

been substantial attrition in the state's riverboat gaming industry. Two of the original five riverboat casinos closed after the first year, and moved to more favorable gaming markets and regulatory environments in Mississippi; a third was scheduled to cease operations within two years of its inauguration and move to a better location in another state. Part of Iowa's problems are related to location, but some of their economic difficulties can be linked to the 'socially responsible' legislation they initially passed for their riverboat casinos. The \$5 maximum wager and \$200 maximum loss per excursion limitations were intended to protect customers from problems related to over-indulging in gambling, but riverboats in operation across the Mississippi river in Illinois are not subject to such limitations and therefore are more appealing to customers who do not want to gamble under such constraints. The same can be said about Iowa's prohibition against casino credit in contrast to Illinois' allowance of credit.

Remote locations for gaming operations - which were initially tolerated because they were distant from population centers - may become the unwitting victims of the changing legal norms governing access to gambling. For example, Deadwood, South Dakota may find its casino industry contracting in the 1990s because of competition from more recently authorized gaming venues which are closer to their customer markets. In general, customers will choose the convenience of gambling venues close to where they live if they are able. In the same manner, Nevada's gaming industry is vulnerable to legal changes regarding gambling in California, where most of Nevada's gaming customers live. It is clear that if California legalizes casinos, video lottery terminals or another similar product, it would have major negative impacts on the state's casino gaming industry. Alternatively, if California State policies open the door to Indian casino gaming in that state, it is likely that it would be followed by a proliferation of non-Indian gaming as well. Any of these events could adversely affect Nevada's gaming primarily because Nevada would be at a distinct locational disadvantage.

Atlantic City is perhaps most vulnerable of all to the proliferation of gambling, because it has a casino industry whose major attraction to date is that it is the closest locale with casino gaming to the population centers of New York, Philadelphia, and Washington, D.C. Atlantic City does not have much to offer its visitors besides the gaming that can take place in its casinos. Thus, if new locations develop with casinos that are more convenient to its primary markets, Atlantic City will lose customers to the new venues. It has relatively little it can draw on to develop or retain the loyalty of its customer base in a more competitive gaming environment. The best the casino industry there can hope for is to ask legislators and regulators to relax many of the expensive regulations so that they would be better able to compete with new competitors. Even that may not be enough.

CONCLUSIONS

The experience of the United States provides an interesting case study as to the dynamics of legalization of commercial gaming. This is primarily because there are so many autonomous jurisdictions which have the ability and inclination to move quickly in changing the legal and regulatory status of gambling within their authority. In comparison to other countries, gambling policy the United States in the 1990s has been far more focussed on economic - rather than social - concerns. However, this might reflect the tendency for policy makers in America to concentrate on only a single dimension at a time of the impacts of commercial gaming on society.

In past decades, attitudes toward gambling in America were dominated by stereotypes of organized crime and political corruption, as well as concerns over the social damage that could occur from widespread gambling. Such attitudes have clearly been usurped by a combination of the related economic benefits - jobs, tax revenues, capital investment, regional development - linked to the exploitation of commercial gaming. Also, there has been a strong tendency to replicate or improve upon initiatives from other nearby jurisdictions who had already decided to exploit the economic benefits of commercial gambling. This has led to a 'domino effect' of legislation as adjacent jurisdictions try to improve upon the approaches of their neighbors.

In comparison, European countries have tended to alter legislation more slowly, with greater deliberation and greater concern for social impacts. This is reflected in the structure of laws and regulations overseeing commercial gaming. However, the potential for the European Community to force standardization among some commercial gaming industries, in the name of harmonization, equal access to markets and the underlying principles of the Treaty of Rome, may become an important catalyst for change amongst the European countries for the rest of the decade.¹⁷

In Australia, New Zealand and Canada, governments have kept a tighter degree of control over the ownership and market structure of commercial gaming industries than the United States, and this has created a different dynamic than either the United States or Europe. Because of more socialistic ideologies and a different perspective in the appropriate role of competition versus monopoly in these countries, there has been a tendency to control the creation of new gaming industries in order to shape their ultimate role in local or regional economies, or to more directly capture the economic rents that legalization can bring about. For example, exclusive franchise monopolies to private sector operators has become the standard for casino development in Australia and New Zealand, whereas Canada has experimented with government owned exclusive franchise casino development in Manitoba and Quebec. Economic justifications in these countries are similar to those in

the United States: tourism development, tax revenue generation, capital formation, and job creation. Interestingly, these countries have also been changing the legal status of commercial gaming industries quite rapidly in the 1980s and 1990s, perhaps because of a government perceived need to keep up with competing jurisdictions and the resulting 'domino effect.'

Thus, the trend in recent years to exploit the opportunities associated with the changing social acceptance of gambling has led to a variety of experiments with legalization and regulation of commercial gaming. In the United States and other countries, many of the constraints that were initially placed upon new commercial gaming industries to protect the 'public interest' have become targets for relaxation in response to changes in public and legislative attitudes toward gambling. These may arise as a result of greater understanding of social costs and benefits associated with gambling, but also because of increased competition among commercial gaming industries or governments, and concerns over continued economic viability of established gaming industries. Also, as different sectors of the gaming industries pursue growth opportunities, various new products and new gaming concepts are developed. Such activities will muddy the distinctions among gaming industries such as casinos, lotteries, and the like.

In effect, society's acceptance of gambling as a mainstream recreational activity is becoming increasingly established. However, there is still going to be considerable political infighting over the question of who will be allowed to benefit from offering gambling services to the general public. Potential beneficiaries include governments through lottery commissions and as tax recipients; not-for-profit organizations through charitable gambling or as sponsors of other gambling activities; cities or communities hoping to be designated exclusive franchise locations for gambling outlets in their market areas; and private sector interests as vendors of gaming equipment or suppliers of gambling services.

One other point should be noted. For the United States at least, the political process described in this analysis is driven largely by the opportunistic benefits linked to legalizing gambling. Such policies may be misdirected in the long term because their main justifications are likely to be only temporary. Job creation, tax revenue generation, investment stimulation, and other related benefits will become diluted as gambling proliferates into more and more jurisdictions. Such benefits to a region may only be sustainable if that jurisdiction can hold its monopoly on gambling for some period of time. This is an aspect of the process that other countries besides the United States have a better opportunity to control in the intermediate and long term.

The unstable legal status of commercial gaming in competing jurisdictions in America is usually taken into account by private

investors, who evaluate the financial risks that are present in any project due to the possibility of changing legal status of gaming in neighboring jurisdictions. However, the government sector also has to 'buy in' whenever gaming is authorized, either through infrastructure requirements, creation of regulatory bureaucracies, or other budgetary commitments. Governments quite often are not as conscientious in evaluating their commitments as private sector investors because it is not their own money they are committing. Furthermore, they may be more prone to err on the side of optimism in making projections on the job creating or revenue generating capabilities of new gaming industries. Not every jurisdiction can be as successful as the first one to legalize; economic benefits, especially those that depend upon capturing customers from other jurisdictions, must eventually be dissipated by continued proliferation.

Finally, with regard to the potentially damaging social effects linked to gambling, there is a strong asymmetric nature to regulatory and statutory commitments regarding the operation of authorized commercial gambling. This is because it is difficult to increase the constraints on a legally created commercial gaming industry once it has been established and generally accepted, especially when it is under increasing competitive pressures from other gaming jurisdictions.

The events of the last decade do not paint a clear picture of how commercial gaming will evolve over the next ten or twenty years in terms of who will ultimately benefit as suppliers of gambling services or recipients of economic rents. It is clear, however, that if commercial gaming continues to expand its presence in society, the major long term effect will be in terms of improved consumer access to a variety of gambling activities; the economic rents will be dissipated as monopolies are eroded. Whether this is good or bad for society at large will probably remain somewhat questionable. Gambling remains an activity that has considerable moral ambiguity associated with it which may not be dispelled in spite of extensive changes in its legal status.

ENDNOTES

1. A January, 1993 survey conducted by the Home Testing Institute for Harrah's Casino Hotels found 55 percent of Americans found casino gaming as a form of behavior 'perfectly acceptable for anyone' and an additional 35 percent 'acceptable for others but not for me'. Only 10 percent found casino gaming as 'not acceptable for anyone'.

2. See, for example, Rachel Volberg, "Policy Implications of Prevalence Estimates of Pathological Gambling", in Howard Shaffer et. al., Compulsive Gambling, Lexington Press, Lexington, Massachusetts, 1989, pp. 163-174.

3. See, for example, I. Nelson Rose, "Compulsive Gambling and the Law: From Sin to Vice to Disease", in the Journal of Gambling Behavior, vol. 4, no. 4, 1988, pp.240-260.

