

# HIGH STAKES: GAMBLING BALLOT MEAURES, 2006

By

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SEPTEMBER 13, 2007

This publication was made possible by grants from:

JEHT Foundation, Fair and Participatory Elections
Carnegie Corporation of New York, Strengthening U.S. Democracy
Ford Foundation, Program on Governance and Civil Society
The Pew Charitable Trusts, State Policy Initiatives
Rockefeller Brothers Fund, Program on Democratic Practice

#### **OVERVIEW**

The 2006 elections saw voters in five states vote on six ballot measures involving gambling issues. Four of the measures sought to expand gambling in some form, while a measure in South Dakota sought to eliminate gambling in the state. Of the six ballot measures, only Arkansas' Referred Amendment 1 passed.

Committees supporting and opposing the measures raised nearly \$54 million. Gambling-related enterprises with a direct stake in the passage or failure of the measures provided 89 percent, or \$48 million of all contributions related to the measures.

Rhode Island saw a turf war between gaming interests: gambling companies provided 98 percent of contributions to committees on both sides of the measures. Anti-gaming committees in the other four states received no contributions from gaming interests.

#### CONTRIBUTIONS TO GAMBLING BALLOT MEASURE COMMITTEES, 2006

		PRO-	ANTI-	
STATE	MEASURE	GAMBLING	GAMBLING	TOTAL
ОН	Issue 3	\$27,219,106	\$1,222,076	\$28,441,182
RI	Question 1	\$17,918,133	\$5,047,194	\$22,965,327
SD	Initiated Measure 7	\$824,644	\$596,173	\$1,420,817
NE	Initiated Measure 421	\$808,846	\$91,486	\$900,332
AR	Referred Amendment 1	\$3,441	\$9,475	\$12,916
NE	Proposed Amendment 3	\$0	\$0	\$0
	TOTAL	\$46.774.170	\$6.966.404	\$53.740.574

Business and special interests — mostly those with gambling ties — contributed more than \$52.8 million to committees supporting and opposing the measures. Individual donors contributed slightly more than \$700,000 and 71 percent — or \$500,000 — of those funds came from financier Carl Lindner of Ohio, who opposed slot machines in Ohio.

The only company to give across state lines was International Gaming Technology, a Reno-based gaming machine supplier that gave \$250,000 in Ohio and \$50,000 in South Dakota.

# TOP CONTRIBUTORS TO GAMBLING MEASURES, 2006

			MEASURE	
CONTRIBUTOR	STATE	INDUSTRY	POSITION	TOTAL
Harrah's	RI	Gambling	Con	\$17,841,498
Ohio Legacy Fund	ОН	Gambling	Pro	\$3,518,118
Jacobs Entertainment	ОН	Gambling	Pro	\$2,940,804
Forest City Enterprises	ОН	Real Estate	Pro	\$2,839,989
MTR Gaming Group	ОН	Gambling	Pro	\$2,725,000
Delaware North Company	ОН	Gambling	Pro	\$2,692,547
Gaming & Entertainment				
Heartland Jockey Club	ОН	Gambling	Pro	\$2,690,000
Penn National Gaming	ОН	Gambling	Pro	\$2,690,000
Riverdowns Race Track	ОН	Gambling	Pro	\$2,690,000
Thistledown	ОН	Gambling	Pro	\$2,685,623

TOTAL \$43,313,579

#### A CLOSER LOOK AT EACH STATE

#### ARKANSAS

Referred Amendment 1, a measure that sought to amend Arkansas' constitution to establish charitable games such as bingo and raffles in the state, passed overwhelmingly, gaining nearly 70 percent of the vote. The amendment drew little fanfare and few campaign contributions. Two committees raised \$13,000 in regards to the measure.

The Arkansas Committee for Ethical Policy raised \$9,475 in opposition to the measure. The Arkansas Baptist State Convention was the committee's biggest contributor, giving \$5,000. Thirteen other Arkansas churches combined to contribute nearly \$3,000.

