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Resolutions For 2000
*Election 2000 Will Bring Out The Voters;
A Solid Gaming Campaign Will Win The Day*

Let's face it: the last big gaming efforts of 1999 were bombs. In October the bottom fell out of a promising lottery campaign in Alabama, and South Carolina video poker operators signed their own warrants by winning a lawsuit that left standing a mid-2000 ban on the industry.

All of this makes for a millennial headache, but this is no time to nurse a hangover. We can be sipping champagne this time next year, if we start planning today for election 2000.

Let's start with a few New Years resolutions gleaned from lessons learned in the Southland last fall:

BRUISED IN 'BAMA

In mid-October Alabama voters struck down a referendum that would have set up an "education lottery" to dole out cash for college scholarships, pre-kindergarten programs and school computers. The model was Georgia's lottery-funded "HOPE" scholarship program, which has given nearly \$800 million to 400,000 students since 1993.

The vote was supposed to be in the bag. Everyone knows Alabama's schools and students are hurting, and a proven solution could be seen right across the border. Governor Don Siegelman's promise to bring HOPE to Alabama was a big plank in his 1998 campaign, and he'd declared his victory a mandate for the plan.

Stunning, then, was the 54-46 lottery loss. On the morning after, deflated lottery backers blamed a sudden upsurge of conservative opposition for October's bruising.

True, the religious right made a strong showing at the polls – as they do in every gambling vote. The mainstream masses could have won the day if proponents had done a couple of things differently:

The first mistake was marketing the lottery as a single-issue campaign. Lottery backers followed one of the golden rules of gambling legalization, to a fault.

They dedicated the proceeds to a visible and meaningful cause (wonderful), but forgot that not everyone cares about college scholarships or computers in classrooms (deadly).

By dedicating funds *exclusively* to education and bombarding voters with pro-HOPE propaganda, they missed a large constituency who might be interested in other possible lottery benefits, such as infrastructure, tax relief – or even other school funding concerns. Had they offered a little more than HOPE, they might have won a few more voters.

The second mistake was timing. Anyone who's paid attention to politics knows that primary, special and off-year elections draw out the crusaders – those voters who feel a strong connection to a particular issue. General elections, especially during presidential or gubernatorial years, do better at drawing the masses. Many of the mainstream Democratic voters who supported Siegelman and his pro-lottery platform last November, were probably more concerned about shuffling their kids to soccer practice on October's primary.

Had pro-lottery forces not been in such a rush to get HOPE installed by 2000, and waited instead for next November's election, they might have had better luck selling the lottery to their real constituents.

Of course hindsight is 20/20, but can anyone really blame anti-gaming mobilization for a loss at the polls anymore? Haven't we learned this happens in every election? Shouldn't we be anticipating and planning for these groundswells, rather than dissecting our losses afterward?

CAROLINA CRASH

Up the road a piece, in South Carolina, another group of pro-gamers are struggling with the lessons that should have been learned long ago. Mainly, that solid regulation needs to *lead* gambling legalization, not follow it.

Like their Louisiana neighbors, South Carolina lawmakers brought gambling to the state through the back door, then laid an under-regulated industry in the laps of voters years later.

Video poker was authorized back in 1986, buried in a budget bill. Since then 36,000 video poker and blackjack machines have secured themselves in bars, gas stations and convenience stores across the state. Because the machines weren't packaged with sound enabling or regulatory legislation, they've become a scourge upon law enforcement.

So, South Carolina lawmakers decided voters should decide to rescind or regulate the machines, in a referendum slated for November 1999. That vote

scared some operators, who filed a lawsuit claiming the General Assembly could not delegate its lawmaking powers by setting up such a vote.

The Supreme Court agreed, squashing the referendum in mid-October. That would have been good news for gamblers... except that the ruling left standing another piece of legislation that automatically bans the machines in July of 2000. In anticipation of that ban, the South Carolina Department of Revenue has announced it will not proceed with a plan to connect the state's video poker machines to a monitoring system. The system, which has been on the slate since 1993, would have tracked the amounts wagered and won to monitor revenue and enforce payout caps.

All of this means the state's \$3 billion video poker industry is headed for the scrap heap in a matter of months, with no salvation or regulation on the map.

This is not to say the referendum would have cleared voters anyway. Like in Alabama, the vote would have come in an off-election year and was targeted by a highly mobilized and motivated opposition. The real misstep happened 13 years ago, when the machines were introduced without public consent.

BATTLE FOR THE SOUTH

Gaming opponents are so determined, in fact, that they have identified the South as ground zero in the tug-of-war between gambling repeal and expansion. In September about 1,000 members of the National Coalition Against Legalized Gambling reportedly met in Jackson to discuss strategy for rescinding gambling through legislation, lawsuits and ballot initiatives.

Still feeling the sting of Alabama and South Carolina, we don't need the NCALG to tell us the Southland is a hot spot. From Mississippi's success stories to Louisiana's losses, the south models the very best and very worst gambling campaigns in the U.S.

This election year might offer South Carolina a chance to shift the balance yet again. The state is slated for a second chance at expansion in 2000, this time with a lottery referendum.

The scenario sounds familiar: Governor Jim Hodges took office last year on a pledge to start a lottery-funded relief effort for South Carolina's strained public schools. The lottery plan seems popular, but lacks the specific enabling legislation and regulatory support it will need to succeed.

That means Hodges and other lottery backers have less than a year to come up with solid plans for dedication and regulation, pass them through the Republican-controlled House and market them to voters. They'll be marching uphill, since

the state's entire General Assembly is up for re-election in 2000 and Republicans aren't looking to give ground on any issue.

Both sides see 2000 as a critical year for gambling efforts in the south and across the nation. The process of initiative and referendum has become the most permanent and credible method of expanding gambling, and this is the year to do it right.

That means following some of the positive examples set by states like Alabama – earmarking revenue and detailing regulation beforehand – while avoiding pitfalls like single-issue platforms or patchwork legislation. The presidential election will bring our voters to the polls; a well-strategized campaign will carry the day.

Here's to a healthy and prosperous 2000!

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