4. See for example, Richard Thalheimer, "The Impact of Intrastate Intertrack Wagering, Casinos, and a State Lottery on the Demand for Parimutuel Horseracing: New Jersey, A Case Study", pp. 285-294, and Derek Syme, "He manako te koura i kore a - The Dilemma Facing New Zealand's Parimutuel Racing Industry", pp. 315-332, in William R. Eadington and Judy A. Cornelius, Gambling and Commercial Gaming: Essays in Business, Economics, Philosophy and Science, Institute for the Study of Gambling and Commercial Gaming, University of Nevada, Reno, 1992.

5. For an excellent discussion of the evolution of lotteries in America and the policy issues involved, see Charles Clotfelter and Phillip Cook, Selling Hope: State Lotteries in America, Harvard University Press, 1989.

6. Ibid., p. 186-212

7. Ibid., p. 215, pp. 222-227

8. These are electronic gaming devices in the form of video draw poker, video blackjack, and video keno machines.

9. For a discussion of campaigns to legalize casinos in America for this period, see John Dombrink and William N. Thompson, The Last Resort: Campaigns for Casinos in America, University of Nevada Press, 1989.

10. For a thorough discussion of the Act and its implications, see William R. Eadington (ed.), Indian Gaming and the Law, Institute for the Study of Gambling and Commercial Gaming, University of Nevada, Reno, 1990.

11. Canadian provincial governments announced plans in 1992 for urban casinos in the Canadian cities of Montreal and Windsor. The Manitoba Lotteries Foundation opened a small government owned and operated casino in the city of Winnipeg in 1990.

12. See, for example, James Sternleib and Robert Hughes, The Atlantic City Gamble, Harvard University Press, 1983.

13. See, for example, Jerome Skolnick, House of Cards: Regulation of Casino Gambling in Nevada, Little Brown & Co., Boston, 1978, and Richard Schuetz and Anthony Cabot, "An Economic View of the Nevada Gaming Licensing Process", in W.R. Eadington and J.A. Cornelius, Gambling and Public Policy: International Perspectives, Institute for the Study of Gambling and Commercial Gaming, University of Nevada, Reno, 1991, pp. 123-154.

14. The American racing industry does not allow on-track bookmaking as could be found in the United Kingdom, Australia or New Zealand.

15. Pull-tab tickets are similar to 'scratch-out lottery tickets and are sometimes called 'paper slot machines'. The player will purchase such a ticket for about \$1, and pull up paper tabs to reveal whether the ticket is a winner or a loser.

16. See, for example, the Fiscal Analyst's report, Lawful Gambling in Minnesota, 1990.

17. See, for example, Coopers and Lybrand, "Gambling in the Single Market", a report prepared for the Commission of the European Communities, Brussels, 1991.

PROPOSITION FOR LIMITED CASINOS

TITLE: LIMITED CASINOS

SUMMARY:

Authorizing a limited number of gaming casinos in Broward, Dade, Duval, Escambia, Hillsborough, Lee, Orange, Palm Beach and Pinellas Counties, with two in Miami Beach; and limited-size casinos with existing and operating pari-mutuel facilities; and if authorized by the legislature up to five limited-size riverboat casinos in the remaining counties, but only one per county. Mandating implementation by the legislature. Effective upon adoption, but prohibiting casino gaming until July 1, 1995.

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in the general election.

Name _____
(please print information as it appears on voter records)

Street Address _____

City _____ Zip _____

County _____ Date Signed _____

Precinct _____ Congressional District _____



SIGN AS REGISTERED

FULL TEXT OF PROPOSED AMENDMENT:

Section 1.

Section 7 of Article X is amended to revise its title to read "Lotteries and Limited Casinos," and to designate the existing text as subsection "(a)".

Section 2.

Subsection 7(b) of Article X is created to read:

The operation of a limited number of state regulated, privately owned gaming casinos is authorized, but only:

- (1) at one facility each to be established within the present boundaries of Duval, Escambia, Hillsborough, Lee, Orange, Palm Beach and Pinellas Counties; and
- (2) at two facilities to be established within the present boundary of Broward County; and
- (3) at three facilities to be established within the present boundary of Dade County, two of which shall be within the present boundary of the city of Miami Beach -- with one of those two being in the South Pointe Redevelopment Area -- and the third facility shall be outside the present boundary of the City of Miami Beach; and
- (4) with each pari-mutuel facility which has been authorized by law as of the effective date of this amendment and which has conducted a pari-mutuel meet in each of the two immediately preceding twelve month periods; provided that no casino located with a pari-mutuel facility shall have a gaming area in excess of 75,000 square feet; and
- (5) at not more than five riverboat casino facilities having a gaming area not in excess of 40,000 square feet, as the legislature may approve within the present boundaries of counties not identified in paragraphs (1), (2) and (3); provided that the legislature shall not approve more than one riverboat casino in any one county.

Section 3.

By general law, the legislature shall implement this section, including legislation to regulate casinos, to tax casinos, and to license casinos to pari-mutuel permit holders and at the other authorized facilities.

Section 4.

This amendment shall take effect on the date approved by the electorate; provided however, that no casino gaming shall be authorized to operate in the state until July 1, 1995.

104.185 - It is unlawful for any person to knowingly sign a petition or petitions for a particular issue or candidate more than one time. Any person violating the provisions of this section shall, upon conviction, be guilty of a misdemeanor of the first degree, punishable as provided in s.775.082 and s.775.083.

MAIL COMPLETED PETITION FORMS TO: 205 South Adams Street, Tallahassee, FL 32301
(904) 561-1194 Fax: (904) 561-1093

FLORIDA CONSTITUTIONAL AMENDMENT PETITION FORM
 AUTHORIZATION FOR AND REGULATION OF STATEWIDE SYSTEM OF
 LIMITED-ACCESS RIVERBOAT GAMBLING CASINOS

FILED
 APR 12 PH 3:09
 SECRETARY OF STATE

**PROPOSED FLORIDA
 CONSTITUTIONAL AMENDMENT**

PLEASE PRINT LEGIBLY

FULL TEXT OF PROPOSED AMENDMENT:

Section 1.

Section 16 of Article X is hereby created to read: Limited-Access Riverboat Gambling Casinos.

Section 2.

Subsection 16(a) is created to read:

(a) There is hereby established a statewide system of limited-access privately-owned riverboat gambling casinos to operate on navigable waters of the state. The maximum number of limited-access riverboat gambling casinos statewide is twenty-one (21) and no more than four (4) shall be based in any one county.

(1) Limited-access riverboat casinos shall have an appropriate local theme, be newly constructed, and be designed and operated in compliance with laws protecting the state's environment, including manatees and other marine life and the quality of its navigable waters.

(2) In order to promote wholesome tourism and avoid the possible deleterious side effects of conventional casino gambling activities, riverboat gambling casinos shall be limited-access which is defined to require the following: (i) patrons shall pay an admission charge to board each riverboat gambling casino; (ii) patrons who board a riverboat gambling casino must remain for a minimum time certain set by law; and (iii) patrons must depart the riverboat gambling casino after a maximum time certain set by law.

(3) Gambling and the use of gambling devices, which include those defined under Florida law on the effective date of this amendment, as well as card games, dice games, roulette, slot machines and video gaming devices, are authorized and shall take place exclusively on limited-access riverboat gambling casinos authorized under this amendment. Provided, nothing herein shall be construed to prohibit others from engaging in those gambling devices or activities permitted under Florida law prior to the effective date of this amendment.

Section 3.

Subsection 16(b) is created to read:

(b) Any county, or municipality, through a vote of its governing body prior to July 1, 1995, may forbid the establishment of docking or shore facilities for limited-access riverboat gambling casinos within the unincorporated area of the county, or within the municipality's geographic boundaries, respectively.

Section 4.

Subsection 16(c) is created to read:

(c) Schedule — Gambling tax revenues derived from the operation of limited-access riverboat gambling casinos shall be collected by the state for law enforcement, prisons, economic development, and for distribution to local governments, to be appropriated by the Legislature. This schedule may be amended by general law.

Section 5.

Subsection 16(d) is created to read:

(d) The Legislature shall implement this Amendment by general law, including legislation to regulate and tax the operations of limited-access riverboat gambling casinos.

Section 6.

This Amendment shall take effect upon approval by the electorate.

Section 7.

If any portion of this measure is held invalid for any reason, the remaining portion of this measure, to the fullest extent possible, shall be severed from the void portion and given the fullest possible force and effect.

NAME _____

(Same as registered to vote)

STREET ADDRESS _____

CITY _____

COUNTY _____

ZIP _____ PHONE _____

CONGRESSIONAL DISTRICT

PRECINCT NUMBER

Pd. Pol. Adv. Pd. for by THE SAFE BET FOR FLORIDA COMMITTEE
 Mail completed petitions to:
 P.O. Box 855
 Tallahassee, FL 32302

**Ballot Title: AUTHORIZATION FOR
 AND REGULATION OF STATEWIDE
 SYSTEM OF LIMITED-ACCESS
 RIVERBOAT GAMBLING CASINOS.**

SUMMARY: Authorizes regulated gambling casinos exclusively on statewide system of twenty-one limited-access privately-owned riverboats on state's navigable waters. Maximum four based in one county. County and municipal governments may vote before July 1, 1995 to prohibit docking or shore facilities within unincorporated areas of county or within municipality, respectively. Unless changed by law, gambling tax revenues go to law enforcement, prisons, economic development, and local governments. Effective upon voter approval.

