




JAN 25 2011

Senate of Pennsylvania

TO: All Senators

FROM: Senator Edwin B. Erickson 

DATE: January 25, 2011

SUBJECT: Cosponsorship of Legislation – Small Games of Chance

I will soon introduce legislation to amend and reform the Local Option Small Games of Chance Act. The bill will increase the daily and weekly prize limits from \$500 to \$1000 and from \$5000 to \$20,000, respectively. It will allow clubs and nonprofit charitable organizations to use 50% of their proceeds for operating expenses. The proposal will expand the law to permit licensed establishments (taverns) to offer small games of chance with these additional requirements:

- \* Twenty percent (20%) of their weekly gross game revenue shall be donated to a charitable organization identified in the license application.
- \* An assessment of thirty percent (30%) of their weekly gross game revenue shall be paid to the General Fund.
- \* Additionally, an assessment of 1% each will be paid to the Department of Revenue and 1% to Liquor Control Enforcement for the administration and enforcement of the act.
- \* This assessment shall apply only to the taverns and not clubs or volunteer charitable organizations such as volunteer fire companies or other community groups already licensed to conduct small games of chance.
- \* Anticipated revenue from this assessment on the increased prizes in taverns is conservatively estimated to be over a hundred million dollars to the state.

These reforms will provide new revenue to the nonprofit organizations, help keep our small family-owned businesses operating, and provide recurring revenue to the state without passing any taxes on to Pennsylvania private citizens. Reforming the Small Games of Chance Act which has been in effect since 1988 is long overdue.

If you would like to join me in sponsoring this legislation, please contact Linda Kauffman at 7-1350 or [lkauffman@pasen.gov](mailto:lkauffman@pasen.gov).