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Local view: Big casino money again thwarts racinos and their tax windfall

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By: **Gary Larson**, Duluth News Tribune

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Surveys shows 70 percent to 80 percent of Minnesotans approve of racinos, or slot gaming, at horse tracks. However, the public's will has not translated into legislative action to enable them, including this year, even though racinos would provide \$250 million in new, publicly palatable taxes every two years. So the state's implacable casino monopoly stands firm, pouring millions into the war chests of only one political party.

Guess who wishes to preserve that cash-rich monopoly of untaxed gambling profits?

Profits from Indian gambling, by law, go untaxed. But that says nothing about voluntary contributions to states, as happens elsewhere. Nor do tribes — sovereign entities, to be sure — pay Minnesota's stiff corporate income tax, which tops out at 9.8 percent, the third-

highest in the nation.

No expiration dates appear in the compacts. In Minnesota, and only here, they are never-ending sweetheart deals forged under a DFL administration in 1989. Look it up. On DFL Gov. Rudy Perpich's watch, DFL Attorney General Hubert "Skip" Humphrey presided over a sweetheart deal that, over time, has amounted to the largest potential state tax giveaway in history. Count the loss to the state in the billions of dollars.

Racinos would not only create much-needed jobs, they also would draw tourists' dollars and attract top-notch horseracing talent due to larger purses. They would boost the state's horse industry and agriculture industry. Minnesota Agri-Growth Council President Daryn McBeth says racinos would benefit agriculture "significantly." Rural interests agree. Urban legislators and most DFLers seem blind to that plain, simple fact.

Simply put, racinos are what the public wants and tribal interests do not. Affluent tribes enrich the DFL handsomely, sending millions to campaign war chests — nearly \$1.2 million in 2010 alone. Quid pro quo seems written all over the deal. Call it a corruption of the political process or pay-to-play politics at their servile worst.

Moneyed tribal interests, the DFL and a few myopic social conservatives like to refer to racinos as an "expansion of gambling." It's their mantra, their anti-racino rallying cry. And it is picked up reflexively by news media. But is it true? Is gambling at state-licensed gambling venues such as respected, regulated horse tracks truly "expansion?" Try "competition" instead. Monopolies abhor it.

This week's special session of the Minnesota Legislature was well past due time to approve racinos in the gambling mix. The public's will was not honored, subverted again by money and politics as usual. Despite spinning off \$250 million per biennium in taxes, racinos were torpedoed by a powerful, moneyed casino cabal and its army of lobbyists saying, in effect, let the public be damned.

Gary Larson is a former Duluthian and a retired newspaper and business magazine editor who has written extensively about Indian casinos.

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