

THE SLOTS DEBATE

# Funding the fight

*Most business groups support referendum, but it's not unanimous*

BY ANDY ROSEN

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**B**oth sides are counting on the support of the business community on Tuesday when voters will decide whether to legalize slot machines in Maryland.

Though some of the state's largest business organizations have endorsed the ballot measure, the support is by no means unanimous. Firms are finding themselves split along ideological and economic lines similar to the ones that have defined the debate over slot machines for nearly a decade.

Business support has not necessarily translated into financial support for the organizations seeking to influence voter opinion on the measure, which would authorize a total of 15,000 slot machines in Baltimore City and Anne Arundel, Allegany, Cecil and Worcester counties.

A review of campaign finance records shows that the pro-slots group **For Maryland For Our Future** has raised about \$4.4 million over the course of the political campaign, and has vastly outspent the opposition.

An overwhelming majority of the group's donations — 83.3 percent — came from companies related to horse racing. The remainder came from a \$500,000 donation from the American Federation of State,

SEE SLOTS PAGE 12A

County and Municipal Employees (11.4 percent), the gaming industry (3.1 percent) and from individual contributions.

The primary opposition to slots comes from **Marylanders United to Stop Slots**, which has raised about \$571,000 this year. The group's support comes from a wider base of donors, featuring more individuals, some charitable and religious organizations and a variety of business entities.

There are two other anti-slots groups that have been raising money. **Stop Slots Frederick** reported this month that it had raised \$4,251.35, mostly through two individual donations. **Stop Slots Maryland** reported that it raised \$21,825, also largely through individual donors.

Nearly 20 percent of **Marylanders United's** donors were businesses from Ocean City, where many in the crucial hospitality industry are concerned about the effect that the ballot measure would have on business there. Under the ballot measure, as many as 2,500 slot machines could be installed at nearby Ocean Downs, and some worry that they could hurt the income of existing leisure businesses.

Advocates on both sides of the issue disagree about what the campaign spending says about the makeup of their support. Scott Arceneaux, senior adviser to **Marylanders United**, said the pro-slots group's base of contributions shows that the group is largely representing racing and gambling interests.

He said other business groups may be going along with the campaign because of the pro-slots pressure that exists in state government.

"I think they have to answer to the pressure that's put on by the folks in Annapolis," he said.

Frederick W. Puddester, who is directing the **For Maryland** campaign, said he does not think voters should judge his group based on its campaign finance report alone. He points to support from groups including the **Maryland Chamber of Commerce** and the **Maryland State Teachers Association**.

He said the groups that have supported the cause have been vocal and are helping the campaign by lending their endorsements and mobilizing members of their business networks.

"A lot of what this is all about is getting the word out to the voters, and that's done in many ways," he said. "Most of these people are very busy and have very busy schedules, but they've been very generous with their time."

Paul S. Herrnson, director of the **Center for American Politics and Citizenship** at the **University of Maryland, College Park**, said both public and financial support have important roles in campaigns, though he



noted that donations often come from people who have a financial stake in the outcome of a race.

"For groups that don't invest money, they may not see profit or they may not have money to invest," he said. "But they can use their reputation to influence votes."

The horse racing and gambling industries stand to gain from the slots referendum. Part of the money that the state would collect from slots would go toward increasing the prizes for horses that race here, a boost that many in racing see as critical to maintaining that industry in the state.

Cricket Goodall, executive director of the **Maryland Horse Breeders Association**, said her organization's decision to donate \$25,000 was based on a fear that a failure of the referendum would cause immediate damage to the racing industry in the state. The association has about 700 members, she said.

"We realized early on that our small association was not going to be able to have our own campaign organization," she said. "It's a huge amount, but one that we felt we had to have, because we needed to have our voices heard and get the word out."

Will Burns, spokesman for the **Maryland Chamber of Commerce**, said slots will have a wider economic effect in helping to stabilize a state budget that leaders have struggled to balance over the past few years. State budget analysts have projected that slots could raise more than \$1 billion for the state by 2012.

Burns said the money from slots could help prevent the state from looking to new taxes as revenue sources, something the chamber wants to avoid. Still, he said the organization's board of directors decided this year not to donate money to the cause through the chamber's political action committee.