The sole committee supporting the measure had a single contributor, former state Democratic legislator Charles Ormond. Ormond also sponsored a separate proposal that failed to make the ballot that would have authorized gambling and lotteries in the state.<sup>1</sup>

PROPONENTS		TOTAL
Arkansas Wagering Committee		\$3,441
OPPONENTS		
Arkansas Committee for Ethical F	Policy	\$9,475
	TOTAL	\$12,916

#### **NEBRASKA**

Nebraska voters are no strangers to gambling issues on their ballots. Six gambling ballot measures in 2004 generated nearly \$8 million in contributions to related committees. In 2006, it looked as though voters were again to face a plethora of gambling ballot measures. Instead, voters saw only two proposals that generated much less attention in terms of contributions and media exposure than in 2004. Citing a constitutional ban on identical measures appearing on state ballots more than once every three years, the Nebraska Supreme Court threw out two of the four proposed measures, one of which called for the opening up the state to three casinos.<sup>2</sup>

The ruling left voters with two gambling measures:

- Initiative Measure 421 sought to allow video keno in the state. The measure failed, gaining only 39 percent of the vote, despite proponents raising eight times as much as opponents.
- Proposed Amendment 3 would have doubled the amount of lottery proceeds that go to the Compusive Gamblers Assistance Fund. Amendment 3 failed, also gaining only 39 percent of the vote. A single committee formed in support of the amendment and did not raise any funds.

<sup>&</sup>lt;sup>1</sup> "AG Certifies Gambling Proposal" *Arkansas News Bureau*, Sept. 27, 2005 [newspaper on-line]; http://www.arkansasnews.com/archive/2005/09/27/News/329021.html; Internet; accessed Aug. 30, 2007.

<sup>&</sup>lt;sup>2</sup> "Gale Feels Redeemed With Gambling Decision," *Nebraska Secretary of State*, Sept. 15, 2006 [on-line]; available from http://www.sos.ne.gov/admin/press\_releases/archive/; Internet; accessed June 28, 2007.

# CONTRIBUTIONS TO NEBRASKA'S INITIATED MEASURE 421 COMMITTEES, 2006

PROPONENTS	TOTAL
Nebraskans for Video Keno	\$808,846
OPPONENTS	
Gambling With the Good Life	\$91,486
OVERALL TOTAL	\$900,332

Before appearing on the ballot, Initiative 421 first faced the scrutiny of the Nebraska Supreme Court. Critics argued that the initiative was too similar to a 2004 proposal to allow slot machines, and therefore violated the state constitution.<sup>3</sup>

Michael Nevrivy of Nebraskans for Video Keno, the single committee supporting the measure, argued that the keno machines were dissimilar to the slot machines and lacked the "lights on top" and spinning reels and symbols.<sup>4</sup> Pat Loontjer, executive director of the opposition committee Gambling With the Good Life, argued that the machines were too similar to slots and that "video keno is not keno, it is a slot machine and slot machines are the crack cocaine of gambling."<sup>5</sup>

The court ruled the measures were not similar and Initiative 421 made the ballot.<sup>6</sup>

Two committees raised more than \$900,000 in regards to Initiative 421, all of which came from contributors in the Cornhusker state. Nebraskans for Video Keno raised over \$800,000 — more than eight times the \$91,486 raised by the opposing committee, Gambling With the Good Life.

Contributions to Nebraskans for Video Keno came mainly from businesses representing gambling or vending machine interests. The committee raised no funds from individual contributors.

Top contributors to Nebraskans for Video Keno included:

 Validation Services, a company registered to lobby in the state, describes its legislative interests as "all matters related to initiative and referendum ballot issues management." Validation Services

<sup>&</sup>lt;sup>3</sup> "Keno Vote is Okay - Constitutional Question Might Come Later," *NebraskaStatePaper.com*, Oct. 26, 2006 [newspaper on-line]; available from

http://nebraska.statepaper.com/vnews/display.v/ART/2006/10/27/454268119a885; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>4</sup>Michael Nevrivy, Editorial, "Video Keno Does Not Equate To Slot Machines," *Grand Island Independent,* Oct. 21, 2006 [newspaper on-line]; available from

http://www.theindependent.com/stories/102106/opi\_nevivy21.shtml; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>5</sup> Jim Minge, "Anti-Gambling Campaigner Patt Loontjer Takes on Video Keno," *Omaha City Weekly*, Oct. 11, 2006 [newspaper on-line]; available from http://omahacityweekly.com/article.php?id=2380; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>6</sup> "Video Keno Petition Makes Signature Threshold; Humane Care Proposal Still Under Review," *Nebraska Secretary of State*, Aug. 28, 2006 [on-line]; available from

http://www.sos.ne.gov/admin/press\_releases/archive/; Internet; accessed June 28, 2007.

