

HB1663 PRESENTATION By: Rep. Tom Callagirone

Good afternoon members of the committee and chairman James. Thank you for the opportunity to offer some comments on HB1663, and for its consideration by the committee.

It is well established that in almost every county of our state, social clubs of all types, in accordance with their overall mandate, provide valuable services to the less fortunate residents of their communities. They do this with revenue provided by activities authorized by the small games of chance act, enacted by the general assembly several years ago.

This bill would expand somewhat the mechanisms by which that revenue is generated by the various clubs for this purpose.

Briefly stated, this bill would amend the small games of chance act to provide for no more than five video poker machines in a given club, and a simple revenue sharing formula to divide the revenue generated by these devices. (60%-club--40%-state)(Of the 40%, 25% to the local community, with the remainder going to the property tax relief fund, less program maintenance costs)

The bill accomplishes this by electronically connecting to a central computer we call a server to ensure that every dollar wagered state-wide is recorded, along with the payout, and thus, a clear record is made of exactly where the division of revenue is to be made, and the amounts.

Another provision of this bill would be the annual licensing fee charged to the club for each poker machine. At \$1,000.00 per machine, with a maximum of 5 machines, and with approximately 5,000 such clubs in our state, the math shows an annual revenue potential of 25 million dollars, over and above the state's share of the revenue generated by the machines--all for property tax relief.

Thus, passage of HB1663 is essentially a win-win-win proposition. The clubs win by not only providing a revenue generating activity sought by their members, but the local community wins by ensuring funds to support the fundamental charitable activities of the clubs. And the commonwealth wins by increasing its revenue and the size of the property tax relief fund as well.

Again, my profound thanks for this opportunity to offer remarks of support for this proposed legislation.