

The time has come for us to analyze these referendums when they come for a vote by the people. All over the nation common citizens are asked to say “yes” to an issue that is supposedly for their benefit and financial future. More times than not the consequences of such are harmful and slanted to a greedy few. Such is the case with “Question 7” appearing on the Maryland ballot on November 6, 2012. All Maryland residents should study this. The following is what I conclude.

Question 7 ads flood the airwaves in the D.C. metro region, with claims flying left and right about what it means for Maryland. The most optimistic estimates claim the bill will create thousands of jobs and result in an influx of funding for schools. A clear assessment of its impact on the state’s economy and budget needs to acknowledge the performance of casinos so far, and the overall gaming landscape in the mid-Atlantic region. After taking these factors into consideration, it becomes clear that the ballot initiative does nothing for Maryland residents or small business, while serving as a windfall for the casinos.

In the year leading up to the 2008 referendum that approved the first five casinos in Maryland, politicians made bold promises, claiming that \$600 million dollars would flood into the state coffers by 2013. Since nothing close to that has been realized, voters should remain skeptical of the similar claims being made today. A portion of state gaming dollars was also supposed to go to grants for minority and women owned small businesses. An audit recently completed by the State has shown not a single dollar has been disbursed to this group – despite the challenges the minority business community faces in light of current economic times.

Just as important, the idea that a “yes” vote will bring 12,000 net jobs misleads voters on several levels. Especially given the costs associated with bringing the National Harbor casino vision to reality. The gaming industry is rarely, if ever, given economic development dollars to build in any other gaming state. Yet, Maryland seems to want to be the first. The Maryland Department of Transportation estimates that \$300 million will be needed for road improvements and infrastructure to meet the demand of casino customers. It is written into the law that the state can assume these costs – not the developer of the casino. This \$300 million cost is in addition to the \$350 million that the National Harbor developer received in taxpayer subsidies and taxpayer backed investments in the area. Together, it’s going to cost the state taxpayers \$54,166 per job if that 12,000-job estimate is even close to accurate (I have grave doubts of its accuracy). That’s almost twice what the per capita income is in the state.

It is important to note that despite the exorbitant costs to the state, there is no obligation for a casino operator or construction company to employ Maryland workers for these positions. Given National Harbor’s location, there will surely be many jobs filled by Virginia and District of Columbia residents. Backers of this year’s gaming legislation refused to put these requirements in place and that leaves Maryland job seekers with no guarantees.

Finally, the history of National Harbor development has not been as favorable for Prince George’s County minority businesses as one may expect. In 2008, the *Washington Post*

reported that during the area's development, Prince George's County minority contractors received just 12 contracts, out of more than 300 awarded. Only \$10 million of the \$290 million in the initial contracts went to these minority firms. There is nothing in Question 7 that prevents the continuation of this disparity.

The only real guarantee in Question 7 is that casinos will receive massive tax breaks – their rates will be cut by up to 27% -- without any obligations to hire workers from Maryland's communities. A more effective economic policy entails tax relief for Maryland's small businesses and workers, who are more likely to employ state residents. Even recent campaign disclosures from the for and against campaigns show that the supporters of Question 7, Vegas monolith MGM, has only spent \$178,000 in the State of Maryland while sending \$18 million of their campaign dollars to out of state vendors. So much for "For Maryland Jobs." Ironically, the company they accuse as being an out-of-state interest (the company against Question 7) has spent 80% of their campaign dollars with Maryland businesses. It's important to note that both the for and against sides are both from out-of-state although anti-7 Penn National owns two gaming properties in Maryland already and employs nearly 400 people in the state.

We need to put a stop to corporate welfare, be it at the local, state or federal levels of government. A no vote on Question 7 is a step in the right direction.

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