The braska Accountability and Disclosure Commission: Lobbying "Official Nebraska Gov."

<sup>&</sup>lt;sup>7</sup> "Nebraska Accountability and Disclosure Commission: Lobbying," *Official Nebraska Government Web Site* [on-line]; available from http://nadc.nol.org/lobbyist\_search/principal.cgi?id=07PRI000624; Internet; accessed June 28, 2007.

contributed services totaling \$167,959. Steve Willey, president of Validation Services, was a spokesman for Nebraskans for Video Keno and is the president of Papillion Keno. Papillion Keno was a sponsor of the initiative and contributed \$70,000.

- Two of the other sponsors of the amendment keno operators Advanced Gaming Technologies and Big Red Lottery Services<sup>10</sup> contributed \$70,000 and \$80,637, respectively.
- Two vending machine companies were also large contributors. Valley Vending Service, located in Cozad, Neb., contributed \$70,000.
   Nebraska Technical Services contributed \$70,000.
- MBM LLC contributed \$65,000. A search of corporate filings with the Nebraska Secretary of State shows that the registered agent of MBM LLC is Michael Nevrivy,<sup>11</sup> the operator of Hastings Keno.<sup>12</sup> Hastings Keno was a sponsor<sup>13</sup> of the amendment and contributed \$5,000.
- DCTK LLC contributed \$25,000. DCTK LLC shares the same address as Waverly/Keno Pizza.<sup>14</sup>

The committee opposing the measure was Gambling With the Good Life. The committee raised nearly \$100,000, just 10 percent of all the money raised regarding the measure.

A few individuals largely supported Gambling With the Good Life. Unitemized contributions, those that fall under the reporting threshold for reporting names and other identifying information about the contributor, accounted for 23 percent, or \$21,141, of contributions to the committee. U.S. Senate candidate and former Ameritrade CEO Peter Ricketts contributed \$15,390; primary gubernatorial candidate, former University of Nebraska football coach, and then U.S. Rep. Tom Osborne contributed \$4,000. The United Methodist Church and former CEO of Insurance Consultants Inc. Terrence Haney contributed \$10,000 each.

<sup>11</sup> "Corporation and Business Entity Searches," *Nebraska Secretary of State*, [on-line]; available from https://www.nebraska.gov/sos/corp/corpsearch.cgi?acct-number=10037636; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>8</sup> Nancy Hicks, "Two Petitions Likely to Be on the Ballot," *Lincoln Journal Star*, July 4, 2006, [newspaper online]; available from http://www.journalstar.com/articles/2006/07/04/local/doc44a9b949d96ed907964973.txt; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>9</sup> "Video Keno Petition Makes Signature Threshold; Humane Care Proposal Still Under Review," *Nebraska Secretary of State*, Aug. 28, 2006 [on-line]; available from

 $http://www.sos.ne.gov/admin/press\_releases/archive/; Internet; accessed June~28,~2007.$ 

<sup>10</sup> Ibid.

<sup>&</sup>lt;sup>12</sup> Michael Nevrivy, Editorial, "Video Keno Does Not Equate to Slot Machines," Grand Island Independent, Oct. 21, 2006 [newspaper on-line]; available from

http://www.theindependent.com/stories/102106/opi\_nevivy21.shtml; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>13</sup> "Video Keno Petition Makes Signature Threshold; Humane Care Proposal Still Under Review," *Nebraska Secretary of State*, Aug. 28, 2006, [on-line]; available from http://www.sos.ne.gov/admin/press\_releases/archive/; Internet; accessed June 28, 2007.

