

U.S. Elections Shuffle Gaming Industry Politics

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The gaming industry is still trying to assess the impact of Tuesday's state and federal elections which saw the demotion of the industry's most powerful advocate in Congress, the defeat of the governor of Illinois and the re-election of the governor of Florida.

For a man who was not even on the ballot, U.S. **Senate Majority Leader Harry Reid** of Nevada may have suffered the most devastating loss of all on Election Day.

Reid's eight-year reign as head of the Senate is over after a Republican rout gave the Grand Old Party a 52-43 majority with two independents in the Senate. Republicans are also likely to pick up at least two more seats pending election results in Alaska, Louisiana and Virginia.

A former chairman of the Nevada Gaming Commission, Reid is expected to remain the Democratic leader in the Senate but his power to advance or block bills important to the gaming industry has diminished significantly.

With his 75th birthday less than a month away, Reid insists he will seek re-election in Nevada in 2016. But his approval ratings in his home state are anaemic and even Nevada Democrats are grumbling about being ignored by Reid in this year's election.

"We got no help from Reid because he was too focused on getting [Alison Lundergan] Grimes elected in Kentucky," said a Nevada Democrat who requested anonymity.

The man who defeated Grimes, Republican Senator Mitch McConnell of Kentucky, will replace Reid as majority leader when Congress begins a new session in January.

"The problem for people in the gaming industry is that Reid is the man they have counted on, and there is no one else in Congress to pick up his mantle," said a former Capitol Hill lobbyist who asked not to be named.

Meanwhile, in Illinois, the defeat of **Democratic Governor Pat Quinn** by businessman Bruce Rauner muddles an already complicated scenario for gaming expansion.

"Gambling was not an issue that was front and center during the campaign, and I'm not sure Governor-elect Rauner will prioritize expansion," said Chicago gaming attorney Adam Braun.

Rauner is "very close" to Chicago Mayor Rahm Emanuel who has been pushing for a destination resort casino in his city, according to an Illinois gambling lobbyist.

But Rauner has said he is not a fan of gambling and would oppose slots at Chicago's international airports.

"A bill that would allow a Chicago-only casino makes the most sense, but I'm not sure that would be politically feasible. Satellite casinos in other areas of the state probably would have to be included," said Paul Jenson, a Chicago gaming attorney.

Jenson said he hopes Rauner acts quickly to fill two vacancies on the Illinois Gaming Board. The five-member regulatory board currently has only three members, the bare minimum required for votes.

Despite the Republican wave on Tuesday, Democrats in the Illinois House and Senate maintained veto-proof majorities.

"Leaders in the House and Senate may try to pass gaming legislation to give Rauner more revenue to straighten out the state's

finances,” said Tom Swoik, executive director of the Illinois Casino Gaming Association.

In Florida, the gaming industry welcomed the re-election of **Republican Governor Rick Scott**, despite his ambivalence about casinos and outright opposition to Internet gaming.

“We’ve been making progress with Governor Scott, and there would have been more uncertainty with a new administration,” said Nick Iarossi, the chief lobbyist in Florida for Las Vegas Sands.

Scott is facing an August 1, 2015 deadline to finalize a new gaming compact with the Seminole tribe. The compact will be included in a comprehensive gambling expansion bill next year, according to Iarossi.

“It will be a do or die year for gambling expansion in Florida, and all of this will be tied together,” Iarossi said.

Although he agrees that a new Seminole compact will be approved, law professor Bob Jarvis said he does not think the Florida legislature will pass a gambling expansion bill.

“Given the exhausting and ultimately **futile battles** over destination resort casinos in the last few sessions, I don’t get a sense that the legislature has any real desire to keep taking up this subject,” said Jarvis, who teaches at Nova Southeastern University in Fort Lauderdale.

Other key election races decided Tuesday included the widely anticipated defeat of Pennsylvania Governor Tom Corbett by Democrat Tom Wolf.

Massachusetts and Maryland voted for new Republican governors, while Nevada’s **Brian Sandoval** was comprehensively re-elected as Republicans also seized control of both houses of the state legislature in Carson City.

Geography:

UNITED STATES

FEDERAL

FLORIDA

ILLINOIS

NEVADA

Sectors:

CASINO

HORSERACING/RACINO

ONLINE GAMBLING

SLOT MACHINES

TRIBAL GAMING

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