
Sen. Mike Stack: Stack urges small games of chance to help fill budget gap.

Text of Aug. 12 press release.

HARRISBURG, AUG. 12, 2010 — State Sen. Mike Stack today called on Gov. Ed Rendell and legislative leaders to consider putting legislation to permit small games of chance at taverns on the table as a means to generate revenue that would fill a portion of the state budget gap.

Stack said that he hoped that his call would spur an expedited review of the measure and a vote on the plan before the session adjourns for the year.

Stack's suggestion is in response to Rendell's announcement that the General Assembly must trim \$280 million from the 2010-11 state budget because the state received less federal Medicaid funding than it anticipated when the budget was enacted.

The governor proposed alleviating the budget hole by instituting across-the-board cuts to the budget, including \$50 million in cuts to basic education.

The Pennsylvania Tavern Association has estimated that small games of chance could generate up to \$100 million in state revenue.

"If we permitted small games of chance, we could potentially stop cuts to basic education, which was one of the few areas that received an increase in funding this year," Stack said. "Next year, we won't have the benefit of federal stimulus dollars that we received last year and this year. Now's the time to create new revenue to help fill this current budget hole, as well as next year's anticipated deficit. In that sense, permitting small games of chance in taverns is a no-brainer."

Senate Bill 1301 and its companion bill House Bill 2379 would expand the Local Small Games of Chance Act to include licensed establishments like local bars and taverns. It would also increase the individual prize limits for small games of chance from \$500 to \$1,000, and increase the weekly limits from \$5,000 to \$20,000, as well as allow clubs to use 50 percent of their proceeds for operating expenses.

Thirty percent of the funds raised by taverns would go directly back to Pennsylvania. Twenty percent of what is raised by taverns would go to charitable organizations that are designated in a business' license application, which could generate up to \$80 million for charitable causes and local organizations.

Senate Bill 1301 is currently in the Senate Finance Committee and House Bill 2379 is in the House Gaming Oversight Committee.

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