<sup>14 &</sup>quot;Yahoo! Local: Waverly City Guide," Yahoo.com [on-line]; available from http://local.yahoo.com/details;\_ylt=AlwmOm2Sl1cKr42rTvndM36HNcIF?id=18071806&state=NE&city=Alvo&stx=Restaurants&csz=Alvo%2C+NE+68304&fr=&ed=zlPyt6131DwYxVHsWiQq4ccRlYTAoSP2iJlcosFLzLnrJStEyT X4Dksk&lcscb=; Internet; accessed June 28, 2007.

# TOP CONTRIBUTORS TO NEBRASKA'S INITIATED MEASURE 421, 2006

CONTRIBUTOR	INDUSTRY	PRO/CON	TOTAL
Validation Services	Political Consultants	Pro	\$167,958
Big Red Lottery Services Ltd.	Gambling	Pro	\$80,637
Advanced Gaming Technologies	Gambling	Pro	\$70,000
Nebraska Technical Services	Vending	Pro	\$70,000
Papillion Keno	Gambling	Pro	\$70,000
Valley Vending Service/VVS	Vending	Pro	\$70,000
MBM LLC	Gambling	Pro	\$65,000
Fonner Keno Inc.	Gambling	Pro	\$35,000
Lincolns Big Red Keno	Gambling	Pro	\$35,000
Denton Daily Double Keno	Gambling	Pro	\$30,000
DCTK LLC	Gambling	Pro	\$25,000

TOTAL \$718,596

#### OHIO

In 2006, Ohio voters struck down Issue 3, a measure that would have amended the state constitution to bring electronic slot machines to Ohio. Issue 3, titled "Gambling and College Scholarships - Learn and Earn," would have:

- Brought "31,500 slots to seven horse tracks and two Cleveland non-track locations" and permitted "expanded gaming in the four Cuyagoga County locations if approved by the county's voters."
- Provided 30 percent of revenue to the Board of Regents for college scholarships.<sup>16</sup>

Although proponents greatly outraised opponents and accounted for 96 percent of the 28 million raised around the measure, Issue 3 failed, with 57 percent of voters against bringing slots to Ohio.

# CONTRIBUTIONS TO OHIO'S ISSUE 3 COMMITTEES, 2006

PROPONENTS	TOTAL
Vote Yes On Issue 3	\$27,219,106
OPPONENTS	
Vote No Casinos	\$1,191,705
Vote No To Gambling In Ohio	\$30,371
TOTAL	\$1,222,076
OVERALL TOTAL	\$28,441,182

<sup>&</sup>lt;sup>15</sup> "State Issue 3 Certified Ballot Language," *Ohio Secretary of State* [on-line]; available from http://www.sos.state.oh.us/SOS/ElectionsVoter/results2006.aspx?Section=2320; Internet; accessed June 28, 2007.

<sup>16</sup> lbid.

Supporters of the measure argued that Ohio was losing "hundreds and hundreds of millions of dollars to neighboring states," specifically Pennsylvania, which recently legalized its own slot machines.<sup>17</sup>

The leading contributor to Vote Yes On Issue 3 was the Ohio Legacy Fund, a nonprofit formed to "promote economic development and improve educational opportunity for residents of Ohio." The Ohio Legacy Fund initially refused to disclose the source of its funds, but eventually admitted that the seven Ohio racetracks as well as the Cleveland developers behind the nontrack casinos funded it. <sup>19</sup>

The same companies that funded the Ohio Legacy Fund — those with a direct stake in the outcome of the measure — were largely responsible for a majority of the rest of the funds raised by the Vote Yes On Issue 3 committee.

Two companies who stood to gain in the nontrack casinos, Jacobs Entertainment and Forest City Enterprises, contributed \$2.9 million and \$2.8 million, respectively. Jacobs Entertainment operates casinos in Colorado and Nevada and would have operated one of the proposed Cleveland Casinos, while real estate developer Forest City Enterprises would have operated the other.<sup>20</sup>

Donors associated with Ohio's seven racetracks contributed \$17.4 million, 61 percent of the total funds raised for the measure. Six of the seven contributions from these donors were for roughly \$2.7 million.