**YOUR SIGNATURE ONLY PUTS THE
 PROPOSED AMENDMENT TO A VOTE**

I am a Florida registered voter. I petition the Secretary of State to place this ballot title, summary and proposed constitutional amendment, on a general election ballot.

X

CONSTITUTIONAL AMENDMENT PETITION FORM

FLORIDA LOCALLY APPROVED GAMING

FLORIDA LOCALLY APPROVED GAMING

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in the general election.

Name _____ please print information as it appears on voter records

Street Address _____

City _____ Zip _____

Precinct _____ Congressional District _____

County _____ Date Signed _____

Sign as Registered

Summary:

This amendment authorizes gaming at twenty casinos; authorizes casinos aboard riverboats and in hotels of not less than one thousand rooms or more; determines the number of casinos in individual counties based on the resident population of such counties; provides that gaming shall not be authorized in any county or municipality unless approved by the respective county or municipal governing body; provides for licensing, regulation and taxation of gaming; and provides definitions and an effective date.

Text of Proposed Amendment:

Section 16 of Article X is created to read:

Section 16. Local Option Gaming.—

(a) Twenty state-regulated, privately owned casinos are hereby authorized. Of such twenty casinos:

(1) All shall be located either aboard riverboats or in hotels;

(2) One casino aboard a riverboat may be located in every county with at least 200,000 residents, provided that there shall be no more than ten casinos aboard riverboats statewide; and

(3) One casino in a hotel shall be located in every county per each 500,000 residents in such county.

(b) Each county, but only as to the unincorporated area within its boundary, or municipality, by a vote of its governing body, may at any time after the effective date of this section authorize gaming within its jurisdiction as provided by this section.

(c) The following terms shall have the following meanings:

1) "casino" means a licensed gaming facility aboard a riverboat or located in a hotel.

2) "gaming" means playing or engaging in, for money or any other thing of value, baccarat, blackjack or twenty-one, craps, keno, poker, roulette, electronic gaming machines, slot machines or such other games of skill or chance as may be authorized by the legislature.

3) "hotel" means a land-based hotel having at least 1,000 guest rooms.

4) "riverboat" means a self-propelled, nonstationary excursion vessel which operates regularly within the state and its territorial and adjacent waters.

(d) By general law enacted no later than July 1, 1995, the legislature shall implement this section with legislation to license, regulate and tax gaming.

(e) If any portion of this section is held invalid for any reason, the remaining portion or portions of this section, to the fullest extent possible, shall be severable from the void portion and be given the fullest possible force and application.

(f) This amendment shall take effect on the date approved by the electors, provided that no casinos shall be authorized to operate before July 1, 1995.

It shall be unlawful for any person knowingly to sign a petition or petitions for a particular issue or candidate more than one time. Any person violating the provisions of this section shall, upon conviction, be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083." (S. 185, Fla. Stat. (1993).

Send Completed Petition Form to: FLORIDA LOCALLY APPROVED GAMING, INC.
P.O. BOX 8008
Fort Lauderdale, Florida 33310-8008

Paid Political Adv. by Florida Locally Approved Gaming, Inc.

CONSTITUTIONAL AMENDMENT PETITION FORM
PROPOSITION FOR COUNTY CHOICE GAMING

TITLE: CASINO AUTHORIZATION,
TAXATION AND REGULATION

SUMMARY:

This amendment prohibits casinos unless approved by the voters of any county or Tourist Development Council district who may authorize casinos on riverboats, commercial vessels, within existing pari-mutuel facilities and at hotels. It mandates legislative implementation and requires net license and tax proceeds to be appropriated for crime prevention and correctional facility construction, education, senior citizens' services and state tourism promotion. The amendment becomes effective upon adoption, but prohibits casino gaming before July 1, 1995.

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in the general election.

Name _____

Please print information as it appears on voter records.

Street Address _____

City _____ Zip _____

Precinct _____ Congressional District _____

County _____ Date Signed _____



SIGN AS REGISTERED

FULL TEXT OF PROPOSED AMENDMENT:

Section 1.

Section 16 of Article X is created to read:

SECTION 16. CASINO AUTHORIZATION, TAXATION AND REGULATION.—

- (a.) Casino gaming is prohibited in this state except in those counties or established local option Tourist Development Council Districts of the counties where the electors have authorized the conduct and operation of casino gaming pursuant to an initiative referendum to the extent authorized and then only in state regulated and taxed, privately owned gaming facilities:
- (1.) within pari-mutuel facilities authorized by law as of the effective date of this amendment, which have conducted live pari-mutuel wagering events in each of the two immediately preceding twelve month periods, for so long as the facilities continue to operate live pari-mutuel wagering events as authorized by the legislature; and
 - (2.) on board stationary and non-stationary riverboats and U.S. registered commercial vessels; and
 - (3.) at transient lodging establishments licensed by the state.
- (b.) The types of gaming permitted in a casino shall be baccarat, blackjack or twenty-one, craps, keno, poker, roulette, slot machines and electronic gaming machines. Other types of gaming may be authorized by general law.
- (c.) By general law, the legislature shall implement this section, including legislation to license casinos, tax casinos and regulate casinos.
- (d.) Net proceeds derived from the license fees and taxation of casino gaming shall be appropriated to a state trust fund designated the State Crime Prevention, Education, Senior Citizens' and State Tourism Trust Fund to be appropriated by the legislature for crime prevention and correctional facility construction, education, senior citizens' services and state tourism promotion. Such appropriation shall increase and not reduce current funding appropriated to the aforementioned.

Section 2.

If any subsections of this amendment to the Florida Constitution are held unconstitutional for containing more than one subject, this amendment shall be limited to SECTION 16, subsections (a.), (b.) and (c.).

Section 3.

This amendment shall take effect on the date approved by the electorate; provided however, that no casino gaming shall be authorized to operate in the state until July 1, 1995.

104.125 - It is unlawful for any person to knowingly sign a petition for a particular issue or candidate more than one time. Any person violating the provisions of this section shall, upon conviction, be guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 and s. 775.083.

MAIL COMPLETED PETITION FORMS TO: Proposition for County Choice Gaming, Inc., 200 W. College Avenue, Tallahassee, FL 32301
Phone: (904) 425-1100 Fax: (904) 222-3462

Constitutional Amendment Petition Form

104.185 - It is unlawful for any person to knowingly sign a petition or petitions for a particular issue or candidate more than one time. Any person violating the provisions of this section shall upon conviction be guilty of a misdemeanor of the first degree, punishable as provided in s.775.082, s.775.083 or s.775.084.

Name: _____
Please print name as it appears on voter registration records

Street Address _____ City _____

Precinct No. _____ Congressional District _____ County _____

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in general election.

Title: **LIMITED GAMING AND CASINOS**

Summary: **AUTHORIZES: SHIPBOARD CASINOS,
THREE GAMING & CASINO DISTRICTS,
LIMITED SIZE CASINOS AT
EXISTING PARI-MUTUELS**

FILED
94 APR 20 AM 9:07
SECRETARY OF STATE

FULL TEXT OF PROPOSED AMENDMENT

SECTION 1. Subsection 7 Article X is amended to revise the title to read "LOTTERIES, LIMITED CASINOS, RIVERBOAT CASINOS, GAMING AND CASINO DISTRICTS" and to designate the existing text as subsection "A".

SECTION 2. Subsection 7(b) of article X is created to read:

1. The operation of a limited number of State Regulated, privately owned Gaming Casinos. 2. Gaming Casinos on State Regulated, privately owned Riverboats and on U.S. registered commercial vessels. 3. Three State Regulated, privately owned Gaming and Casino Districts, is authorized, but only: (A) Gaming and Casinos, one in each Pari-Mutuel facility which has been authorized by law as of the effective date of this amendment and which has conducted Pari-Mutuel wagers in each of the two immediately preceding twelve month periods, provided that no Casino located within a Pari-Mutuel facility shall exceed 75,000 square feet; (B) on board stationary and non-stationary Riverboats and U.S. registered commercial vessels in counties where the electors have authorized pursuant to an initiative referendum the conduct and operation of State Regulated, privately owned shipboard Gaming Casinos; (C) Three Gaming and Casino Districts including but not limited to Gaming and or Casinos in all transient lodging facilities within said districts, (a) that area of Dade and Broward County Florida, bounded on the East by the Atlantic Ocean, on the West by the nearest body of water or 660 feet west of the centerline of State road "A1A" as designated on April 8, 1994 to the centerline of 5th Street (U.S. #41) and also bounded on the West by the nearest, the nearest body of water or 1320 feet west of the centerline of Collins Avenue from its intersection with 5th Street southerly to Biscayne Street and the southerly prolongation of the centerline of Collins Avenue to an intersection with the centerline of Government Cut; bounded on the South by the centerline of Government Cut; and all land north of the point where A1A intersects with the most northerly point of Dania Beach Blvd. bounded on the east, west and north by the nearest bodies of water, and (b) two 1/8th mile by 1/2 mile Gaming and Casino Districts located as the legislature may approve.

