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October 11, 2012

House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

TO: All House Members
FROM: Representative Tina Davis *M. Davis*
SUBJECT: Co-sponsorship - Internet gaming

In the near future, I plan to introduce legislation amending Pennsylvania's Gaming Act to establish guidelines and regulations for internet gaming in Pennsylvania.

As many of you know, the federal government issued an opinion last January that has opened the door for the legalization of internet gaming nationwide. In the wake of this decision, several states, and the federal government, have introduced proposals that would provide for online poker and other games that are currently regulated by Pennsylvania law. In fact, two bordering states have taken action on this issue, with Delaware enacting laws to allow for online poker, and New Jersey working on language to follow Delaware's lead. These states have seen their gaming industry take a hit from Pennsylvania's casinos, with our state becoming the second largest gambling market in the country.

In addition, U.S. Senate Majority Leader Harry Reid (D-Nev.) announced his intentions to push for the legalization of internet gaming during Congress's upcoming lame-duck session. This federal law would permit internet gambling nationwide, and could have significant impacts Pennsylvania's regulatory process, which has been heralded as an international model on how to govern the casino industry.

Under my proposal, the Pennsylvania Gaming Control Board would regulate requirements for the licensing, operation of, and responsible participation in online gaming to ensure that this form of gaming is within the regulatory framework we have fought to establish here in Pennsylvania. Furthermore, my legislation would set the license application fee at \$16.7 million, and would establish a reasonable tax rate that takes into account overhead and cost of operation for the casinos. The proceeds from internet gaming would be split between the Property Tax Relief Fund and the State Lottery Fund.

Again, considering the nationwide efforts to legalize internet gaming, it is imperative that we maintain the integrity of our gaming industry amid inevitable federal preemption and competing states. A responsible internet gaming system must be created in order to protect Pennsylvanians and the success of the established gaming industry in the Commonwealth, which has provided more than \$6 billion in revenue, and created more than 16,000 jobs statewide.

If you would like to join me in co-sponsoring this legislation, or would like a copy of the language, please contact Deb Brady at dbrady@pahouse.net or by calling 783-4903.