He said the chamber is having an effect on the race by encouraging members to vote and spread the word about the referendum.

Though the statewide chamber has endorsed the referendum, not all of the regional chambers of commerce are following

sult. Notably, the **Greater Ocean City Chamber of Commerce** is actively opposing the measure.

Executive Director Melanie A. Pursell said there is broad concern around the resort town that the expansion of gambling at Ocean Downs is going to detract from the family-friendly character of the area and could increase crime.

She said businesses from Ocean City are donating so their opposition can reach parts of the state that they wouldn't be able to influence through local campaigning alone.

"Clearly, Worcester County doesn't have the votes to rally Maryland," she said.

For AFSCME, the proposal's effect on the state budget was enough to merit both a public endorsement and a major donation from the union's national office. AFSCME Maryland Director Patrick Moran said more budget problems for Maryland could affect state jobs, as well as the financial resources that workers need to do their jobs.

"We understand the stakes of the game," he said. "The people that are going to provide the services that the people of Maryland are going to rely on are our folks."

Not all donors during the campaign say they have a direct financial connection to the outcome of the race, though. Thomas D. Kline Jr., chairman and CEO of the Frederick-based infrastructure and construction firm **Richard F. Kline Inc.**, said his firm donated \$10,000 to Marylanders United because he is concerned about the effect on the community and the overall economy, not because of a direct financial interest. He said the state should not resort to gambling to raise money.

Kline said visits to Shreveport, La., have demonstrated to him that slot machines do not help the economy. There's not a lot of new construction there, he said, and many people spend their disposable income on gambling.

"You don't have building. You don't have growth. You don't have the entrepreneurial



spirit," he said. "It crushes that."  
**"We understand the stakes of the game."**

**Patrick Moran**  
**AFSCME Maryland Director**  
**AGAINST SLOTS**

Industry	\$ Amount:
Business entities (15.3% of total donations)	\$87,600
Foundations, churches & community organizations (19.6% of total donations)	\$112,120
Construction (3.5% of total donations)	\$20,000
Defense (5.2% of total donations)	\$30,000
Entertainment (4.4% of total donations)	\$25,500
Health Care (3.5% of total donations)	\$20,000
Housing and development (2.6% of total donations)	\$15,000
Ocean City (16.3% of total donations)	\$92,908
Candidate accounts and states (2.2% of total donations)	\$12,350
Individuals (22.9% of total donations)	\$130,653
Labor (4.3% of total donations)	\$25,000
<b>Grand total:</b>	<b>\$571,131</b>

*SOURCE: Maryland State Board of Elections and staff reports*  
 All figures current as reported on 10/24/2008.

Top 3 donors	\$ Amount
The James G. Robinson Foundation, Inc.	\$100,000
Stewart Bainum Declaration of Trust	\$65,000
Harrison Group General	\$50,000

**FOR SLOTS**

Industry	\$ Amount:
Horse (83.3% of total donations)	\$3,656,400
Gaming (3.1% of total donations)	\$135,000
Labor (11.4% of total donations)	\$500,000
Individuals (2.3% of total donations)	\$101,442.50
<b>Grand total:</b>	<b>\$4,392,842.50</b>

*SOURCE: Maryland State Board of Elections and staff reports*  
 All figures current as reported on 10/24/2008.

Top 3 donors	\$ Amount
Laurel Racing Association LP	\$2 million
Penn National Gaming	\$1 million
American Federation of State, County and Municipal Employees	\$500,000



## NOT PUTTING THEIR MONEY WHERE THEIR MOUTHS ARE

Supporters on both sides that haven't contributed money to the slots campaign organizations but have still publically expressed opinions

**For**

Maryland Chamber of Commerce  
Greater Baltimore Committee  
 Maryland Retailers Association

**Against**

Former Gov. Robert L. Ehrlich Jr.  
 Rep. Roscoe Bartlett, R-Md.  
 Maryland Taxpayers Association



Thomas D. Kline Jr., CEO of Frederick-based construction firm Richerd F. Kline Inc., said his company has donated \$10,000 to Marylanders United To Stop Slots because he is concerned about the effect on the community and the overall economy, not because of a direct financial interest.