SECTION 3. By general law the Legislature shall implement this section, to include legislation to require and to tax all forms of Gaming including Casinos, the proceeds of license fees and taxation shall become part of the general fund and shall be used to protect and serve the needs of the PEOPLE of the State of Florida.

SECTION 4. July 1, 1995 shall be the earliest date Gaming or Casinos maybe operated in the State. This amendment shall take effect on the date approved by the electorate.

Date Signed _____ Signature _____

pd. pol. adv. paid for by:

Please mail signed form to:

THE FLORIDA GAMING ASSOCIATION
6979 COLLINS AVE. MIAMI BEACH, FL. 33141
(305)-866-1500

CONSTITUTIONAL AMENDMENT PETITION FORM

PROPOSITION FOR LIMITED CASINOS

TITLE: LIMITED CASINOS

SUMMARY:

This amendment authorizes a gaming casino in Dade County, casinos throughout the state at existing and operating pari-mutuel facilities which are limited in size, and up to seven other casinos in the state (but not more that one per county) as authorized by the legislature. It mandates implementation by the legislature. The amendment becomes effective upon adoption, but it prohibits any casino gaming in the state until July 1, 1995

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in the general election.

Name _____ please print information as it appears on voter records

Street Address _____

City _____ Zip _____

Precinct _____ Congressional District _____

County _____ Date Signed _____

Sign as Registered

FULL TEXT OF PROPOSED AMENDMENT:

Section 1.

Section 7 of Article X is amended to revise its title to read "Lotteries and Limited Casinos," and to designate the existing text as subsection "(a)".

Section 2.

Subsection 7(b) of Article X is created to read:

The operation of a limited number of state regulated, privately owned gaming casinos is authorized, but only:

- (1) at a facility to be established within the present boundary of Dade County; and
(2) with each pari-mutuel facility which has been authorized by law as of the effective date of this amendment and which has conducted pari-mutuel wagering in each of the two immediately preceding twelve month periods; provided that no casino located with a pari-mutuel facility shall exceed 75,000 square feet; and
(3) in such other casino facilities anywhere in the state, not in excess of seven, as the legislature may approve; provided that the legislature shall not approve more than one casino in any one county.

Section 3.

By general law, the legislature shall implement this section, including legislation to regulate and to tax casinos.

Section 4.

This amendment shall take effect on the date approved by the electorate, provided however, that no casino gaming shall be authorized to operate in the state until July 1, 1995.

104.185 - It is unlawful for any person to knowingly sign a petition or petitions for a particular issue or candidate more than one time. Any person violating the provisions of this section shall, upon conviction, be guilty of a misdemeanor of the first degree, punishable as provided in s.775.082 and s.775.083.

MAIL COMPLETED PETITION FORMS TO: 205 South Adams Street, Tallahassee, FL 32301 (904) 561-1194 Fax: (904) 561-1098

CONSTITUTIONAL AMENDMENT PETITION FORM

PROPOSITION FOR LIMITED CASINOS

TITLE: LIMITED CASINOS

SUMMARY:

Authorizing a limited number of gaming casinos in Broward, Dade, Duval, Escambia, Hillsborough, Lee, Orange, Palm Beach and Pinellas Counties, with two in Miami Beach; and limited-size casinos with existing and operating pari-mutuel facilities; and if authorized by the legislature up to five limited-size riverboat casinos in the remaining counties, but only one per county. Mandating implementation by the legislature. Effective upon adoption, but prohibiting casino gaming until July 1, 1995.

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in the general election.

Name _____
(please print information as it appears on voter records)

Street Address _____

City _____ Zip _____

County _____ Date Signed _____

Precinct _____ Congressional District _____



SIGN AS REGISTERED

FULL TEXT OF PROPOSED AMENDMENT:

Section 1.

Section 7 of Article X is amended to revise its title to read "Lotteries and Limited Casinos," and to designate the existing text as subsection "(a)".

Section 2.

Subsection 7(b) of Article X is created to read:

The operation of a limited number of state regulated, privately owned gaming casinos is authorized, but only:

- (1) at one facility each to be established within the present boundaries of Duval, Escambia, Hillsborough, Lee, Orange, Palm Beach and Pinellas Counties; and
- (2) at two facilities to be established within the present boundary of Broward County; and
- (3) at three facilities to be established within the present boundary of Dade County, two of which shall be within the present boundary of the city of Miami Beach -- with one of those two being in the South Pointe Redevelopment Area -- and the third facility shall be outside the present boundary of the City of Miami Beach; and
- (4) with each pari-mutuel facility which has been authorized by law as of the effective date of this amendment and which has conducted a pari-mutuel meet in each of the two immediately preceding twelve month periods; provided that no casino located with a pari-mutuel facility shall have a gaming area in excess of 75,000 square feet; and
- (5) at not more than five riverboat casino facilities having a gaming area not in excess of 40,000 square feet as the legislature may approve within the present boundaries of counties not identified in paragraphs (1), (2) and (3); provided that the legislature shall not approve more than one riverboat casino in any one county.

Section 3.

By general law, the legislature shall implement this section, including legislation to regulate casinos, to tax casinos, and to license casinos to pari-mutuel permit holders and at the other authorized facilities.

Section 4.

This amendment shall take effect on the date approved by the electorate; provided however, that no casino gaming shall be authorized to operate in the state until July 1, 1995.

104.185 - It is unlawful for any person to knowingly sign a petition or petitions for a particular issue or candidate more than one time. Any person violating the provisions of this section shall, upon conviction, be guilty of a misdemeanor of the first degree, punishable as provided in s.775.082 and s.775.083.

MAIL COMPLETED PETITION FORMS TO: 205 South Adams Street, Tallahassee, FL 32301
(904) 561-1194 Fax: (904) 561-1093

Paid Political Advertisement: PROPOSITION FOR LIMITED CASINOS, INC.



MASON-DIXON POLITICAL/MEDIA RESEARCH, INC.

10715 CHARTER DRIVE • SUITE 200
POST OFFICE BOX 1343 • COLUMBIA, MARYLAND 21044

Phone: (410) 864-2218
Fax: (301) 566-3946

MASON-DIXON®

FLORIDA POLL



SURVEY REPORT

MAY 1994

PART II: CASINO GAMBLING

(2nd of 4 parts)

FOR RELEASE: Television 5 pm., Wednesday, May 26, 1994
Newspapers 8 am., Thursday, May 27, 1994

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The South's most active public polling firm

HIGHLIGHTS, PART II: CASINO ISSUES

	Yes	No	Undecided
"Limited Casinos" amendment:	31%	56%	13%
"Safe Bet" (riverboat) amendment:	35%	50%	15%

From the analysis by Mason-Dixon's Robert Joffe: "Many voters who might have been receptive to proposals for limited casino gambling are turned off by prominent features of the "Limited Casinos" campaign, the first and most widely publicized of several legalization drives now underway in the state."

HOW THIS POLL WAS CONDUCTED

This poll, produced by Mason-Dixon Political/Media Research, Inc., of Columbia, Md., is based on telephone interviews conducted May 17-19, 1994, with 809 Florida voters. All said they're registered to vote and do vote in "most" if not all statewide elections.

The sample of telephone exchanges called was selected from a complete list of exchanges in the state, using a cross section to ensure an accurate reflection of the state's population. For each exchange used, telephone numbers were formed by random variation of the last four digits. Numbers were then screened to limit calls to residences. Quotas were assigned so the sample of voters would reflect the distribution of voters by county.

The margin for error, according to the standards customarily used by statisticians, is no more than plus or minus 3.5 percentage points for the sample of 809 voters. The error margin is larger for any subgroup, e.g. 5.6 points for the 323 registered Republicans, and 6.2 points for those 164 Republicans who say they vote in most if not all state-wide primaries.