- Two racetracks, Riverdowns Race Track and Thistledown, each contributed around \$2.7 million, while contributions related to the other tracks were made by parent companies and affiliates.
- Penn National Gaming, the owner of Raceway Park, <sup>21</sup> and MTR Gaming Group, the owner of Scioto Downs, <sup>22</sup> each contributed \$2.7 million.
- New York-based Delaware North Company Gaming and Entertainment, which was to operate the proposed casino at Lebanon

<sup>20</sup> "Metro: Slots Could Boost Downtown Businesses," *Cleveland Plain Dealer*, Nov. 3, 2006 [newspaper on-online]; available from

http://www.cleveland.com/weblogs/print.ssf?/mtlogs/cleve\_eedition/archives/print200911.html; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>17</sup> "Plan Would Put Slot Machines at Ohio Racetracks," *Associated Press*, April 6, 2007 [on-line]; available from http://www.wtol.com/Global/story.asp?S=4676387; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>18</sup> "James Nash, "Nonprofit Backing of Gambling Effort Raises Questions," *Columbus Dispatch,* Aug. 2, 2006 [newspaper on-line]; available from

http://www.columbusdispatch.com/dispatch/contentbe/EPIC\_shim.php?story=202570; Internet; accessed June 28, 2007.

<sup>19</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Raceway Park [on-line]; available from http://www.racewayparktoledo.com/; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>22</sup> Investor Relations, *The Mountaineer Race Track & Gaming Resort* [on-line]; available from http://www.mtrgaming.com/ir/about.html; Internet; accessed on June 28, 2007.

Raceway, <sup>23</sup> contributed roughly \$2.7 million. Lebanon Raceway itself contributed \$62,658.

- The Heartland Jockey Club, the operator of Beulah Park, <sup>24</sup> contributed almost \$2.7 million.
- The seventh racetrack, Northfield Park, contributed nearly \$1.2 million.

# TOP CONTRIBUTORS TO OHIO'S ISSUE 3, 2006

CONTRIBUTOR	INDUSTRY	PRO/CON	TOTAL
Ohio Legacy Fund	Gambling	Pro	\$3,518,118
Jacobs Entertainment	Gambling	Pro	\$2,940,804
Forest City Enterprises	Real Estate	Pro	\$2,839,989
MTR Gaming Group	Gambling	Pro	\$2,725,000
Delaware North Company Gaming &	Gambling	Pro	\$2,692,547
Entertainment			
Heartland Jockey Club	Gambling	Pro	\$2,690,000
Penn National Gaming	Gambling	Pro	\$2,690,000
Riverdowns Race Track	Gambling	Pro	\$2,690,000
Thistledown	Gambling	Pro	\$2,685,623
Northfield Park	Gambling	Pro	\$1,186,439
TOTAL			\$26 6E9 E20

TOTAL \$26,658,520

The two victorious opposition committees raised \$1.2 million, less than 5 percent of the total contributed for the measure. The opposition was funded almost entirely by Ohioans.

A small group of generous donors dominated the opposition.

- Billionaire businessman Carl Lindner contributed \$500,000, or 41 percent of contributions to the committee.
- Limited Brands CEO Leslie Wexner and his company each contributed \$50,000.
- Michael Curtin, president of the Dispatch Printing Company, which publishes the *Columbus Dispatch*, contributed \$25,000.
- Wolfe Enterprises, a subsidiary of the Dispatch Printing Company, also contributed \$150,000.
- Health insurance company Nationwide Mutual Insurance contributed \$100,000, as did Ohio-based Nork Inc.

<sup>&</sup>lt;sup>23</sup> "Buffalo Company Wants Ohio Slots," *Cleveland Plain Dealer*, Oct. 30, 2006 [newspaper on-line]; available from http://www.cleveland.com/weblogs/print.ssf?/mtlogs/cleve\_openers/archives/print199545.html; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>24</sup> "About Beulah Park," *Beaulah Park* [on-line]; available from http://www.beulahpark.com/information/beulah\_info.htm; Internet; accessed Sept. 5, 2007.

