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HEADLINE: McFadden ups ante in debate over Md. slots;
Senate majority leader urges consideration of Inner Harbor casino;
At odds with Ehrlich, Rawlings;
Governor would limit machines to tracks, prohibit other gaming

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SOURCE: SUN STAFF

BODY:

The majority leader of the state Senate told business leaders yesterday that the General Assembly should consider allowing casino gambling at the Inner Harbor in addition to slot machines at Pimlico and other Maryland racetracks.

Sen. Nathaniel J. McFadden, who also is chairman of Baltimore's Senate delegation, said the Pimlico neighborhood doesn't have the infrastructure to handle a racetrack casino of the size being pushed by Gov. Robert L. Ehrlich Jr. and others.

McFadden, a Democrat who sits on the committee that handles gambling legislation, told the Greater Baltimore Committee that other options should be examined -- including an Inner Harbor casino.

"It doesn't have to be just at tracks. It may go beyond slots. It may be gaming," he said. "If we're going to do it, do it right."

In an interview afterward, McFadden said he and other African-American lawmakers have been talking about adding slots at sites other than tracks as a way to give minorities a chance at participating in the potentially lucrative venture.

McFadden's position puts him at odds with Ehrlich and Del. Howard P. Rawlings, another powerful Baltimore lawmaker.

Rawlings, chairman of the House Appropriations Committee, has introduced a bill to allow 10,000 slot machines in Maryland -- with all of them to be installed at racetracks. He flatly opposes an Inner Harbor casino.

Ehrlich is planning to announce his version of slots legislation Thursday. He has said it, too, would confine slots to racetracks and not allow other casino games.

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The governor is counting on slots revenue to provide about one-third of the \$1.2 billion he needs to balance next year's projected budget shortfall.

GBC members, however, also heard a message from the speaker of the Maryland House warning against a rush to judgment on the complicated issue of expanding legalized gambling.

Del. Michael E. Busch questioned why Baltimore would want 2,500 to 4,500 slot machines in the Pimlico neighborhood.

"You have a huge addiction problem. You support Baltimore with a needle exchange program," the Annapolis Democrat said. "Putting slots at Pimlico is like giving a diabetic 100 pounds of chocolate."

Busch said he "can't see any urgency" to approving slots this year. He said the components of a slots bill would take as much time for the General Assembly to study as the tax-increase ideas that Ehrlich and others want to delay.

Busch offered stark criticism of Ehrlich's budget, which fills the revenue shortfall through roughly equal amounts of slots revenue, fund transfers and spending cuts.

"Governor Ehrlich wants to balance the budget with a \$350 million loan from the racing industry," Busch said, referring to the one-time slots license fees that Ehrlich seeks to charge racetrack owners.

The GBC has considered the issue of expanded gambling in Baltimore in previous years.

In 1997, after Rawlings introduced legislation to permit slots at racetracks, the group commissioned a study that found full-fledged casino gambling would have greater economic benefits.

"Full-scale gaming creates jobs and brings in money from out of state," said Gene Bracken, the GBC's communications director.

This year the GBC has yet to take a position on expanded gambling, said Donald C. Fry, president of the business group. He said the group is waiting to see the governor's proposal.

Henry Fawell, a spokesman for Ehrlich, said the governor is standing by his proposal to limit slots to four racetracks: Pimlico, Laurel, Rosecroft and one to be built in Allegany County.

Del. Alfred W. Redmer Jr., the House minority leader, told the GBC he had far to go to meet Busch's challenge to the Republicans to get all 43 GOP delegates as co-sponsors of the governor's bill.

Busch "asked me last week how I was doing," said Redmer, a Baltimore County Republican. "I said I was up to four. We're doing well."

GRAPHIC: Photo(s), Sen. Nathaniel J. McFadden says casino gambling at the Inner Harbor should be explored.; SUN FILE : 2000

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