SAMPLE FIGURES: 809 REGISTERED VOTERS

Men - 398 (49%)	Republicans - 323 (40%)
Women - 411 (51%)	Democrats - 403 (50%)
	Independents - 83 (10%)
Non-Hispanic whites - 636 (79%)	Ages 18 through 34 - 132 (16%)
Jewish voters - 63 (8%)	35 through 49 - 261 (32%)
Hispanics - 93 (11%)	50 through 64 - 216 (27%)
Cuban-Americans - 62 (8%)	65 and over - 199 (25%)
Non-Hispanic blacks - 77 (10%)	Refused to respond - 1 (-)
Other/refuse to resp. - 1 (-)	
Penhandle - 73 (9%)	High school or less - 288 (36%)
Northwest Fla. - 84 (10%)	Some college - 166 (21%)
Orlando-Daytona - 117 (14%)	College graduates - 278 (34%)
Tampa-St. Pete. - 158 (20%)	Graduate degrees - 76 (9%)
Southwest Florida - 68 (8%)	Refused to respond - 1 (-)
West Palm Beach - 87 (11%)	
Miami-Fort. Lau. - 232 (29%)	

FINDINGS AND ANALYSIS*

PART II - CASINOS

By Robert Joffe
Vice-President of Mason-Dixon Political/Media Research, Inc.
Director of the Mason-Dixon Florida Poll

{Clients may quote freely from this analysis, provided that attribution is made to Robert Joffe and to Mason-Dixon. Mr. Joffe is available at our Miami office -- phone (305) 888-9369 -- to answer any questions.}

Findings from our new survey suggest that any casino-legalization measure that qualifies for the Florida ballot this fall is likely to face a difficult and perhaps impossible uphill battle.

Many voters who might have been receptive to proposals for limited casino gambling are turned off by prominent features of the "Limited Casinos" campaign, the first and most widely publicized of several legalization drives now underway in the state.

Among the 809 likely voters interviewed in our new survey, 31 percent said they would vote yes, in favor of the state constitutional amendment that is sought by the Proposition for Limited Casinos, Inc., political action committee. Fifty-six percent said they would vote no, against that amendment, and 13 percent were undecided.

Opponents of the "Limited Casinos" measure included majorities of Republicans and Democrats, of men and women, and of voters in six of seven regions. In the seventh region -- Dade, Broward and Monroe counties -- opponents and proponents were in a statistical dead heat.

The survey found almost equally strong opposition to a state constitutional amendment that would authorize casinos only on 21 riverboats.

The riverboat measure, which is sought by the Safe Bet for Florida political action committee, was favored by 35 percent of our respondents and opposed by 50 percent, with 15 percent undecided.

The "Limited Casinos" group, the first to organize a legalization drive in Florida since 1986, initially announced plans for a drive that would allow casinos only at active pari-mutuel sites and at one site in Miami Beach.

* In tables, findings are expressed in percentages. Figures have been rounded to the nearest integers, and do not necessarily add up to 100.

The group subsequently made several changes to its proposal in an avowed effort to expand potential support: changes to allow free-standing casinos in nine populous counties, including two casinos in Brevard and three in Dade, and to allow legislative authorization for a total of five riverboat casinos in the other 66 counties. The wording involving Miami Beach seemed tailor-made for the owners of specific properties there.

The changes exacerbated the "Limited Casinos" group's political problems.

Our survey found that 57 percent of the voters would be less likely to favor a casino amendment if it "allowed a casino at every horse track, dog track and jai alai fronton." It found that 66 percent would be less likely to favor such an amendment if it gave special preferential treatment to nine populous counties, including two casinos in Brevard and three in Dade. And it found that 79 percent would be less likely to favor a measure if it "seemed designed to benefit the owners of a specific piece of property in Miami Beach."

In addition, our findings suggest that publicity accorded to those unpopular features of the "Limited Casinos" measure had the effect of increasing hard-core opposition to any legalization measure.

A February Mason-Dixon poll found that 32 percent of Florida voters agreed (and 45 percent disagreed) with the assertion that "casino gambling ought to be completely illegal in Florida" (5 percent were undecided). The new survey, in a question that was roughly comparable, asked which of three statements "describes your own opinion" -- and found 44 percent choosing: "Florida ought to continue to ban all types of casino gambling." (Twenty-nine percent said they wanted "to lift that ban partially," and 21 percent said they wanted "to lift the ban completely," with 6 percent undecided.)

Meanwhile, the "Safe Bet" riverboat campaign appears to have encountered problems with voters who might also like casinos on dry land.

In the February survey, 58 percent of the voters agreed that: "If limited casino gambling becomes legal in Florida, we ought to permit floating, riverboat-style casinos like those now operating on the Mississippi River." In the new survey, 37 percent said they would be "less likely" to favor a legalization measure if that measure allowed casinos "only on riverboats." (Thirty percent said they would be "more likely" to favor such a measure, and 33 percent weren't sure.)

When Mason-Dixon samples public opinion about an upcoming ballot measure, we try to confront voters with the same, sometimes confusing words that eventually will confront them on the ballot.

And that's exactly what we did in this survey. Our initial questions about casinos -- ballot-test questions about the "Limited Casinos" and "Safe Bet" riverboat measures -- used virtually the same words that will appear on the Florida's November ballot if either group mounts a successful petition drive and survives any legal challenges.

Experience has taught us that any attempt to rephrase a ballot measure for the sake of clarity can lead to survey findings that are extremely misleading.

For example, in 1986, during a campaign for a "local-option" casino proposal, Mason-Dixon found an enormous disparity between responses to two separate questions about the measure. When we asked, in our own words, about the content of the measure ("Should every county be able to decide for itself..."), respondents were evenly split. Yet when we used the actual ballot language to ask about the measure ("Shall casino gambling be authorized... subject to..."), two-thirds of the respondents said they'd vote "no."

The ballot-language version of the question proved to be prescient. The proposed amendment was, in fact, rejected, by two-thirds of the Florida electorate.

In addition to "Limited Casinos" and "Safe Bet," there are at least two other political action committees that claim to be mounting petition drives for casino-legalization amendments: Florida Locally Approved Gaming, Inc., and Proposition for County Choice Gaming, Inc.

Future Mason-Dixon surveys will pose ballot-test questions for other legalization campaigns only if we are persuaded that their petition drives stand a good chance of qualifying their proposals for the ballot.

However, this year, at least, ballot qualification may prove to be a relatively minor hurdle. The really tough job may be to win voter support for any specific measure when voters who favor some form of legalization can't seem to agree on exactly what they want.

QUESTION: As you may know, the Florida state constitution currently forbids all types of casino gambling. Which of the following three statements describes your own opinion:

- Florida ought to continue to ban all types of casino gambling, OR
- Florida ought to lift that ban partially, in order to permit certain types of state regulated casino gambling, OR
- Florida ought to lift that ban completely, in order to permit almost all types of state regulated casino gambling.

STATE	<u>BAN ALL</u>	<u>PERMIT SOME</u>	<u>PERMIT ALL</u>	<u>DK</u>
3276 Feb	44%	20%	21%	15%
REGION	<u>BAN ALL</u>	<u>PERMIT SOME</u>	<u>PERMIT ALL</u>	<u>DK</u>
Panhandle	48%	30%	17%	4%
Northwest Florida	52%	25%	19%	4%
Orlando-Daytona	52%	21%	18%	8%
Tampa-St. Petersburg	45%	28%	21%	6%
Southwest Florida	37%	34%	24%	5%
West Palm Beach	41%	35%	18%	5%
Miami-Fort Lauderdale	35%	32%	26%	7%
SEX	<u>BAN ALL</u>	<u>PERMIT SOME</u>	<u>PERMIT ALL</u>	<u>DK</u>
Men	42%	34%	17%	7%
Women	46%	24%	25%	5%
RACE/ETHNICITY	<u>BAN ALL</u>	<u>PERMIT SOME</u>	<u>PERMIT ALL</u>	<u>DK</u>
Whites (Non-Hispanic)	44%	20%	20%	7%
Blacks	51%	24%	22%	3%
All Hispanics	38%	34%	23%	4%
Cubans	35%	34%	27%	4%
Jewish	37%	28%	32%	3%
PARTY AFFILIATION	<u>BAN ALL</u>	<u>PERMIT SOME</u>	<u>PERMIT ALL</u>	<u>DK</u>
Democrats	41%	23%	27%	9%
Republicans	48%	36%	15%	3%
Independents	45%	26%	28%	7%

CASINOS, BALLOT-TEST QUESTIONS**LIMITED CASINOS QUESTION:**

The November ballot also might include two or more proposed state constitutional amendments dealing with casinos. We'd like to ask you about two of those proposed amendments, one at a time.

The first, which is called "Limited Casinos,"

would authorize a limited number of gaming casinos in Broward, Dade, Duval, Escambia, Hillsborough, Lee, Orange, Palm Beach and Pinellas counties counties, with two in Miami Beach;

and limited-size casinos with existing and operating pari-mutuel facilities;

and, if authorized by the legislature, up to five, limited-size riverboat casinos in the remaining counties, but only one per county.

This amendment would mandate implementation by the legislature and would be effective upon adoption, but it would prohibit casino gaming until July 1, 1995.

If the election were held today, would you vote yes, in favor of this amendment, or would you vote no, against this amendment?

RIVERBOATS QUESTION:

The second amendment is called "Authorization for and regulation of state-wide system of limited-access riverboat gambling casinos."

