



CITY OF BANGOR

Testimony of Joe Perry  
Former Councilor, City of Bangor

Before the Committee on Veterans and Legal Affairs  
FY 20-21 Budget  
March 25, 2019

Senator Luchini, Representative Schneck and members of the Committee on Veterans and Legal Affairs. My name is Joe Perry and I am a former Councilor for the City of Bangor. I am testifying today in opposition to the LD 1144.

As you know, the City of Bangor was the first in Maine to approve slot machines. It was approved after a successful statewide and city wide vote. In addition, the operator was required to pay substantial licensing fees and enter into agreements with the City for operation of the race track. The city, for its part, invested one hundred percent of the revenues received from gaming into building the Cross Insurance Center, which is a state and regional asset. When table games were approved, the state required a county wide vote. The votes were cast successfully and Penn National Gaming paid substantial licensing fees for the rights to provide table games. In addition to licensing fees, Penn National, as the first casino in Maine, invested over \$120 million in a hotel and casino. 100% of the funds received from Casino Funds went into reinvesting into the Cross Insurance Center.

In 2010, a second casino was approved by a single statewide referendum. This included not only slots, but table games. The standard of a statewide election has been in place for 15 years. There have been other attempts for casinos in Maine, however they were unsuccessful in obtaining statewide approval.

LD1144, which would allow for new tribal casinos in Maine, does not require approval in a statewide vote, does not require fees to be paid to the state, and would eliminate the requirement that the Casinos be at least 100 miles apart.

As I mentioned above, both Hollywood Casino and Oxford Casino required approval by a statewide referendum. Other communities and casinos have tried to bypass statewide referendum, and yet the law never wavered from the need to obtain statewide approval. Those efforts were unsuccessful. In addition, the Casino in Bangor was required to obtain a city vote for slots and a county vote for table games.

One of the most concerning aspects of LD1144, is the elimination of a provision that prohibits a new casino or slot facility within 100 miles from an existing facility. Penn National Gaming invested over \$120 million in a hotel and casino, all of which produces substantial revenues for the State and City. Oxford Casino, impacted the revenues of the Bangor Casino and it is approximately 125 miles from Bangor. The inclusion of an additional casino less than 100 miles from the Bangor Casino will directly impact return on investment for the State, City and Penn

National Gaming. Allowing a new casino to cannibalize an existing facility does nothing to ensure growth and stability in gaming.

Finally, LD 1144 exempts tribes from millions in fees and taxes that has been paid by existing casinos. This directly impacts the ability of the Bangor and Oxford facility to compete with tribal casinos.

Under state laws, substantial investment was made in Bangor to develop the Casino. Those investments have yielded returns which have been diminished over time with the approval of Oxford. Further expansion of gaming without parity in elections and fees will make return on investment for the Hollywood Casino difficult to maintain. This would be even further exacerbated if a casino was built in the Bangor region.

The only way to stabilize investment in Casinos in Maine is to ensure parity of all rules pertaining to gaming.

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