City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor
Floyd Petersen, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: July 13, 2004

TO: City Council

SUBJECT: Proposed November 2004 ballot measure relating to Las Vegas-Style gambling throughout California

AGENDA ITEM 16

Stop the Flynt Gambling Proposition

May 26, 2004

Karen Gaio
Mayor Pro Tem, City Of Loma Linda
25541 Barton Rd
Loma Linda, CA 92354-3160

Dear Mayor Pro Tem Gaio:

As you may be aware, Hustler Magazine publisher Larry Flynt and 14 other racetrack and card club owners are promoting a measure for the November 2004 election that would pave the way for Las Vegas-style gambling throughout California.

They have presented their proposition as a way to make Indian casinos pay their fair share to the state. But don't be fooled. This is simply a way for these 15 commercial gambling promoters to make huge profits while undermining local control via the statewide initiative process.

This deceptive measure has already been opposed by Republican leaders including Senator Jim Brulte, Senator Tom McClintock, Assemblywoman Bonnie Garcia, and Assemblyman Rick Keene.

In addition, the California Police Chiefs Association, California State Firefighters Association, more than 30 County Sheriffs, California Coalition of Law Enforcement Association, California County Superintendents Educational Services Association and the National Tax Limitation Committee have already come out strongly opposed to the measure.

This proposition sets a terrible precedent of using the initiative process to undermine local control. Specifically, it exempts these gambling casinos from compliance with the California Environmental Quality Act and local zoning laws.

Also hidden in the fine print of the proposition is a provision that exempts these gambling establishments from future state and local tax increases.

According to a recent news release from the California Police Chiefs Association, it "strongly opposes the casino gambling proposition…and intends to take the lead in urging all Californians to reject this threat to public safety."

I hope you'll also oppose Larry Flynt's deceptive gambling proposition by signing and returning the enclosed Opposition Form today.

Sincerely,

Ted Green

Ted Green
Statewide Coalition Director
310/996-2676

Stop the Flynt Gambling Proposition
A Coalition of Indian Gaming Tribes, major funding by
United Auburn Indian Community and Pala Band of Mission Indians.
111 Anza Blvd., Suite 406, Burlingame, CA 94010 ♦ Tel: (800) 420-8202 Fax: (650) 340-1740
11300 W. Olympic Blvd., Suite 840, Los Angeles, CA 90064 ♦ Tel: (310) 996-2676 Fax: (310) 996-2673

Stop the Flynt Gambling Proposition

Why Should Cities and Counties Oppose The Deceptive Gambling Initiative?

WHAT'S THIS MEASURE ALL ABOUT?

Its primary objective is to allow eleven privately-owned card clubs and five privately-owned horseracing tracks to operate 30,000 slot machines/gaming devices at their facilities. Essentially, it would give these card clubs and racetrack owners a permanent, constitutional right to build large, Las Vegas style casinos in city and suburban neighborhoods throughout the state without limitation or control by local communities.

The gambling industry special interests behind this measure will try to sell it to you by promising it will help finance local government programs. But don't be fooled, the only reason for this proposition is to increase profits for those bankrolling it. And they cynically want to hide behind your good name to help promote their cause.

WHAT'S THE IMPACT ON LOCAL GOVERNMENT?

Its promoters claim that their gambling proposition is all about helping foster children, police and firefighters. In return for the billions they would rake in from their new casino operations, they'd provide a percentage of the net win from their gambling machines into a state fund with restricted allocations to new child abuse, police and fire programs.

(Source: Gaming Revenue Act Section 3, 19)

But the measure is so deceptively written and comes with so many strings attached, it would reduce local control, require additional state mandates, and would actually hurt cash-strapped local police, sheriffs and fire departments.

The initiative prohibits use of this funding to save the jobs of existing public safety personnel whose positions are threatened by existing budget deficits. It specifically allocates funding only for "**additional**" neighborhood sheriffs, police officers and firefighters. And the costs of providing support services to these additional public safety officers such as uniforms, training, equipment, vehicles, and facility costs would not be covered by funding from this measure. These support costs would have to borne as a separate and additional expense by local governments. Finally, there's absolutely no money allocated for other essential public services threatened by growing municipal budget deficits. More importantly, local governments would have no discretion to allocate funds to respond to local needs and priorities.

As the Sacramento Bee recently editorialized:

"While it would provide money to local governments, it would also deny those governments flexibility to spend money where it is most needed."

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WHO IS PROMOTING THE PROPOSITION?

It probably comes as no surprise that the 16 card clubs and racetracks that stand to profit from this measure, are its primary financial backers. These backers include *Hustler Magazine* publisher and Hustler Casino operator Larry Flynt, a foreign billionaire who owns three of the five private racetracks, and a controversial Miami financier. *Source: Campaign disclosure reports*

OPPOSED BY THE CALIFORNIA POLICE CHIEFS ASSOCIATION AND LEADING PUBLIC SAFETY GROUPS

The deceptive gambling proposition would expand casino gambling into urban areas on an unprecedented scale. Law enforcement experts predict this will lead to a significant increase in crime, drunk driving and other risks to public safety that will strain already-stretched law enforcement and public safety resources even more. That's why the California Police Chiefs Association, California State Firefighters Association and other law enforcement organizations oppose this measure. The initiative is also opposed by coalitions representing many California Indian Tribes, as well as the National Tax Limitation Committee. Major newspapers, including the Los Angeles Times, Sacramento Bee, and Oakland Tribune have published negative editorials about the measure.

"Proponents of the casino gambling initiative want to buy your vote by promising much-needed tax revenue to California. But the threat to public safety is too high a price to pay in return. We call on California voters not to be fooled by the paid petition pushers hired by the gambling industry to qualify this measure for the ballot."

California Police Chiefs Association

CREATES TAX LOOPHOLES FOR CARD CLUB AND RACETRACK OWNERS

According to the Attorney General's official title and summary the measure exempts the 16 authorized card clubs and racetracks from new or increased state or local taxes, fees or levies imposed after September 1, 2003. The impact on local government revenues could be significant.

Sources: Official title and summary prepared by the California Attorney General, former California State Auditor Kurt Sjoberg, Gaming Revenue Act Section 3, subparagraph 19(i)(4) Prohibition on Additional Fees, Taxes and Levies.

EXEMPTS ITS PROMOTERS FROM STATE AND LOCAL LAWS.

The measure also exempts the 16 authorized card club and racetrack owners from compliance with many state and local laws when constructing or operating their new facilities. Specifically, they would be exempted from complying with the California Environmental Quality Act (CEQA), and local zoning laws. For example, when these private companies build their giant new casinos they would be exempt from the environmental review process that protects local land use plans, water supplies, air quality and requires mitigation of traffic impacts. *Source: Gaming Revenue Act Section 19(i)*