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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

MEMORANDUM

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TO: All House Members

FROM: Representative Ronald E. Miller *RM*
Representative Eugene A. DePasquale *ED*

DATE: January 24, 2011

RE: **Co-sponsorship: Small Games of Chance Act**

We will soon introduce legislation to amend & reform the Local Option Small Games of Chance Act. Our bill will increase the daily and weekly prize limits from \$500 to \$1,000; and from \$5,000 to \$20,000, respectively. It will allow clubs & nonprofit charitable organizations to use 50% of their proceeds for operating expenses. Our 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 & 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 non-profit 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.

Your co-sponsorship is invited. If you would like to join us, please contact either Dawn Wolfe in Representative Miller's office at dwolfe@pahousegop.com or 717-783-8389, or Cynthia Clory in Rep. DePasquale's office at cclory@pahouse.net or 717-787-7514. Thank you.