



State of Connecticut

GENERAL ASSEMBLY
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

Public Safety and Security Committee

Thursday, March 9, 2017

Public Hearing

8:30 A.M. in LOB Room 1D

Senate Bill No. 957 AN ACT CONCERNING THE REGULATION OF GAMING AND THE AUTHORIZATION OF A CASINO GAMING FACILITY IN THE STATE.

Good Morning Chairmen Verrengia, Larson, Guglielmo, and esteemed members of the Public Safety and Security Committee. For the record, I am State Representative Christopher Rosario from Bridgeport's 128th District and with me is State Representative Ezequiel Santiago from Bridgeport's 130th District. We thank you for the opportunity to share our views on a matter of tremendous importance to our constituents, your constituents and residents all across the State of Connecticut. We appreciate your decision to hold today's informational hearing, and to closely examine all aspects from all angles as you consider the best way to proceed.

In our view, the time has come for a re-set on this issue. If Connecticut is going to license its first commercial casino, we need to go back to square one and put in place an open, transparent, accountable and competitive process, where the state – and the public – would be able to evaluate competing proposals from world-class developers.

Under our legislation, potential developers would be required to provide detailed, formal proposals which include plans for hiring during all phases of construction and after the casino begins operations. Proposals would need to outline precisely the dollars that would be paid not only to the state, but to the host community and adjacent municipalities as well. And they would need to outline how the state would benefit – in terms of jobs and an economic bang for the buck.

As you know, the process we have now is not even close to that. The legislature has been largely sitting on the sidelines, and much of the state has been kept on the sidelines, as well. In our view, it's time to get off the bench and start our own 4th quarter comeback - by stepping up and taking control of this process.

If we don't, we lose.

As legislators representing a city with an unemployment rate hovering around 6 percent, compared with a state rate that is under 4 percent, and a tax base in desperate need of sustained

growth, we know that attracting new industries is essential. That is why the possibility of a commercial casino, which could help our city, our region and our entire state, merits careful review – it is not something we should ignore and not even evaluate. This is a decision with ramifications for our entire state – that’s why the decision shouldn’t be delegated, or narrowed arbitrarily, or shrouded in mystery and uncertainty.

Our proposal requires specificity, and puts a laser focus on jobs and economic benefits. It would require all applicants for a commercial casino license to submit an executed agreement with the host community that ensures a one-time mitigation payment; fixed payments of annual gross gaming revenue; specific hiring requirements for local citizens; and acceptance of gaming expansion through a local referendum with the majority of the community voting in favor of a casino.

Our proposal lays out details:

- It puts the State in control of deciding not only which prospective operator will be awarded a gaming license and build the casino, but also where the best location for a casino will ultimately be.
- It creates a seven-member regulatory Division within the state Department of Consumer Protection tasked with the regulation, enforcement, and application of state’s laws during the entire process. From application to eventual operation, the decision-making power rests with the state, not an outside entity.
- It assures public access, involvement and a guaranteed stake in the state’s first venture into commercial casino gaming. Public hearings and public meetings would be held as the process proceeds, so there will be no doubts about what is being done.
- It requires applicants for a casino license to submit detailed plans and specifications for the casino; a 30-month construction schedule, and an economic study of the impact a casino facility has on the municipality that would host the facility – and the immediate region.
- From the outset, it makes sure that the state sees real benefits. For example, it calls for applicants to submit a \$150,000 fee to support the Division’s operations in evaluating submissions, and a \$15-million dollar deposit for each application, which would be refundable to applicants not selected. They must also commit to building a comprehensive mixed-use facility intended to attract visitors, by agreeing to a \$500 million minimum total investment for the casino. That is the level of detail that is completely absent from the current process.

And one more very important element: The selected applicant would be required to pay the State of Connecticut 25 percent of the annual gaming revenue on slot machines and table games. That’s the best chance we have to achieve a revenue stream that will stand the test of time.

This proposal puts jobs, revenue and transparency at the center of the gaming conversation in Connecticut, as they should be. Local communities benefit in a competitive process, and the

selected developer is held accountable by the state for promises made. It is an approach that other states have used, successfully. Connecticut residents deserve nothing less.

As you consider all of this, we urge you to consider our entire state and the potential for jobs and economic impact, wherever it is greatest, regardless of geography. To limit the search to a narrow segment of our state, as we are now doing, despite evidence that suggests there are more jobs and more revenue to be generated elsewhere, is a short-sighted and counterproductive strategy.

Some may suggest that replacing the current arbitrary process, as we suggest, just slows things down and thereby takes a step backward. But it is far better to take one step back and two steps forward than the other way around. And if we're taking a step back to get a better look at what's ahead, that's a good idea. Based on everything we've seen – or not seen - we fear that the path we're on now will take us in the wrong direction and not deliver what Connecticut needs. We believe a better process is likely to result in a better deal – and bring Connecticut the jobs and economic benefits we so badly need.

###