



GBC Gets Behind Slots Referendum

Wednesday, September 17, 2008 - WBAL Radio as reported by Scott Wykoff

The Greater Baltimore Committee has announced it is supporting the slots referendum. The group of regional business leaders says it came to the decision after its board of directors heard from both sides of the issue that will be on the ballot in November. The GBC says it came to the decision after studying the slots issue for "many years".

A 1997 study commissioned by the GBC found that gaming would have a positive impact on economic development for Maryland.

Greater Baltimore Committee Release:

The Greater Baltimore Committee, the region's most prominent group of business and civic leaders, today announced support for passage of Maryland's slots proposal and urged voters to approve it during the November 4 statewide referendum.

The GBC board of directors, comprised of business CEOs and top-level business executives, heard from both sides of the referendum debate and has studied the issue for many years. "The GBC has determined that this slots proposal makes sense," GBC President & CEO Donald C. Fry said in announcing the group's support for the referendum.

"It is a reasonable way to provide needed additional revenues to our state, to stop the hemorrhaging of discretionary spending and revenue that is currently going into the coffers of neighboring states, and to provide the citizens of Baltimore City with an opportunity to benefit from much-needed property tax relief," Fry said.

Slots legislation requires that 5.5 percent of slots revenue would go to local jurisdictions where slots are located, and that a significant portion of Baltimore City's share be used to reduce property taxes and for public school construction.

With the state government currently facing declining revenues as the national economic downturn begins to impact Maryland, passage of the slots proposal will play a vital role in keeping Maryland on an even fiscal keel, Fry said.

He emphasized that a major bond rating agency has acknowledged that the passage of the slots referendum is important to the state's future financial standing. "The bond rating agencies know that should the slots referendum not pass that it will be challenging for our governor and state legislative leaders to cover the magnitude of the budget gap that will exist without some Draconian steps."

"Failure of the slots referendum would place even more fiscal pressure on the governor and lawmakers to find revenue sources," Fry noted. "They would not just cut budgets... They would seek additional revenues and business is a likely target."

"The GBC understands the role that business must play in a reasonable state tax structure, but imposing more taxes on business would simply convert the state's structural deficit into added structural overhead for the business sector and make the state less competitive as a place to live and work," he said. "This slots proposal is a more sensible and attractive alternative to traditional taxes."

Fry noted that the slots plan before the voters addresses key elements of the position the GBC has taken during the five years that the General Assembly has debated the slots issue. Key measures sought by the GBC include a bidding process for gaming licenses, slots venues at potential destination locations, and maximum financial recovery of slots revenue for Maryland taxpayers.

"Gaming revenues are clearly part of the solution to the state's budget shortfall. That was made clear during last

year's special legislative session. To some it may not be the perfect or ideal approach or solution, but it does address legitimate public policy concerns and should be accepted as a reasonable and viable approach," Fry said. "Such concerns include neighboring states capturing Marylanders' discretionary spending, balancing the competitiveness of the Maryland racing industry with neighboring states, and contributing revenue to budgetary shortfalls without increasing personal or business taxes."

"For property owners in Baltimore City, slots gaming would provide a revenue source that is sufficient enough to significantly reduce Baltimore City's property tax rate, which is now entirely out of line with neighboring jurisdictions," added Fry.

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