

Destination Resort Casinos in Massachusetts: ***Economic Development & New Jobs***

- **Economic Development and Job Creation:**
 - Growing the Massachusetts economy is the best way to make the investments in those areas that will strengthen the Commonwealth.
 - The administration's Life Sciences initiative, renewable energy programs, education reform and 5-year capital plan are all part of a strategy to strengthen the Commonwealth's economy and to create 100,000 new jobs.
 - The authorization of destination resort casinos is another important part of the Governor's strategy to ensure the state's economic competitiveness and create 100,000 jobs.

- **Job Creation:**
 - Authorizing three, commercial destination resort casinos will result in tens of thousands of construction jobs and billions of dollars of construction-related spending in the Massachusetts economy.
 - Once constructed in 2012, our initial economic modeling shows that the three destination resort casinos would generate over 20,000 new jobs – which we expect will offer good wages and benefits.
 - Ensuring that the destination resort casinos are located in different regions of the state expands economic development and job creation broadly throughout the whole Commonwealth and recognizes that the needs of regional economies must be addressed.
 - The Governor does not support slot machines at racetracks. Destination resort casinos, instead of slots at tracks, guarantee greater job creation and more diversified employment opportunities in hotels, restaurants, conferences and other accommodations that complement the existing tourism, recreation and hospitality industries in the Commonwealth.

- **Investment: Property Tax Credit and Road and Bridge Investment:**
 - Based on initial economic modeling, the introduction of three commercial destination resort casinos in the Commonwealth will generate hundreds of millions of dollars in new state revenue each year. This is the amount of money that would be available after we set aside mitigation funds for public health, public safety, neighboring cities and towns and the state lottery.

- In addition to this new revenue from destination resort casinos, we believe tens of millions of dollars per year will be generated in income, sales, meals, hotel and other taxes and economic activity.
- Destination resort casinos are economic drivers and will boost economic development and job creation. The added benefit of new revenue allows the Commonwealth to continue to address two issues that have been neglected for the past 16 years: the increasing burden of property taxes and neglected state roads and bridges.

Property Tax Credit

- Property tax burden has soared. This tax hits middle and low-income Massachusetts working families the hardest.
- Dedicate half of the new destination resort casino revenue to a property tax credit initiative.
- Over 1,000,000 Massachusetts homeowners will be eligible for a property tax credit to help offset yearly property tax increases.
- This broad based property tax credit is another tool in the administration's efforts to reduce the burden of residential property taxes on homeowners. Along with the provisions of the Municipal Partnership Act, this property tax credit will result in real savings to Massachusetts homeowners.

Roads and Bridges

- Massachusetts roads and bridges have been neglected for 16 years. Investments and upgrades to roads and bridges are an economic necessity and will facilitate economic development and job creation.
- One half of the new destination resort casino revenue will be dedicated to increased investments in roads and bridges.
- This major investment is another step in the administration's efforts to address 16 years of neglect. We are addressing this neglect through the 5-year capital plan, the infusion of these new casino revenues and a forthcoming major reform initiative, which will focus on major reforms and generate savings through efficiencies and debt re-structuring.

- **Recognize Concerns:**

- We recognize that there are negative aspects to the introduction of destination resort casinos that must be addressed and funded.

- My administration will work closely with the legislature to construct the most rigorous and robust gaming regulatory and enforcement scheme in the country.
- In addition, we will set aside funds from the anticipated new destination resort casino revenue to pay for the additional public health, public safety and community mitigation services that will be required.
- **Regulation, Enforcement and Public Safety:**
 - New independent commission to provide strong regulatory oversight. We will construct the most rigorous and transparent regulatory structure in the nation. We will build on the experience of other states to ensure a strong, independent commission.
 - This Regulation, Enforcement and Public Safety strategy will be funded through an assessment on destination resort casinos.
 - A new and independent division within the office of the Attorney General to enforce the regulations and laws that are developed to regulate the activities of destination resort casinos.
 - Special units of the Massachusetts State Police to police each of the resort casinos and the Commonwealth will execute policing agreements with each destination resort casino and will include planning for growth.
- **Public Health:**
 - A new Public Health Trust Fund will be created and will be funded in an amount equal to 2.5% of the destination resort casinos' gross revenue.
 - This level of funding will place Massachusetts in the top tier of states in funding related to the social costs of gaming.
 - The fund will support compulsive gambling programs and addiction services as well as the costs for services to address other health and human services problems that may arise.
 - We envision a rigorous and wide spread education and prevention campaign about the potential addictive nature of gambling; and mandating on-site addiction identification and intervention services.
 - Lastly we will develop an evaluation system to ensure that we understand the social impact related to gaming and are able to effectively mitigate those negative aspects.

- **Community Mitigation:**
 - A new Community Mitigation Trust Fund will be created and will be funded in an amount equal to 2.5% of the destination resort casinos' gross revenue.
 - This fund will be used to help the host community as well as adjoining cities and towns address any increases in police, fire, transportation or other services related to the construction and operation of the destination resort casino.
 - In addition to this yearly payment, we will require a one time community mitigation proposal to be included within each license application.
 - All infrastructure costs within a host and adjoining community will be paid exclusively by casinos – it will be a condition of the gaming license
 - Enhanced regional transportation systems will generate additional economic development opportunities for the regions of the state.

- **Competitive Auction Process:**
 - Companies will be required to bid on the three destination resort casino licenses that will be made available and these licenses will be renewable every ten years. It is our expectation that one of the commercial licenses will have a tribal component.
 - The Commonwealth will retain the services of reputable and respected financial services firms to help construct and conduct a public auction for destination resort casino licenses in the Commonwealth.
 - The Commonwealth will auction each one of the three licenses and will require each bidder to submit an application that includes a license fee, a detailed plan proposal, local mitigation impact proposals, job and wage proposals, environmental impact and mitigation proposals and facility design and location proposals among other items. In addition, bidders will be required to adhere to sustainable development principles in location decisions and provide that the buildings will adhere to clean and renewable energy standards.
 - It is our expectation that the auction process will generate hundreds of millions of dollars that I envision being directed to begin a property tax credit program; fund road and bridge repairs and improvements and to construct the regulatory, enforcement and public safety structure that will oversee the destination resort casinos.