

Minutes from 10/25/02 Casino Task Force Meeting

In attendance: Sen. Kevin Shorey, Sen. Jill Goldthwait, Sen. Chandler Woodcock, Rep. Donna Loring, Rep. Janice Labrecque, John Menario, Richard Balkite, Jim Carson, Laura Yustak-Smith, Kim Johnson, Judy Guay, Edward Strong, Craig Poulin, Vaughn Stinson. Not present: Rep. Bruce Bryant, Thomas Phillips.

Craig Poulin from the Maine State Police discussed issues from Connecticut's (CT) experience with Casinos. He indicated that CT state police feel as though they never got the additional personnel needed to handle the influx of people.

Mr. Poulin said that a Casino would increase traffic. He said the biggest issue faced in CT is the added traffic – they now have traffic all night and higher levels of traffic incidents.

Mr. Poulin stated that if you include statistics from inside the Casino, crime has increased. He also noted that you can make the statistics look positive or negative, depending on what you look at and how it's presented.

He again noted that the biggest problem is traffic and accident problems.

Mr. Poulin presented stats that indicate that the majority of crimes in the area come from within the casino. He noted that Casinos are a good way to rip people off and that there are possible issues with loan sharking, embezzlement, and prostitution. However, crime stats might not pick these up.

He posed the question, "what is the regulatory structure going to look like?"

He believes the state will need an additional 15 to 30 investigators. This is the best estimate the he, with help from CT staff, could come up with. They would need investigators for back ground checks. He estimated that 6 to 12 people will be needed in the AG's office. Additional staff will be needed for finger printing and background checks.

To sum up, he believes there will be more crime, but doesn't know how much. There will be more accidents, more cars, and more activity that follows people. Mr. Poulin has heard that traditional organized crime is overblown, although organized crime has tried to get into the CT casinos.

John Menario asked if he was familiar with the National Gambling Impact Study Commission (NGISC). Mr. Menario noted that the report said that they could not find a relationship between crime and gambling. He said that the Commission report said that casino communities were just as safe as non-casino communities. He also asked about the difference between bringing in a mall versus a casino – how different are they in their impact on crime?

Sen. Shorey asked that the stats Mr. Poulin presented be made available to the Task Force.

Sen. Goldthwaite asked about interjurisdictional issues. Mr. Poulin said that they try to work out these issues cooperatively. He said it's likely that inside the casino would be within the jurisdiction of the state, whereas outside would be within the jurisdiction of the town or municipality.

Sen. Goldthwaite inquired about the inside/outside the casino distinction. Mr. Poulin stated that historically, gambling activities have been within the jurisdiction of the state. The state police have had oversight over gaming regulations for years and they have a level of expertise in this area.

Chief Strong said that he believed the question of who would have jurisdiction is unclear. He said typically this role falls to the municipality unless it is contracted to the state police. For example, Foxwoods contracts out this function to the state police.

Mr. Poulin noted that there is distinction between the enforcement function and the regulatory function. Mr. Poulin had been referring to the regulatory function. He agreed that the municipality would provide enforcement. Mr. Poulin said that the enforcement function falls to the state in CT because the casino is on a reservation and there is no municipality to take on this function.

Sen. Goldthwait asked about the total price tag to the state for a casino. She said if the state should be spending about \$2 million for problem/pathological gamblers and the total the state is expected to receive from the casino is \$6 million, what did he think the additional cost would be for the personnel he mentioned? Mr. Poulin estimated that it could be from \$3 to \$5 million depending on the regulatory structure.

Mr. Poulin will provide a summary of the costs to the state given the assumptions about the states role in the regulation of casinos.

Rep. Loring asked about the \$85,000 price tag on an investigator. Mr. Poulin indicated that the is the total cost to the state per employee – not just the salary.

Chief Strong mentioned that according to UCR (Unified Crime Report Index), the crime rate in the area went down. Mr. Poulin responded that a recent report put out by the state indicates that the crime rate has gone up by 20%. Mr. Poulin said there doesn't appear to be a clear trend – it varies from year to year.

The next speaker was Laura Yustak-Smith from the Attorney Generals Office. She said that she spoke with budget people in various state departments to predict the costs associated with a casino. However, much is still unclear. She

has estimates for individual positions. She will give this info to Danielle to distribute to the Task Force.

Ms. Yustak-Smith developed a preliminary list of issues that will need further exploration. She stated that the AG's office will need several assistance AG's and support staff. She provided estimates for FY '04 that included individual position costs for attorneys, investigators, paralegals, and secretaries. She will provide this information to Danielle.

Ms. Yustak-Smith also noted that CT already had a regulatory structure in place to deal with other forms of legal gambling such as jai alai. She pointed out that Maine does not have this structure in place. She further noted that Maine is not equipped to handle the potential increase in hearings due to a casino. In CT, there were 212 hearings linked to the casinos. In Maine, they will have had 12-15 total hearings this year. CT also has a Native American Gaming Commission for casino oversight – this is another layer of oversight.

Ms. Yustak-Smith stated that in CT, any incidents in the casino are dealt with by the tribal police because they're on the reservation. These stats don't necessarily show up in the state crime stats. She will provide the Task Force with articles on crime and casinos in CT.

Ms. Yustak-Smith introduced Michael Cantara, President of the Maine Prosecutor's Association. He stated that Maine courts would not be able to absorb the increase in the caseload due to the casino. The court system is already strained and this is likely to continue given the budget problems.

He will provide his entire testimony to the Committee. He acknowledged that while overall crime has increased in CT, not much crime has spread to the towns.

Chief Strong added that in 1999, there were 2 cases of forgery and no cases of embezzlement.

Sen. Goldthwait asked Ms. Yustak-Smith how much lead-time would be needed to prepare for a casino. She indicated that they don't have the staff to do the research necessary to get ready. This makes it difficult to prepare.

Mr. Menario mentioned the NGISC report and the crime stats. He wanted to know where the gaps in knowledge and statistics were. Why are there inconsistencies?

He also stated that just because the casino would add to the workload, doesn't mean we shouldn't do it.

Jim Carson suggested that it doesn't matter what type of enterprise it is – the effect is not unique to a casino.

The next presenters were Paul Schumacher and JT Lockman from Southern Maine Regional Planning (SMRP). The information they presented was provided to the Task Force. They discussed the demographics, housing, workforce, economic, and transportation situation faced by York County. This report is available upon request.

The SMRP team summarized that the most obvious impact would be on transportation. They suggested that housing capacity would catch up over time to meet demand. They also indicated that they did not include New Hampshire in evaluating housing and workforce capacity.

The final presenter was Stephen Landry from Maine Dept. of Transportation (MDOT). MDOT is not for or against a casino. He stated that the developers for any project are responsible for mitigating traffic, and paying for any improvements need to do that. Mr. Landry noted roads that might pose problems, such as Rt. 111, Exit 3 in Kennebunk, and Exit 2.

He noted that the tribe proposal calls for a 1.7 million sq. ft. facility, which is similar in size to the Maine Mall and surrounding hotels and restaurants. Mr. Landry stated that MDOT has a program called a trip generator that can calculate outcomes by inputting estimated road useage.

Sen. Goldthwaite asked about the need for research. Mr. Landry said that it is not an issue because the developer is responsible for the cost of necessary improvements. He further noted that it helps a great deal to bring MDOT into the process early on so that issues can be addressed before they become problematic. In response to a question about lead-time, he said the amount of lead-time would depend on what's needed and where.

The public hearing followed the Task Force work session.

6 people spoke in favor of a casino; 9 people spoke against a casino.