The only contribution coming from outside the state in opposition to the measure was a \$10,000 contribution from David Brennen of Naples, Fla.

#### RHODE ISLAND

In Rhode Island, gambling interests supported committees on both sides of the measure. Rhode Islanders defeated Question 1, a measure that would have amended the constitution to allow the Narragansett Indian Tribe to open a resort casino in West Warick.

# CONTRIBUTIONS TO RHODE ISLAND'S QUESTION 1 COMMITTEES, 2006

PROPONENTS		TOTAL
Rhode Islanders For Jobs & Tax Relief Inc. AKA Con	npete RI	\$17,861,133
RI Building & Construction Trades Council		\$57,000
UNITE HERE		\$0
	TOTAL	\$17,918,133
OPPONENTS		
Save Our State Inc.		\$3,967,912
New Port Grand LLC <sup>25</sup>		\$1,025,546
The Providence Performing Arts Center		\$23,365
Concerned Citizens About Casino Gambling Inc.		\$14,993
West Warwick Citizens Against the Casino		\$5,408
Professional Facilities Management Inc.		\$5,000
Robin Porter		\$2,819
Know Casino 4 Us.Com		\$2,150
RI Hospitality & Tourism Association		\$0
Utgr Inc. DBA Lincoln Park		\$0
	TOTAL	\$5,047,193
OVERALL	TOTAL	\$22,965,326

The measure pitted the wallets of Rhode Island's two existing casinos, the Newport Grand and Lincoln Park, against the proposed operator of the new casino, Harrah's. The three casino companies that had a direct stake in the measure represented 99 percent of all contributions to committees supporting and opposing the measure.

The Newport Grand and Lincoln Park casinos argued that the proposed casino would threaten their livelihood and could jeopardize an important source of revenue for the state. Currently, the existing casinos send 60 percent of all revenues to the state, a taxation rate each casino negotiated individually with the state. In 2005, casinos generated \$245 million for the state. The casinos argued that Harrah's would be able to negotiate a much better deal, in part because "there are no tax or fee commitments attached to the proposal headed to the ballot." In earlier proposals, Harrah's had offered to pay taxes on only 25 percent of its revenue.<sup>26</sup>

<sup>&</sup>lt;sup>25</sup> New Port Grand LLC contributed \$1,025,546 to the Save Our State Inc committee, making it likely the amount was in the disclosure reports twice.

<sup>&</sup>lt;sup>26</sup> Katherine Gregg, "R.I. Slot Parlours Join Anti-Casino Fight," Providence Journal, Aug. 30, 2006 [newspaper on-line]; available from http://www.projo.com/news/casino/content/projo\_20060830\_sos30.35b257a.html; Internet; accessed June 28, 2007.

According to the ballot language, all taxes on the new casino would go towards property tax relief for Rhode Islanders. Harrah's projected that the casino would generate \$144 million in tax revenue by its third year of operation.<sup>27</sup> The casino was touted as a billion-dollar investment in the state that would bring 3,800 jobs.<sup>28</sup>

Harrah's emphasized the involvement of the Narragansett Tribe and the benefits to the state. Advertisements supporting the measure highlighted property tax relief for Rhode Islanders and the alleviation of Indian poverty. <sup>29</sup> Harrah's contributed \$17.8 million to Rhode Islanders For Jobs & Tax Relief Inc. AKA Compete RI, or 99.5 percent of the funds in support of the measure.

Save Our State, the main opposition committee, was funded primarily by Newport Grand, the Lincoln Park Casino and Lincoln Greyhound Racetrack. These three combined to contribute \$4.6 million to the committee, or 92 percent of all funds raised in opposition to the measure.

Lincoln Park allied itself with opponents of all forms of gambling, including the Rhode Island Council of Churches, which opposes all gambling, even those games that are currently legal.<sup>30</sup> The Newport Grand Casino contributed slightly more than \$1 million to its own committee, New Port Grand LLC. According to expenditure reports, each of these contributions was then contributed to Save Our State Inc. the same day or within several days of the original contribution.

