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Gambling revenue declining

By Ken Dixon

HARTFORD — Despite a recent increase in state tax revenues at the two Connecticut Indian casinos, the overall gambling take is declining slightly, according to state officials.

Reacting to a report released Thursday on national gambling trends, Michael Janusko, assistant unit head and chief financial examiner of the state Department of Special Revenue, said as the fiscal year winds down toward June 30, Foxwoods will be off about 5 percent.

Revenue from the Mohegan Sun will fall off about 3 percent, he estimated.

Last year, about \$430 million in state tax revenue was generated by the casinos, which give the state 20 percent of total slot-machine wagering.

Janusko, in a phone interview, said the credit crunch, the rising price of gasoline and competition for the entertainment dollar seems to be causing the revenue decline.

Last year, lawmakers estimated about \$438 million would be generated for the state this year, up from the \$430 million the state made in 2007.

The eastern Connecticut casinos recently reported gambling increases in May, compared to the same month in 2007, following the opening of the MGM Grand hotel at Foxwoods.

Robert B. Ward, deputy director of the Albany-based nonprofit Rockefeller Institute of Government, which released a new study tracking states' revenues from gambling, said Connecticut may be among the top five states in the country for its budgetary dependence on gambling revenue.

Ward said the new report does not include Advertisement

Indian casino revenue, but calculating state estimates, he said Connecticut's dependence on gambling is among the highest in the nation.

He warned that Connecticut may no longer be able to depend on revenue growth from the lottery, off-track betting and casino revenue that brings in about \$800 million a year.

"It's not a case of losing the revenue," Ward said in a phone interview. "It's a case of slow growth or no growth at different times in the future. Revenue grows significantly only when state's significantly expand their gambling operations."

He said there are indications that there won't be much future growth, since social and moral opposition to gambling seems to be meeting economic conditions that cut disposable income.

Ward said if casino gambling is taken out of the equation, Connecticut is average among states.

"One of the important rankings is the degree to which states rely on gambling revenue as a key part of their budget," Ward said. "Connecticut is a good representative of all the states when you look at gambling revenue."

The study found gambling-revenue growth has slowed throughout the nation over the last three years.

"For more than two decades, states saw lotteries and casinos as a bonanza of new dollars for education and other programs," the study said. "Gambling revenue is now at an all-time high,

but growth is slowing due to objections about social impacts and broader economic trends.”

Since 1992 gambling-related revenues were below \$10 billion nationwide, but climbed to more than \$23 billion last year. “Many states have turned to gambling revenue as a means of balancing budgets in recent years,” Ward said. “Gambling has been a fiscal winner for state governments, but the bonanza years may be ending.

Continued resistance to gambling and softness in the industry mean that most states have to look elsewhere to solve this year’s budget problems.”

Only Hawaii and Utah have no state-backed gambling, said the study, published by the public policy research arm of the State University of New York.