

SCEDC Participates in Regional Gaming Study

For Immediate Release

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The Switzerland County Economic Development Corporation, in cooperation with the Southeast Indiana Growth Alliance helped to develop a study of the Casino industry in Southeast Indiana. The Southeast Indiana Growth Alliance has issued the report to elected leadership in Southeast Indiana describing the current state of Indiana's gaming industry, new competition, and how these factors will impact the region. In addition, the report examines the potential impact of proposed legislation by the Indiana general assembly.

The report, available on SCEDC's website, makes the following findings regarding Indiana's casino industry and competition:

- The majority of our out of state competition is owned by Indiana casinos
 - 8 of 11 planned Ohio casinos have ownership interest from an Indiana operator
 - 6 of 10 in Illinois (See image on following page)
 - It will be critical to ensure that incentive gains will be used to compete (in Indiana)
- 2012 Statewide gaming revenues are up 1.3% from where they were five years earlier
 - State gaming tax collections are down in-part because business at the riverboat casinos has been displaced by the racetrack facilities, which pay a lower tax percentage overall. Tax collections are also down because of a Bankruptcy Court ruling lowering the taxes of the State's two racinos.
 - Gaming revenues are expected to decline in 2013-2014 due to out of state competition.
- Legislation aimed only at increasing revenues could do far more harm than good to the industry and to Indiana.
- Tax benefits proposed to date are not strong enough to make a meaningful impact and do not have adequate enforcement or accountability.
- Riverboat communities will be devastated by the state breaking gaming distribution agreements:
 - The full infrastructure and public service cost of hosting a Casino falls on the local community.
 - The damage to local communities will be far worse than state projections.

- Some communities would lose as much as 60% of their revenue under current proposals.
- Five counties with no casino at all will receive more gaming revenue than some riverboat counties if current proposals were to become law.
- Loss of local revenue will cost the casinos far more money than any state tax break proposed to date could save them.
 - Increased taxes, utilities, service fees.
 - Less services offered that the casino will have to fund on their own.
 - Current partnerships between locals and casinos are generating investment. These types of projects will not exist if the resources are removed.
- The expansion of gambling within Indiana would likely create even more turmoil and uncertainty for existing properties.
- If not carefully written “tax relief” provisions could encourage some casinos to hedge their bets in Indiana. A decision by any casino operator to "scale-down" their facility will be damaging to the host community and to the state's bottom line.

Out of state competition