# TOP CONTRIBUTORS TO RHODE ISLAND'S QUESTION 1, 2006

CONTRIBUTOR	INDUSTRY	PRO/CON	TOTAL
Harrah's	Gambling	Pro	\$17,841,499
Newport Grand Casino	Gambling	Con	\$2,035,410
Lincoln Park Casino	Gambling	Con	\$1,604,022
Lincoln Greyhound Park	Gambling	Con	\$984,317
Providence Chamber of Commerce	Business	Con	\$100,000
Rhode Islanders for Jobs & Tax Relief	Gambling	Pro	\$50,000
Rhode Island Greyhound Owners	Gambling	Con	\$25,000
Providence Performing Arts Center	Arts	Con	\$23,365
UNITE HERE!	Labor	Pro	\$19,636
Newport Harbor Corp	Resort	Con	\$15,000

TOTAL \$22,698,248

10

<sup>&</sup>lt;sup>27</sup> Katherine Gregg, "R.I. Slot Parlours Join Anti-Casino Fight," *Providence Journal*, Aug. 30, 2006 [newspaper on-line]; available from http://www.projo.com/news/casino/content/projo\_20060830\_sos30.35b257a.html; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>28</sup> Jim Baron, "Churches to RI: Reject Casino," *Kent County Daily Times*," Sept. 23, 2006 [newspaper on-line]; available from

http://72.14.253.104/search?q=cache:AaV2LoYhzzAJ:www.zwire.com/site/news.cfm%3Fnewsid%3D17237085 %26BRD%3D1718%26PAG%3D461%26dept\_id%3D74409%26rfi%3D6+%22churches+to+ri:+reject+casino% 22&hl=en&ct=clnk&cd=1&gl=us; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>29</sup> Ray Henry, "Casino Ads Geared to Sway R.I. Voters in Favor of Amendment," *Associated Press*, July 20, 2006 [on-line]; available from

http://www.boston.com/news/local/rhode\_island/articles/2006/07/20/casino\_ads\_geared\_to\_sway\_ri\_voters\_in\_favor\_of\_amendment/; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>30</sup> Jim Baron, "Churches to RI: Reject Casino," *Kent County Daily Times*, Sept. 23, 2006 [newspaper on-line]; available from

http://72.14.253.104/search?q=cache:AaV2LoYhzzAJ:www.zwire.com/site/news.cfm%3Fnewsid%3D17237085 %26BRD%3D1718%26PAG%3D461%26dept\_id%3D74409%26rfi%3D6+%22churches+to+ri:+reject+casino% 22&hl=en&ct=clnk&cd=1&gl=us; Internet; accessed June 28, 2007.

#### SOUTH DAKOTA

While other gaming measures in 2006 sought to expand gambling, South Dakotans voted on a measure that sought to eliminate a form of gambling outright.

South Dakota voters struck down Initiated Measure 7, which would have prohibited lottery machines in the state. The measure gained the approval of only 33 percent of voters.

Since video lottery's inception in 1989, three similar measures have appeared on the ballot in 1992, 1994, and 2000. All failed.<sup>31</sup> In 2005, video lottery provided \$112 million in revenue for the state, accounting for 11 percent of the state general fund budget.<sup>32</sup>

# CONTRIBUTIONS TO SOUTH DAKOTA'S INITIATED MEASURE 7 COMMITTEES, 2006

PROPONENTS		TOTAL
Forward South Dakota	l*	\$473,007
South Dakota Family F	South Dakota Family Policy 2006 Issue Fund*	
	TOTAL	\$596,173
OPPONENTS		
No On 7		\$824,644
	OVERALL TOTAL	\$1,420,817

<sup>\*</sup> Active on several other measures.

Two committees supported the measure, raising nearly \$600,000 in contributions.

Forward South Dakota raised \$473,007. The committee received over 99 percent of its funds from a little known group called the South Dakota Association, which was supported by anonymous donations. Dan Brentro, a Sioux Falls lawyer who heads Forward South Dakota, also sponsored the petition drive. Entro claims that the association is a group of concerned South Dakotans who share his desire to get rid of video lottery. Following the election, complaints were lodged with Attorney General Larry Long to reveal the source of the funds.

