

## **Testimony to the Committee on Casinos Oppose Resolution for Smoke Free Gaming June 13, 2008**

Senator Harmon, members of the Committee; thank you for the opportunity to testify on this important resolution this afternoon

I am Wes Ehrecke, President of the Iowa Gaming Association

- o The IGA is the trade association representing 17 state-regulated and licensed casinos in the state.
- o Also here to speak on behalf of the commercial gaming companies to express opposition to the proposed resolution.

Applaud NCLGS for putting on these meetings to discuss pertinent issues facing the commercial and tribal gaming industries.

It is my understanding that this smoke free resolution was requested by New Jersey GASP group who are represented here today.

I believe adopting this resolution could create an adverse precedence if this group were to take a position on such a controversial issue affecting the industry.

The fact is that NCLGS has established itself as a premier voice for exclusively promoting sound gaming policy.

- o NCLGS's mission is to "advocate a state's right to choose what gaming is implemented within its boundaries."
- o The website further indicates the service NCLGS provides is a non-partisan forum for legislators to share information with other legislators on successes and failures in their states.

A couple of years ago, I appreciated the invitation to speak on a NCLGS panel with the Reverend Tom Grey, who is the national spokesperson for the National Coalition Against Gambling Expansion

It was a spirited discussion for the attendees with Grey articulating about the perceived social ills of gambling; and I had my opportunity to counter and respond with the benefits of gaming and to dispel those myths.

Rev. Grey is even quoted on the NCLGS website as saying that "NCLGS provides a meeting ground for balanced discussion and debate of gambling related issues."

The point of mentioning this is what if Rev. Grey would request a resolution for NCLGS to adopt to do away with casinos altogether or at least to suggest no more expansion?

He and his protégé groups would appear to testify in favor.

What if MADD or another related organization were to propose a resolution to ban alcohol in casinos?

It would be another example of the slippery slope that would be quickly created for NCLGS if groups who are clearly opposed to casinos in some manner would have those types of resolutions considered and adopted.

This great organization could potentially lose its non-partisan recognition and status.

Likewise, what if the gaming industry was to bring forth a resolution requesting NCLGS adopt that says all casinos should be allowed to offer smoking in their premises?

- Obviously the panel assembled here would be opposed to that.
- We contend that issues like this should continue to be discussed in your forums so legislators can hear pro and con thoughts presented; versus allowing controversial resolutions to be adopted.

We also contend this should be a states rights issue to decide if legislators want to do a smoking ban and to determine whether it should be statewide or based on a local ordinance; as well as what exemptions should be allowed.

- Certainly several states are or have debated this issue and Iowa was no exception

During the recent Iowa legislative session; as well as last year numerous bills were introduced to ban smoking.

- The legislature did pass a statewide smoking ban after considerable debate and discussion in both chambers and ultimately needing a conference committee to resolve a compromise.
  - Allows an exemption for the casino gaming floor.
  - Ultimately gaming industry would have preferred it to be a business decision versus a mandate.
  - One version that passed the House was also a preferred compromise that would have allowed for an exemption in age-restricted areas such as bars, Veterans Clubs and casinos where you must be 21 to enter.

The argument was a freedom to decide question: shouldn't adults be able to make adult choices in adult venues?

**Following are points we made to the elected officials to consider that implementing a smoking ban at the casinos would have a projected adverse financial impact for the state's revenue; as well as for the state's gaming and entertainment industry.**

- We noted that based on what had happened in Delaware, Windsor Ontario, and Australia; a smoking ban could cause an estimated 20-30% reduction in Iowa's gaming tax revenue;
  - Iowa's commercial casinos pay an estimated \$300 million in taxes, therefore 20-30 per cent equals \$60-90 million in loss revenue.
  - Illinois is our neighboring state and has experienced five consecutive months of decreased revenue and admissions since implementing a smoking ban in January
  - Likewise Colorado is experiencing double digit decreases in the past months since implementing their smoking ban
    - See attached spread sheet to cite statistics for the various states
- The smoking ban in other jurisdictions also created layoffs of casino employees, closing of area hotels and bars, resulting in further adverse economic impact.
  - We emphasized the adverse impact of a 25% decrease to Iowa casino revenue in the millions of dollars of charitable grants provided to thousands of worthy non-profits; purchases of Iowa-based products and services

- Iowa's commercial gaming industry is collectively Iowa's largest tourist attraction & offers premier entertainment and hospitality venues. Over 22 million visitors choose this form of entertainment annually and an estimated 65% of patrons come from out of state
- A smoking ban would put Iowa's commercial gaming industry at a competitive disadvantage. Iowa tribal casinos and adjacent states would be exempt from such a smoking ban. For example, even if Minnesota and Wisconsin pass a smoking ban; all of the casinos in those states are tribal and therefore exempt due to their sovereign nation status. An Iowa casino smoking ban could see a dramatic shift to surrounding states.
- The commercial gaming industry firmly believes that we should strive to accommodate both non smokers and smokers alike. Customers have choices of where to spend their entertainment dollars and employees have choices of where to work. Iowa casinos offer a premier entertainment and work environment.
  - You will hear the opposing panel tell you that the health of the employee is imperative
  - All of the casinos offer a separate break room area for employees who smoke and who don't.
- To remain a premier entertainment destination with so many patron choices; the Iowa commercial gaming industry is very proactive with new filtration and ventilation systems to accommodate both smokers and non smokers; resulting in higher level of customer and employee satisfaction.
  - See the attached executive summaries from the Riverside and Dubuque Greyhound Park and Casino air quality studies
    - recent tests have shown the air to be better inside on the gaming floor than outside
    - Important to note that Riverside Casino's air quality was done by their insurance carrier; not the company or an organization with an agenda
    - Industrial hygienist remarked it was "cleanest air in any casino ever tested"
      - Legislators and staff checked out casino facilities to see firsthand the high level of air quality
  - Roswell Park Cancer Institute conducted their Iowa Air Monitoring Study that included testing at bars and three casinos and was released to the Iowa legislators during the recent 2008 session
    - It showed that the casinos were consistently much lower than the bars
    - Their results showed a "moderate" rating which in their appendix; "moderate" is defined by the EPA: "air quality is acceptable and may be a moderate health concern for a very small number of people who are unusually sensitive to air pollution.
    - It appears the Cancer Society-funded study focused on measuring solid particles in the air; which could be attributed to dust, poor air filters, bad vacuum cleaners, and yes tobacco smoke.

- Whereas Riverside study by comparison was more in-depth to measure carbon dioxide, total particulate, nicotine, volatile organic compounds, temperature, humidity, and estimated exchanges of air.
- It is the ongoing objective of the commercial casinos to meet or exceed acceptable indoor air quality standards as set forth in Standard 62.1 of ASHRAE guidelines.
- Especially when new construction and remodeling occurs; an added emphasis is placed on improving the air quality striving to use newly-invented technology;
  - Our Iowa casinos' will continue with proactive initiatives such as to strive having non smoking areas on the gaming floor
  - Continue to improve the filtration systems with latest technology
  - Outside air is continually circulated in by moving air from the non-smoking area to the smoking section to the filtration system
  - All of the areas off of the gaming floor are smoke free

To conclude; we respectfully suggest that all sides of the smoking issue; as well as other pertinent topics should be vetted in future NCLGS meetings

- Legislators can assess latest research to be more informed when you return to your states

But we contend that adopting resolutions that are brought forth by any group with a specific agenda that are clearly controversial would compromise the integrity of NCLGS's purpose as being a non-partisan and balanced organization.

Thank you.

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