It would authorize regulated gambling casinos exclusively on a state-wide system of 21 limited-access, privately-owned riverboats on the state's navigable waters, with a maximum of four based in one county.

Under the amendment, county and municipal governments would be able to vote before July 1, 1995, to prohibit docking or shore facilities within unincorporated areas of a county or within a municipality, respectively.

Unless changed by law, gambling tax revenues under this amendment would go to law enforcement, prisons, economic development and local governments.

The amendment would become effective upon approval.

If the election were held today, would you vote yes, in favor of this amendment, or would you vote no, against this amendment?

QUESTION: The November ballot also might include two or more constitutional amendments dealing with casinos. The first, which is called "Limited Casinos," would authorize a limited number of gaming casinos in Broward, Brevard, Duval, Escambia, Hillsborough, Lee, Orange, Palm Beach and Pinellas counties, with two in Miami Beach; and limited size casinos with existing and operating pari-mutuel facilities and, if authorized by the legislature, up to five, limited-size river boat casinos in the remaining counties, but only one per county. This amendment would mandate implementation by the legislature and would be effective upon adoption, but would prohibit casino gaming until July 1, 1995.

If you were voting on this amendment today, would you vote:

- "YES" for approval of that amendment, or
- "NO" for rejection of that amendment?

	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
<u>STATE</u>	31%	66%	13%
<u>REGION</u>	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Panhandle	31%	60%	9%
Northeast Florida	24%	64%	12%
Orlando-Daytona	22%	62%	16%
Tampa-St. Petersburg	27%	56%	17%
Southwest Florida	36%	56%	10%
West Palm Beach	28%	61%	10%
Miami-Fort Lauderdale	42%	45%	13%
<u>SEX</u>	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Men	31%	68%	11%
Women	31%	64%	15%
<u>RACE/ETHNICITY</u>	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
White (Non-Hispanic)	32%	59%	12%
Black	24%	63%	13%
All Hispanic	34%	48%	18%
Cuban	40%	45%	15%
Jewish	37%	51%	12%
<u>PARTY AFFILIATION</u>	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Democrats	34%	62%	14%
Republicans	27%	61%	12%
Independents	70%	-	-

QUESTION: The second amendment is called "Authorization for and regulation of state wide system of limited access river boat gambling casinos." It would authorize regulated gambling casinos exclusively on a statewide system of 21 limited access, privately owned river boats on the state's navigable waters, with a maximum of four based in one county. Under the amendment, county and municipal governments would be able to vote before July 1, 1998, to prohibit docking or shore facilities within unincorporated areas of a county or within a municipality, respectively. Unless changed by law, gambling tax revenues under this amendment would go to law enforcement, prisons, economic development and local governments. This amendment would become effective upon approval.

If you were voting on this amendment today, would you vote:

- "YES" for approval of that amendment, or
- "NO" for rejection of that amendment?

	"YES"	"NO"	<u>UNDECIDED</u>
STATE	36%	50%	15%
REGION	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Panhandle	35%	52%	13%
Northeast Florida	27%	57%	16%
Orlando-Daytona	26%	58%	16%
Tampa-St. Petersburg	38%	48%	13%
Southwest Florida	38%	47%	15%
West Palm Beach	34%	50%	16%
Miami-Port Lauderdale	41%	42%	17%
SEX	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Men	37%	47%	16%
Women	33%	53%	14%
RACE/ETHNICITY	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Whites (Non-Hispanic)	33%	61%	14%
Blacks	28%	56%	15%
All Hispanics	43%	40%	17%
Cubans	40%	36%	18%
Jewish	48%	40%	14%
PARTY AFFILIATION	<u>"YES"</u>	<u>"NO"</u>	<u>UNDECIDED</u>
Democrats	37%	47%	16%
Republicans	31%	58%	14%
Independents	38%	48%	13%

CASINOS, BALLOT-TEST QUESTIONS (CONTINUED)

LIMITED CASINOS QUESTION, SECOND TIME:

There is a possibility that Florida's November ballot will include BOTH of the casino amendments we've just talked about. We'd like you to think about each of these amendments one more time and ask if you'd vote yes, in favor of each amendment, or no, against it, IF the other amendment appeared on the same ballot.

We'll start over again with the first amendment we talked about, the one called "Limited Casinos." If the OTHER casino amendment appeared on the same ballot with the "Limited Casinos" amendment, would you vote yes, in favor of the "Limited Casinos" amendment, or would you vote no, against that amendment?

RIVERSBOATS QUESTION, SECOND TIME:

Then there's the second amendment we talked about, the one dealing with a "state-wide system of limited-access riverboat gambling casinos." If the OTHER casino amendment appeared on the same ballot with the "riverboat" amendment, would you vote yes, in favor of the "riverboat" amendment, or would you vote no, against that amendment?

	LIMITED CASINOS.....			RIVERSBOATS.....		
	Yes	No	Undecided	Yes	No	Undecided
All voters	31	56	13	35	50	15
Democrats	34	52	14	37	47	16
Republicans	27	61	12	31	56	14
Independents	30	57	13	39	48	13
Men	31	58	11	37	47	16
Women	31	54	15	33	53	14
Non-Hisp. whites	32	56	12	35	51	14
Jewish voters	37	51	12	44	40	14
Non-Hisp. blacks	24	63	13	29	66	15
Hispanics	34	48	18	43	40	17
Cuban-Am.'s	40	45	15	49	36	15
Panhandle	31	60	9	35	52	13
Northeast Fla.	24	64	12	27	67	16
Orlando-Daytona	22	62	16	26	59	15
Tampa-St. Pete.	27	56	17	28	48	13
Southwest Fla.	34	56	10	38	47	15
N. Palm Beach	29	61	10	34	50	16
Mia.-Ft. Laud.	42	48	10	41	42	17
All (2nd time)	28	60	12	31	56	13

QUESTION: There is a possibility that Florida's November ballot will include BOTH of the casino amendments we've just talked about. We'd like you to think about each of those amendments one more time and ask if you'd vote yes, in favor of each amendment, or no, against it, if the other amendments appeared on the same ballot. We'll start over again with the first amendment we talked about, the one called "Limited Casinos." If the other casino amendment appeared on the same ballot with the "Limited Casinos" amendment, would you vote:

- 284 - "YES" in favor of the "Limited Casinos" amendment, or
- 504 - "NO" against that amendment
- 124 - Undecided (NOT READ)

QUESTION: Then there's the second amendment we talked about, the one dealing with a "statewide system of limited access river boat gambling casinos." If the other casino amendment appeared on the same ballot with the "river boat" amendment, would you vote:

- 314 - "YES" in favor of the "river boat" amendment, or
- 564 - "NO" against that amendment
- 134 - Undecided (NOT READ)

Next, we'd like to know how you feel about various details and restrictions that might be included in a state constitutional amendment involving casinos. In each of the next six questions, I'll ask whether you'd be more likely or less likely to vote yes, in favor of a casino amendment, if that particular amendment included certain details or restrictions.

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment allowed casinos only on river boats?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	30%	26%	24%	33%	27%	26%
LESS	37%	26%	48%	36%	39%	33%
NO EFFECT	33%	38%	28%	31%	34%	39%

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment allowed a casino at every horse track, dog track and jai alai fronton?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	20%	18%	22%	21%	18%	21%
LESS	57%	51%	63%	63%	66%	44%
NO EFFECT	23%	31%	15%	16%	16%	35%

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment allowed two casinos in Broward County and three casinos in Dade County, but only one each in seven other populous counties, and no casinos at all in any of the remaining 35 counties?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	15%	15%	35%	11%	21%	16%
LESS	66%	63%	69%	66%	69%	54%
NO EFFECT	19%	22%	16%	23%	10%	33%

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment seemed designed to benefit the owners of a specific piece of property in Miami Beach?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	8%	7%	9%	7%	8%	8%
LESS	79%	79%	72%	77%	82%	79%
NO EFFECT	13%	14%	12%	16%	9%	13%

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment allowed voters in every county to decide for themselves, in a local referendum, whether and where to allow casinos in their county?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	41%	43%	39%	36%	46%	40%
LESS	38%	35%	41%	43%	34%	38%
NO EFFECT	21%	22%	20%	21%	20%	22%

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment allowed a total of no more than 20 casinos in all of Florida, and if it allowed those casinos only on river boats or only in hotels with 1,000 rooms or more?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	23%	25%	21%	23%	24%	23%
LESS	54%	49%	59%	53%	55%	54%
NO EFFECT	23%	26%	20%	24%	21%	22%

QUESTION: Would you be more likely or less likely to vote yes, in favor of a casino amendment, if the amendment guaranteed that all tax money from casinos would be set aside for the fight against crime or some other worthy goal?

	<u>STATE</u>	<u>MEN</u>	<u>WOMEN</u>	<u>DEMS</u>	<u>REPS</u>	<u>INDS</u>
MORE	44%	50%	36%	46%	42%	41%
LESS	31%	27%	35%	28%	38%	30%
NO EFFECT	25%	23%	27%	26%	20%	29%

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
DIVISION OF PARI-MUTUEL WAGERING

Pari-Mutuel facilities, addresses, ownership, square footage and acreage.

