

## **Protecting the Nonprofit Performing Arts in Expanded Gambling**

### **The Problem:**

A 2010 task force created by the Massachusetts Legislature's Joint Committee on Tourism, Arts, and Cultural Development framed it this way: "Gaming and the performing arts are competing for some of the same discretionary spending of consumers while operating under significantly different business models. Gaming venues offer headline performances to draw patrons to their facility, under the assumption that once they are there they will spend money gambling. Since the main source of revenue from the event is not from the sale of tickets but from gambling, these gaming venues are able to pay more for these performers and often set lower ticket prices than non-gaming organizations. This poses a challenge for existing performing arts organizations to compete for recreation dollars and for performers and is cause for concern for the health of the cultural sector, which creates local jobs and stimulates the local economy."

**The business challenge that casinos pose for nonprofit theatres is fundamentally different than that faced by restaurants, retailers and others. It is a supply-side problem: By virtue of their business model, deep pockets and national networks, casinos exert unfair control over the supply of performing artists working in key segments of the entertainment business.**

This is not a hypothetical problem. Nonprofit theatres in southeastern, central and Western Mass. are already unable to book major acts because casinos in Connecticut and Rhode Island have secured them.

### **The Stakes:**

Our nonprofit performing arts centers are community anchors, sources of quality jobs, and providers of education and enrichment for thousands of schoolchildren every year. They are also powerful economic engines in their communities. The Hanover Theatre, for example, has stimulated hundreds of millions of dollars in new investment in downtown Worcester. "The future of the revitalization efforts of downtown Worcester correlate to the success of our cultural entertainment venues," wrote City Manager Michael O'Brien in 2010.

The broader Commonwealth also has a vested interest in their success. State investment through the Mass. Cultural Council, Mass. Office of Travel and Tourism, and historic tax credits total \$8.35 million in the buildings and programs of the Hanover Theatre, Springfield Symphony Hall, and Lowell Auditorium alone over the past decade.

**The state should not undermine this investment by giving casinos a license to potentially put our nonprofit theatres out of business.**

### **The Solution:**

The Legislature and the Governor have an obligation to protect nonprofit performing arts presenters that will be adversely impacted by the introduction of casino gambling in Massachusetts. Specifically, any new law to expand gambling should:

- Establish a ten-year moratorium on the construction of performing arts facilities in casinos.
- Prohibit licensed casinos from building theatres of more than 500, or less than 5,000, seats after the moratorium is lifted. This is the range of performance space in which our nonprofit arts presenters operate—within this range casinos pose the gravest threat to their viability.
- Require casino license applicants to address their impact on performing arts venues; and to show that they've followed through on that plan in order to have their license renewed.
- Dedicate a portion of casino tax revenues to mitigate the impact on the nonprofit cultural sector, including non-profit and/or municipally-owned performing arts centers that can show that they have been hurt by casino entertainment venues.

Massachusetts is not Nevada. More than four centuries of cultural history are embodied in an unparalleled range of arts, humanities, and science institutions across the Commonwealth.

**The elected leaders of Massachusetts can set a national standard for stewardship of cultural resources by passing legislation that protects nonprofit theatres and other arts organizations from unfair competition from casino gambling.**