<sup>&</sup>lt;sup>31</sup> Bob Elllis, "Video Lottery: South Dakota's Stealth Addiction . . for People and Government," *Dakota Voice*, Nov. 1, 2006 [on-line]; available from http://www.dakotavoice.com/200611/20061101\_1.html; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>32</sup> "South Dakota 2006 Ballot Questions Pamphlet" *South Dakota Secretary of State* [on-line]; available from http://www.sdsos.gov/electionsvoteregistration/pastelections\_electioninfo06.shtm; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>33</sup> "Campaign Donations Under Review," *Keloland Television*, Nov. 13, 2006 [on-line]; available from http://www.keloland.com/News/NewsDetail6371.cfm?ld=0,52392; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>34</sup> Bob Elllis, "Video Lottery: South Dakota's Stealth Addiction . . for People and Government," *Dakota Voice* Nov. 1, 2006 [on-line]; available from http://www.dakotavoice.com/200611/20061101\_1.html; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>35</sup> "Initiative Petition," *South Dakota Secretary of State, Ballot Question Status* [on-line]; available from http://www.sdsos.gov/electionsvoteregistration/upcomingelection\_ballotquestionstatus06.shtm; Internet; accessed Sept. 7, 2007.

<sup>&</sup>lt;sup>36</sup> "Campaign Donations Under Review," *Keloland Television*, Nov. 13, 2006 [on-line]; available from http://www.keloland.com/News/NewsDetail6371.cfm?ld=0,52392; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>37</sup> "Questions Raised Over Video Lottery Ban Funding," *Keloland Television*, Nov. 3, 2006 [on-line]; available from http://www.keloland.com/News/NewsDetail6371.cfm?Id=0,52183; Internet; accessed June 28, 2007.

The contribution by the South Dakota Association and a similar anonymous contribution regarding the abortion ballot measure<sup>38</sup> led the legislature to pass a law concerning percieved loopholes in current campaign finance law. The new law clearly defines what a ballot question committee is and requires corporations giving to ballot question committees to reveal large shareholders.<sup>39</sup>

A second committee, the South Dakota Family Policy 2006 Issue Fund, supported the gambling measure, but was also involved in measures to ban abortion and same-sex marriage in South Dakota. The committee received all of its funds from the Christian conservative group, the South Dakota Family Policy Council.

The No On 7 committee was the single committee that fought the measure, raising \$824,644 in contributions.

Several large companies that manufacture and distribute gaming machines were among the top contributors to No On 7, contributing \$275,000 or 33 percent of the committee's total.

Most of the remaining funds came from filling stations, restaurants, bars and other operators of video lottery machines.  $^{40}$ 

TOP CONTRIBUTORS TO SOUTH DAKOTA'S INITIATED MEASURE 7, 2006

CONTRIBUTOR	INDUSTRY	PRO/CON	TOTAL
South Dakota Association	Ideology	Pro	\$471,690
South Dakota Family Policy Council	Religious Conservative	Pro	\$123,166
Automatic Vendors	Vending	Con	\$117,000
Music Service Of South Dakota	Vending	Con	\$60,000
Summit Amusement & Distribution	Vending	Con	\$51,000
International Gaming Technology	Vending	Con	\$50,000
Hub Gaming LLC	Gambling	Con	\$41,050
TNT Enterprises	Gambling	Con	\$36,059
D & E Music & Vending	Gambling	Con	\$31,550
D & M Vending	Gambling	Con	\$29,100

TOTAL \$950,615

<sup>40</sup> Retailer Info, "Licensed Operators as of Jan. 24, 2007," *South Dakota Lottery* [on-line]; www.sdlottery.org/pdf%20docs/Licensed%20Operators%20as%20of%201-24-07.pdf; Internet; accessed June 28, 2007.

<sup>&</sup>lt;sup>38</sup> "Kevin Woster, "Lawmakers to Examine Finance Law," *Rapid City Journal*, Feb. 6, 2007 [newspaper on-line]; http://www.rapidcityjournal.com/articles/2007/02/06/news/local/news02.txt; Internet; accessed June 28,2007.

<sup>39</sup> Ibid.