ASSOCIATED OUTDOOR CLUBS, INC.
d/b/a TAMPA GREYHOUND TRACK
(greyhound permit)

8300 North Nebraska
Tampa, Florida 33604

MAJOR STOCKHOLDERS

Flordel Corporation
Harry J. Hater, Jr.
Betty Jane Hater
Mary Patton Pitocchelli

William Johnson Trust
Robert E. Hater Trust
Jule Ann Howell

SIZE 175,000 square feet on 37 acres.

BAYARD RACEWAYS, INC.
d/b/a ST. JOHNS GREYHOUND PARK
(greyhound permit)

U.S. 1 Racetrack Road
Jacksonville, Florida 32245-4249

MAJOR STOCKHOLDERS

Jacksonville Kennel Club, Inc.

Major Stockholders

1. Mary M. Patton, as Trustee of the Mary M. Patton Revocable Trust
2. William H. Johnston, Jr. Trustee for Anne E. Johnston Trust
3. Charles W. Bidwill & Patricia Bidwill
4. Charles W. Bidwill
5. Trust U/W John J. Patton, Jr. - Marital Trust

SIZE 115,000 square feet and 256 acres.

BISCAYNE KENNEL CLUB, INC.
(greyhound permit)

320 Northwest 115th Street
Miami Shores, Florida 33168

MAJOR STOCKHOLDERS

Ellen W. McDonnell	Jennifer S. West	James C. West
Cogrove Bank	Leah A. West	Sherry Massie Lane
Marilyn A. West	Richard G. West, Jr.	Karl A. Spitzer
Ellen W. Spitzer	Jean Jordon, Trust	Ellen F. Spitzer
Hippodrome Co.	William R. Moore, Jr.	Robert C. Lane, Jr.
W.R. Moore, Trust	Garrett E. Spitzer	
Richard G. West, St., Trustee f/b/o:		

Size Approximately 980,000 square feet on approximately 11.68 acres.

BONITA-FORT MYERS CORPORATION (WHOLLY OWNED SUBSIDIARY OF SOUTHWEST FLORIDA ENTERPRISES)

d/b/a NAPLES-FORT MYERS GREYHOUND TRACK
(greyhound permit)

10601 Bonita Beach Road, S.W.
Bonita Springs, Florida 33923

MAJOR STOCKHOLDERS

Southwest Florida Enterprises, Inc.

Size The facility is 118,000 square feet and sits on 105 acres.

CALDER RACE COURSE, INC.
(thoroughbred permit)

21001 Northwest 27th Avenue
Miami, Florida 33055

MAJOR STOCKHOLDERS

K.E. Acquisition Corp. Kawasaki Leasing International, Inc.
Estate of Mrs. Dorothy Zachar

Size 180,000 square feet and 220 acres.

DANIA JAI-ALAI DIVISION OF THE ARAGON GROUP, INC.
d/b/a DANIA JAI-ALAI
(jai-alai permit)

301 East Dania Beach Boulevard
Dania, Florida 33004

MAJOR STOCKHOLDERS

Stephen F. Snyder Owen P. Bell
Robert Hubsch Daniel R. Knox
Foy D. Jordan Philip LeBoutillier, Jr.

Size 250,000 square feet and 25 acres.

DAYTONA BEACH KENNEL CLUB, INC.
(greyhound permit)

2201 International Speedway Blvd.
Daytona Beach, Florida 32114

MAJOR STOCKHOLDERS

Delaware North Co. Inc.
Owned by:
Jeremy Maurice Jacobs Max William Jacobs
Lawrence David Jacobs

Size 156,846 square feet on 23 acres.

FLORIDA JAI-ALAI, INC.
d/b/a ORLANDO-SEMINOLE JAI-ALAI
(jai-alai permit)

6405 South Highway 17-92
Fern Park, Florida 32730

MAJOR STOCKHOLDERS
Estate of S.A. Calder

Size 101,601 square feet and 13.269 acres.

GULFSTREAM PARK RACING ASSOCIATION, INC.
d/b/a GULFSTREAM PARK
(thoroughbred & quarter horse permits)

901 South Federal Highway
Hallandale, Florida 33009

MAJOR STOCKHOLDERS
Gulfstream Holdings, Inc. of Illinois
Orient (Japan)

Size 480,883 square feet on 256 acres.

HIALEAH, INC.
d/b/a HIALEAH PARK
(thoroughbred horse permit)

2200 East 4th Avenue
Hialeah, Florida 33011

MAJOR STOCKHOLDERS
John J. Brunetti John J. Brunetti, Jr.
Stephen P. Brunetti

Size 438,135 square feet and 17.620 acres.

INVESTMENT CORPORATION OF PALM BEACH
d/b/a PALM BEACH KENNEL CLUB
(greyhound permit)

1111 North Congress Avenue
West Palm Beach, Florida 33409

MAJOR STOCKHOLDERS
Mr. & Mrs. Patrick J. Rooney Mr. & Mrs. Daniel M. Rooney
Mr. & Mrs. Timothy J. Rooney Mr. & Mrs. John J. Rooney
Mr. & Mrs. Arthur J. Rooney, Jr.

Size 113,000 square feet and 59 acres.

LEXICON CORPORATION
d/b/a FT. PIERCE JAI-ALAI
(jai-alai permit)

1750 South Kings Highway
Fort Pierce, Florida 34945-3099

MAJOR STOCKHOLDERS

- | | |
|------------------------------|------------------------|
| 1. Freedom Financial Corp. | 8. Kiran Gandhi |
| 2. W.B. Collett | 9. Ronald P. Perella |
| 3. Sports Tech, Inc. | 10. Laurette C. Hill |
| 4. W.B. Collett, Jr. | 11. Valerie K. Canning |
| 5. Roland and Dorothy Howell | 12. Michael Levy |
| 6. Hilda M. Collett | 13. Timothy L. Hensley |
| 7. WJA Realty | 14. Robert L. Hurd |

Size 78,842 square feet and 34.4 acres.

WJA REALTY LIMITED PARTNERSHIP
d/b/a MIAMI JAI-ALAI
(jai-alai permit)

3500 Northwest 37th Avenue
Miami, Florida 33142

MAJOR STOCKHOLDERS

Wheeler-Phoenix, Inc.
Patricia Wheeler
Roger M. Wheeler, Jr.
Pamela K. Wheeler
Continental Illinois National Bank Trustee of:
Florence E. Wheeler Mark K. Wheeler
David B. Wheeler Larry A. Wheeler

Size 119,000 square feet and 25.5 acres.

WJA REALTY LIMITED PARTNERSHIP
d/b/a OCALA JAI-ALAI
(jai-alai permit)

4601 Northwest Highway 318
Orange Lake, Florida 32681

MAJOR STOCKHOLDERS

Wheeler-Phoenix, Inc.
Patricia Wheeler
Roger M. Wheeler, Jr.
Pamela K. Wheeler
Continental Illinois National Bank Trustee of:
Florence E. Wheeler
David B. Wheeler
Mark K. Wheeler
Larry A. Wheeler

Size 63,333 square feet and 47.9 acres.

ORANGE PARK KENNEL CLUB, INC.

(greyhound permit)

455 Park Avenue
Orange Park, Florida 32073

MAJOR STOCKHOLDERS

1. James J. Patton, as Trustee of the James J. Patton revocable Trust
2. Clara U. Rush
3. Charles R. Bidwill Jr. & Patricia S. Bidwill
4. Trust U/W of John J. Patton- Marital Trust
5. William H. Johnston, Jr., Trustee for Anne E. Johnston Trust
6. Charles R. Bidwill, Jr.
7. William V. Bidwill, Nancy J. Bidwill & Thompson J. Guilfoil, Trustees U/A dated 8/22/86 Nicole Bidwill, Grantor
8. Genevieve H. Kemper
9. William V. Bidwill

Size 100,000 square feet and 23.01 acres.

PENSACOLA GREYHOUND TRACK, INC.

(greyhound permit)

951 Dogtrack Road (Highway 98 West)
Pensacola, Florida 32506

MAJOR STOCKHOLDERS

Joseph H. Wilson, Jr.
Aldon L. Smith
Herman Maisel
Sara H. Martin
Estate of Lum Morrison
Pensacola Greyhound Track, Inc.

Size 48,504 square feet and 81 acres.

POMPANO PARK ASSOCIATES LIMITED PARTNERSHIP

D/B/A POMPANO PARK

(harness & quarter horse permits)

1800 Southwest 3rd Street
Pompano Beach, Florida 33069

MAJOR STOCKHOLDERS

The Frederick L. Van Lennep Trust, c/o Roy M. Tolleson, Jr.
John A. Cashman, Jr.

