

THE FIELD POLL

THE INDEPENDENT AND NON-PARTISAN SURVEY
OF PUBLIC OPINION ESTABLISHED IN 1947 AS
THE CALIFORNIA POLL BY MERVIN FIELD

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Release #2120

Release Date: **Wednesday, June 9, 2004**

**TWO COMPETING GAMBLING
INITIATIVES SUPPORTED BY A
MAJORITY OF THE STATE'S VOTERS.**

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by Mark DiCamillo and Mervin Field

Two competing casino gambling initiatives slated for the November general election ballot are initially supported by California voters.

One measure, backed by the Agua Caliente Band of Cahuilla Indians, would expand gambling within the Indian tribe casinos by removing limits on the number of slot machines and other types of games. In return, the tribal casinos would make a contribution to a state fund based on their net gaming income and prevailing state corporate tax rates, which are currently about 9%. It is estimated that the initiative would generate hundreds of millions of dollars annually in additional revenues to the state that would increase over time.

The second measure is being promoted by the state's racetracks and card clubs. It would increase state taxes on Indian-owned casinos to 25% of slot and gaming device revenues, as well as require them to comply with state laws and accept state court jurisdiction. If all tribes do not accept terms authorized in the initiative, it would then permit 16 specified non-tribal racetracks and gambling entities to operate 30,000 slot machines and gaming devices in the state, which would pay 33% of revenues to fund public safety, regulatory and social programs. This would result in increased state and local revenues of over one billion dollars annually.

When a representative sample of likely voters were read summaries of the Attorney-General's official ballot description of these two initiatives, majorities are initially supportive of each by nearly identical margins. On the race track/gambling initiative 57% say they would vote Yes, 26% would vote No and 17% undecided. Regarding the Indian tribes initiative, the distribution is 53% Yes, 30% No and 17% undecided.

At this stage it appears that instinctively California voters are ready to expand opportunities for the public to gamble so long as the gaming operators provide additional revenues to state and local coffers.

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Table 1
Casino Gambling – Indian Tribes Initiative
(among likely voters)

	<u>Would vote YES</u>	<u>Would vote NO</u>	<u>Don't know</u>
Statewide	53%	30	17
<u>Region</u>			
Northern California	49%	35	16
Southern California	56%	27	18
<u>Party</u>			
Democrats	52%	29	19
Republicans	52%	33	15
Non-partisans/others	56%	23	21

** Small sample base.*

Table 2
Casino Gambling – Race Track/Card Club Initiative
(among likely voters)

	<u>Would vote YES</u>	<u>Would vote NO</u>	<u>Don't know</u>
Statewide	57%	26	17
<u>Region</u>			
Northern California	57%	27	16
Southern California	57%	26	17
<u>Party</u>			
Democrats	51%	31	18
Republicans	68%	18	14
Non-partisans/others	49%	34	17

** Small sample base.*

Background

Legalized gambling has long been a part of California history. The image of card players in saloons during the gold rush era is ingrained in the state's folklore. Card rooms which feature poker and other games have operated legally in many of the state's localities ever since the state had a constitution. In addition, pari-mutuel betting at the state's race tracks has been permitted for over seventy years. A state-sanctioned lottery was also established when voters passed Proposition 37 in the November 1982 election.

The biggest expansion of legalized gambling occurred following the passage of the 1988 National Indian Gaming Regulatory Act, which permitted gambling on the many tribal lands within California and other states.

Presently there are 61 tribes that have gambling compacts within California, 53 of which operate casinos . It is estimated that these tribes collectively generate between \$4 and 5 billion in gambling-related revenue each year.

Passage of either or both initiatives would represent a further expansion of the extent and type of gambling permitted in California.

Gambling interests have huge bankrolls to finance their causes in the impending ballot box battle, with some estimating that these two competing initiatives could generate campaign spending approaching \$100 million.

Governor Arnold Schwarzenegger is currently in negotiations with a number of the tribes to revise existing compacts to increase revenue to the state. No deal has been announced so far, but negotiations are reportedly ongoing and a spokesman for the governor said that he is "optimistic that there will soon be an agreement that will provide for a fair contribution to the state."

Schwarzenegger has expressed his opposition to the Indian tribe-backed initiative, but hasn't publicly indicated a position on the race track/card room-sponsored ballot proposition. Passage of either or both of the initiatives would supersede any deal made by the Governor and the tribes.

Information About the Survey

Sample Details

The findings in this report are based on a cross-section sampling of 388 registered voters, of which 306 were considered likely to vote in the November statewide election. Interviews were conducted by telephone in English and Spanish May 18-24, 2004. Up to five attempts were made to reach a randomly selected voter at each number dialed. After the completion of interviewing, the larger registered voter sample was weighted to Field Poll estimates of the state's total registered voter population.

According to statistical theory, results in this report have a sampling error of +/- 5.8 percentage points at the 95% confidence level. There are other possible sources of error in any survey in addition to sampling variability. Different results could occur because of differences in question wording, sequencing or through omissions or errors in sampling, interviewing or data processing. Extensive efforts were made to minimize such potential errors.

Questions Asked

Note: to avoid possible sequence bias, the questioning on these two initiatives were rotated with half of voters asked about the tribal-sponsored initiative first, and half asked the race track-sponsored initiative first.

This proposition authorizes the Governor to renegotiate tribal-state compacts to require Indian tribes to pay 25 percent of slot machine and gaming device revenues to a government fund, comply with state laws and accept state court jurisdiction. If all tribes do not accept terms within 90 days, or if terms are determined unlawful, it authorizes 16 specified non-tribal racetracks and gambling establishments to operate 30,000 slot machines and gaming devices in the state, paying 33 per cent of revenues to fund public safety, regulatory and social programs. Fiscal impact: increased local government revenues of over 1 billion dollars annually. If the election were being held today, would you vote yes or no on this proposition?

This proposition requires the Governor to offer renewable 99-year gaming compacts to federally recognized Indian tribes providing exclusive gaming rights on Indian land, and no limits on the number of machines, facilities or types of games. It requires contributions to a state fund of a portion of net tribal gaming income, based on prevailing state corporate tax rates, in lieu of any other fees, taxes or levies. Fiscal impact: increased state gaming revenue, potentially several hundreds of millions of dollars annually that could increase over time. If the election were being held today, would you vote yes or no on this proposition?