



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 271      PRINTERS NO. 1237      PRIME SPONSOR: Ortityay  
AS AMENDED BY: A00654

### COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	See fiscal impact
State Gaming Fund	\$0	See fiscal impact

### SUMMARY:

House Bill 271, Printer's Number 1237 as amended by A00654, amends Title 4 (Amusements) authorizing airport gaming, placing the operation of the state's compulsive and problem gambling program under the Department of Drug and Alcohol Programs (DDAP) and requiring that DDAP maintain one problem gambling toll-free number for use by all casinos.

### ANALYSIS:

The legislation adds a new Chapter 13B (Airport Gaming) authorizing gaming at qualified airports. Current slot machine licensees seeking to make games available to players through the use of multi-use computing devices may petition the Pennsylvania Gaming Control Board (Board) for an airport gaming certificate. A one-time, nonrefundable fee of \$1 million shall be paid within 30 days of being issued an airport gaming certificate. All fees or penalties under Chapter 13B will be deposited into the General Fund. Each airport gaming certificate holder will pay a tax of 14% of its daily gross airport gaming revenue and the revenue generated will be deposited into the General Fund.

In addition to the 14% tax, each airport gaming certificate holder will pay a multi-use computing device local share assessment of 20% of its gross airport gaming revenue into a restricted receipts account in the State Gaming Fund to be distributed quarterly back to each qualified airport.

This legislation also places the operation of the state's compulsive and problem gambling program under DDAP. The program has been operated by DDAP since FY 2012-13 and this bill updates the statute to reflect this. The legislation also requires DDAP to maintain and all casinos to utilize 1-800-GAMBLER as the toll-free number to direct patrons to problem gambling services. In addition, all racetracks at casinos must print 1-800-GAMBLER on their racing programs. A casino not currently using 1-800-GAMBLER may continue to use another number for up to three years upon showing good cause to DDAP. If DDAP determines it is unable to adopt 1-800-GAMBLER, then another toll-free number must be maintained.

This act shall take effect in 60 days.

**FISCAL IMPACT:**

As amended, there are 8 airports in the Commonwealth in which interactive gaming will be authorized under this legislation. Assuming a slot machine licensee is issued an airport gaming certificate to conduct gaming in each of the six international airports in Pennsylvania and the two qualified commercial service airports, this will result in \$8 million in one-time license fee revenues. Furthermore, it is estimated that gaming operations in each of the qualified airports would generate \$8 million annually from the 14% State Tax. Assuming an enactment date of June 30, 2017, and the implementation of authorized gaming in all qualified airports, this legislation is estimated to generate \$8 million in license fees for the General Fund in 2017-18 and \$4 million in new gaming revenues for the General Fund in 2017-18. The amount of the local share assessment to be generated in 2017-18 is estimated to be \$5.7 million.

With respect to the provisions regarding the compulsive and problem gambling program and the toll-free gambling hotline number, DDAP is currently operating this program and toll-free number so there is no anticipated fiscal impact related to this provision.

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**DATE:** April 3, 2017

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*