



# The Slots Referendum:

## A Background Paper from the Maryland Catholic Conference

Marylanders who vote on November 4 (or earlier, if they use absentee ballots) will have more than a list of candidates to choose from. They'll also have a say in settling the long-running, at times contentious debate about whether Maryland should rely on slot-machine proceeds to pay for public programs. This statement is intended to provide background which Maryland Catholics can use in responsibly considering the matter.

### Ballot Question 2: The Slots Proposal

Legislation approved by state policy makers last year would amend the Maryland Constitution to permit the installation of 15,000 slot machines at five locations across the state. A constitutional amendment requires approval by voters. And so this year's ballot will include Ballot Question 2, a proposition titled *Authorizing Video Lottery Terminals (Slot Machines) to Fund Education*. If the proposition is approved by a majority of Maryland voters, slot machines will be installed at sites in Baltimore City and four counties – Anne Arundel, Cecil, Worcester, and Allegany. Slot machine revenue would be allocated as follows: Approximately 48.5 percent would be directed to public education, 33 percent to corporate slot-machine operators, 7 percent to racing purses, 5.5 percent to the six local governments most impacted by slots, 2.5 percent to racetrack-renewal efforts, 2 percent to the State for its operation of the program, and 1.5 percent for minority business investment.<sup>i</sup> Significant revenue from slots, should the referendum be approved, is not expected until fiscal year 2012.

### Church Teaching

Gambling is not intrinsically evil or immoral, but it becomes morally problematic when it interferes with an individual's other duties or responsibilities. Observing that "the passion for gambling risks becoming an enslavement,"<sup>ii</sup> the *Catechism of the Catholic Church* highlights the need for moderation to avoid addictions and unhealthy behaviors. If properly controlled, gambling – whether in the form of a community raffle or bingo event, a lottery ticket, racetrack betting, or a casino game – can provide legitimate recreation for those who participate responsibly. However, those prone to excessive or irresponsible gambling place themselves and others at considerable risk of financial and emotional harm in "no limits" environments like slots venues or casinos.

Individuals who gamble are obliged to make conscientious decisions about their involvement and to set prudent limits. The duty to establish appropriate boundaries also applies to governments that sponsor various forms of gambling, those who operate gaming businesses, and organizations that run raffles and bingo nights. The need to address revenue shortages or take advantage of fund-raising opportunities must not excuse government from its responsibility to protect people from the risks that can accompany games of chance, or insulate communities from the criminal behaviors that often accompany the operation of gaming establishments.

The common good, the Church teaches, is better served when all citizens – not just those who gamble – share responsibility for funding needed programs. "The goal to be sought is public financing that is itself capable of becoming an instrument of development and solidarity."<sup>iii</sup> In order to reach that goal, "every economic decision and institution must be judged in light of whether it protects or undermines the dignity of the human person."<sup>iv</sup>

## The Impact of Slots

The concern over slot-machine gambling is justified: In too many cases, compulsive gambling leads to substance abuse, broken families, and lost jobs. In individuals and families touched by compulsive gambling, the harm is personal and often devastating; communities in which gambling establishments have been located have seen sharp increases in criminal activity and sharp decreases in property values. Inasmuch as low-income individuals gamble at higher rates and spend larger portions of their incomes on gambling than more affluent people, the welfare of persons who already experience financial hardship is of particular concern. Policy makers recognized as much when they approved the 2007 legislation, conceding that “problem gambling is a serious social problem,” and that “there is evidence that the availability of gambling increases the risk of becoming a problem gambler.”<sup>v</sup> The legislation includes funding to assist the individuals and communities that will be harmed most by the legalization of slots.

It can be argued that revenue raised from slots is intended to serve worthy public goals. All families are being forced to tighten their belts and, once again (this time exacerbated by a national fiscal crisis), the State faces significant budget shortfalls. Substantial cutbacks in government programs are inevitable. Aid for the poor and vulnerable could suffer if new revenue streams are not tapped. But this alone is an insufficient rationale for legalizing slots.

Both proponents and opponents of slots can appreciate the importance of a fiscally-sound State government. The question before them on the November 4 ballot is whether slot-machine gambling is an appropriate means to that end. Will increased slots-generated revenue outweigh the risks that legalized gambling poses to individuals and communities? Will the state’s reliance on slots revenue lay a foundation for expanded gaming venues, *e.g.*, increased slot-machine sites and casinos? Should government rely for a significant portion of its fiscal base on income generated disproportionately by lower-income citizens?

## The Conference’s Position

The Maryland Catholic Conference has opposed legislation establishing slot-machine gambling in Maryland each time it has been introduced and, consistent with that position, opposes the slots referendum (Ballot Question 2). The Conference’s opposition is based on the understanding that the common good is not served and human dignity is not promoted when budget needs are addressed through revenue streams likely to increase burdens on low-income families and expand social ills. The Conference’s position on the issue is one of prudential judgment upon which Catholic voters may legitimately disagree. Catholics are encouraged to exercise due diligence in educating themselves on this and all matters on which they will cast their votes on November 4.

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<sup>i</sup> Maryland Senate Bill 3, 2007 Special Session

<sup>ii</sup> *Catechism of the Catholic Church*, 2413

<sup>iii</sup> *Compendium of the Social Doctrine of the Church*, 355

<sup>iv</sup> *Economic Justice for All*, National Conference of Catholic Bishops, 1986

<sup>v</sup> Maryland Senate Bill 3, 2007 Special Session

*For an objective analysis of the slots referendum, please see “The Regular Person’s Guide to the Maryland Slot Machine Referendum,” from the Maryland Budget and Tax Policy Institute, which did not take a position on the referendum. A link to the “Guide” is available on the web site of the Maryland Catholic Conference, [www.mdccathcon.org](http://www.mdccathcon.org).*