Size 277,864 square feet on 350 acres.

SANFORD-ORLANDO KENNEL CLUB, INC.

(greyhound permit)

301 Dogtrack Road
Longwood, Florida 32750

MAJOR STOCKHOLDERS

Jerry Collins, Trustee Jerry Collins Grantor Trust
Catherine M. Kelly Jack G. Collins
Catherine M. Kelly & Shawmut National Bank, Co-Executors of the Estate of Mary M. Kelly
Dane N. Towell & Thomas A. Polachek, Co-Executors of the Estate of Katherine A. Nichols
Dane N. Towell

Size 77,000 square feet and 35.97 acres.

SARASOTA KENNEL CLUB, INC.

(greyhound permit)

5400 Bradenton Road
Sarasota, Florida 34234-2999

MAJOR STOCKHOLDERS

Gerard B. Collins Anna Newman Trust
John Randolph Calhoun Lola Collins
Florida Sheriffs Youth Ranches, Inc. (Minor)

Size 99,171 square feet and 45.2 acres.

SEMINOLE RACING, INC.

d/b/a Seminole Greyhound Park

(greyhound permit)

2000 Seminola Blvd.
Casselberry, Florida 32707

MAJOR STOCKHOLDERS

Sports Palace, Inc. (a subsidiary of Delaware North Companies, Inc.)
Delaware North Companies, Inc. is owned by:
Jeremy Maurice Jacobs Max William Jacobs
Lawrence David Jacobs

Size 96,420 square feet and 156.15 acres

SPORTS PALACE, INC.

d/b/a MELBOURNE GREYHOUND PARK

(greyhound permit)

1100 North Wickham Road
Melbourne, Florida 32935-8941

MAJOR STOCKHOLDERS

Sportsystems Corporation (a wholly owned subsidiary of Delaware North Companies, Inc.)
Delaware North Companies, Inc. is owned by:
Jeremy Maurice Jacobs Lawrence David Jacobs
Max William Jacobs

Size Total square feet for the main building is 63,000 and 57 acres.

ST. PETERSBURG KENNEL CLUB, INC.
d/b/a DERBY LANE
(greyhound permit)

10490 Gandy Blvd.
St. Petersburg, Florida 33702

MAJOR STOCKHOLDERS

Mrs. A.D. Weaver
Mary Margaret Winning
THE FRANCES WEAVER -Nohern
Revocable Trust for Benefit of Frances Weaver Nohren
A.V. Weaver, Jr
As Trustee Under Trust Agreement -dated 6/13/88 FBO Arthur Weaver, Jr.
SUNCO & Co.
c/o Citizens & Southern
Joyce W. Brooks Trust FBO M.M. Winning

Size 114,000 square feet heated and cooled, 165,000 sq. ft. total front line and 160 acres.

SUMMER JAI ALAI
(jai-alai permit)

3500 Northwest 37th Avenue
Miami, Florida 33142

OWNED BY:
WJA REALTY LIMITED PARTNERSHIP, d/b/a Miami Jai-Alai
WEST FLAGLER ASSOCIATES, LTD.
BISCAYNE KENNEL CLUB & INVESTMENT CORPORATION OF
SOUTH FLORIDA, INC.
(ALL d/b/a SUMMER JAI-ALAI)

MAJOR STOCKHOLDERS

AS TO WJA REALTY LIMITED PARTNERSHIP, d/b/a Miami Jai-Alai

1. Wheeler-Phoenix, Inc.
2. E.H.P. Corporation
3. Pam Wheeler Norberg

AS TO WEST FLAGLER ASSOCIATES, LTD.

1. Southwest Florida Enterprises, Inc.
2. Hecht Investments, Ltd.

AS TO BISCAYNE KENNEL CLUB, INC.

1. Ellen W. McDonnell
2. Estate of James C. Knight
3. Marilyn A. West
4. Ellen W. Spitzer
5. Hippodrome Co.

AS TO INVESTMENT CORPORATION OF SOUTH FLORIDA

1. Racing Corporation

Size See Miami Jai Alai

SUMMERSPORT ENTERPRISES, LTD.

(jai-alai permit)

301 East Dania Beach Blvd.
Dania, Florida 33004

MAJOR STOCKHOLDERS

The Aragon Group, Inc.
Thomas H. Barkdull, III
Edith B. Sibley, Estate Phyllis Kessler

Bettie B. Barkdull
Thomas H. Barkdull, Jr.

Size See Dania Jai Alai

TAMPA BAY DOWNS, INC.

(thoroughbred & quarter horse permits)

11225 Racetrack Road
Tampa, Florida 33626

MAJOR STOCKHOLDERS

Stella F. Thayer
Howell L. Ferguson
Susannah L. Thayer
Eliot L. Ferguson

Derek C. Ferguson
Megan L. Ferguson
Colin M. Savage
Heather A. Savage

Size 163,500 square feet on 457 acres.

WJA REALTY LIMITED PARTNERSHIP

d/b/a TAMPA JAI-ALAI

(jai-alai permit)

5125 South Dale Mabry
Tampa, Florida 33611-3597

MAJOR STOCKHOLDERS

Wheeler-Phoenix, Inc.
Patricia Wheeler
Roger M. Wheeler, Jr.
Pamela K. Wheeler
Continental Illinois National Bank Trustee of:

Florence E. Wheeler
Mark K. Wheeler

David B. Wheeler
Larry A. Wheeler

Size 125,000 square feet on 35 acres.

TROPICAL PARK, INC.

(thoroughbred permit)

21001 Northwest 27th Avenue
Miami, Florida 33055

MAJOR STOCKHOLDERS

K.E. Acquisition Corp.
Kawasaki Leasing International, Inc.
Estate of Mrs. Dorothy Zachar

Size See Calder

VOLUSIA JAI-ALAI INC.
d/b/a DAYTONA BEACH JAI-ALAI
(jai-alai permit)

1900 Volusia Avenue
Daytona Beach, Florida 32014

MAJOR STOCKHOLDER
Delaware North Companies, Inc.

Owned by:
Jeremy Maurice Jacobs Max William Jacobs
Lawrence David Jacobs

Size Closed, will not disclose information.

WASHINGTON COUNTY KENNEL CLUB
d/b/a EBRO DOG TRACK
(greyhound permit)

Highway 79
Ebro, Florida 32437

MAJOR STOCKHOLDERS
Hess Management Doris Dervaes
Elaine Jacobs Jeanne C. Flowers
Leonard & Jeffrey Pepper

Size Total of 85,300 square feet on 35 acres.

WEST FLAGLER ASSOCIATES, LTD.
d/b/a FLAGLER GREYHOUND TRACK
(greyhound permit)

401 Northwest 38th Court
Miami, Florida 33126

MAJOR STOCKHOLDERS
Southwest Florida Enterprises, Inc.
Hecht Investments, Ltd.
Isabelle Hecht Amdur
Barbara Hecht Havenick

Size 220,000 square feet and 28 acres.

OCALA BREEDERS' SALES COMPANY, INC.
(quarter horse permit)

1701 Southwest 60th Avenue
Ocala, Florida 34474

MAJOR STOCKHOLDERS
Arthur I. Appleton Barnett Bank of Marion City, NA
Alec Courtelis Norman Casse
Dr. John Weber

GADSDEN JAI ALAI, INC.
(greyhound permit)

MAJOR STOCKHOLDERS

Stephen A. Calder Testamentary Trust "A", FBO Elizabeth A. Calder

Size 136,151 square feet and 59.8 acres.

NORTH AMERICAN RACING ASSOCIATION, INC.
(greyhound permit)

350 Fifth Avenue
Key West, Florida 33040

MAJOR STOCKHOLDER

John Van Lindt

OSCEOLA PARK, INC.
(quarter horse permit)

MAJOR STOCKHOLDER

Estate of James E. Wharton

OCALA ARABIAN BREEDERS SOCIETY, INC.
(non-wagering arabian permit)

MAJOR STOCKHOLDERS

Mr. and Mrs. Alec Courtelis
Norman Sauvey
Zichy Thysen Arabians

Mark Miller
Mr. and Mrs. Abe Seiderman

PASCO TROTTING AND RACING ASSOCIATION
(non-wagering harness permit)

SUWANNEE VALLEY RACING ASSOCIATION, INC.
(non-wagering quarter horse permit)

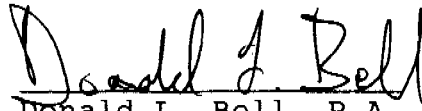
MAJOR STOCKHOLDERS

Douglas I. Stephenson
Charles V. Lewis
Morris Flood

FLORIDA STANDARDBRED BREEDERS' AND OWNERS' ASSOCIATION
(non-wagering harness permit)

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by hand delivery this 6th day of July, 1994, on Robert A. Butterworth, Attorney General of Florida at The Attorney General's Office Plaza Level-01, The Capitol, Tallahassee, Florida 32399-1050



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