

**Pennsylvania House Gaming Oversight Committee
Hearing on House Bill 1663 of Session 2007**

July 29, 2008 - State Capitol, Harrisburg
1 p.m., Room G-50, Irvis Building

**Testimony Supporting House Bill 1663 by
Pennsylvania VFW State Commander Larry Wade and
Immediate Past State Commander John B. Getz, Jr.**



Pennsylvania Department of Veterans of Foreign Wars
Largest State VFW in Nation with 120,000 Combat Veterans as Members
"Honoring the Deceased by Serving the Living"

Good afternoon Mr. Chairman and Members of the Committee:

I am Larry Wade of Cresson in Cambria County, Pennsylvania Department Commander of the Veterans of Foreign Wars. With me at this table is immediate past VFW State Commander John Getz of Reinholds in Lancaster County and our State Adjutant John Brenner of Mt. Wolf in York County, who is also a past state commander. Also here in support of this bill is our State Sr. Vice Commander Frank Mills of Huntingdon County, who will become our state commander next year.

We are proud to represent that largest state department of the VFW in the nation with 120,000 combat veterans as our members ranging from World War II combat to today's War on Terrorism.

The VFW's mission is to honor the deceased by serving the living. While we can create some support for carrying out our mission from volunteers, putting life-changing public service programs into motion takes real money. For non-profits including the VFW, money is not something that comes easy. If we are to maximize the positive impact we can have on those we serve, we cannot do it using facing falling membership revenue, rising operating costs and low-end fundraisers that have out of date small games prize limits.

House Bill 1663, by allowing video poker games in VFW posts and other non-profits, would help us to raise funds that would help raise our community impact to higher levels.

I want to stress up front that just as we have done when asking for higher prize limits for small games of chance, that we recognize the need for responsibility by the posts who offer games. We support the tracking of money spent on games of chance and we urge all of our posts to follow regulations in handling money that comes in from our membership playing the games.

We fully support the use of automatically linking in the video poker machines to a regulatory agency. This means that the government will monitor how much a machine takes in, and the required split of that money will be channeled directly to the government. We've spoken to one of our other recent state commanders who has seen this process work in other states. He reports that every day at a specified time the machines are shut down to send a report electronically. The government knows how much money was put into the machine as well as the total payout.

I want to remind the committee and other interest parties that VFW posts and other non-profits don't come to our facilities to spend their paychecks for a chance to go home as big winners. Ask those who play our small games or who would play video poker, and they will tell you that they enjoy playing our games in part because they know they are supporting the mission of the VFW.

Every year VFW posts contribute millions of dollars of community support through supporting deployed troops, assisting military families on the home front, funding student scholarships, sponsoring youth sports, making donations to charities, and buying equipment for police, fire and ambulance units. Our donations go to many other causes including building war memorials, holding events for senior citizens, helping homeless people to find support, buying Christmas gifts and winter clothing for low-income, and much, much more.

The percent of earnings that would go to VFW posts and other non-profits would not only help us continue this type of giving, it would help us to increase our donations. This is critical to our communities especially at a time when government grants and other sources of support are drying up. Many posts having to turn away organizations asking for money because through our existing small games we simply cannot raise enough to meet the community demand for financial help.

I'll say it again ... the VFW is first and foremost a service organization focused on improving the lives of veterans, the troops, military families and our communities. This is our top priority. We cannot do this as our budgets at the local post and state headquarters levels drops off due to the aging of our membership. There is a real need to raise more funds for improving lives outside of government.

Being able to raise funds through video poker while not jeopardizing revenue from our other small games of chance would help to boost the money we can use to carry out our mission. We want to continue offering small games of chance to help posts who do not want to offer video poker to raise funds for the community and to keep their facility modern, efficient and available for public use. We continue supporting efforts to raise small games of chance prize limits so these posts can donate more money to benefit others. Some posts may choose to offer both traditional small games of chance and video poker, and we believe they should have that option.

Let me close by covering a key point to our support of House Bill 1663. With small games of chance prize limits where they are—and even if they are increased by the passage of House Bill 169—there is a need to separate the funds brought in by video poker and traditional small games of chance. If you add the percentage of video poker revenue that posts can keep into the current small games of chance situation, prize limits would be surpassed and posts and other non-profits would face penalties and fines on a constant basis.

We would like to see this House Bill changed to specifically say that video poker revenue not be included in calculating small games of chance prize totals on a weekly, monthly or other time frame basis. Since there is a different license and fee for having video pokers machines, we ask that the bill

be changed to reflect the separate of video poker revenue and small games of chance that are currently allowed by law.

Members of the committee, John Getz—who after being state commander during the last fiscal year, and who continues to serve our Department as co-chairman of our legislative committee and our internal affairs committee--will speak briefly about how this bill would help VFW posts and other non-profits to stay strong so they can serve veterans, military families, their local communities and those who live in them.

(John Getz)

Good afternoon, Committee members. As a long-time member of the VFW and a combat veteran, I cannot imagine life or quite frankly America without the VFW. It is not just veterans who have benefitted from the existence of the VFW, the American Legion and other veterans groups. We are not selfish groups. In fact, the dedication and commitment to service that motivated us while in uniform still drive us today, although our uniforms may not fit quite as well. Every segment of our population has benefitted from the outstanding work done by non-profit veterans groups.

I hope that this year and for many years to come that we can say the same thing. Our mission and our commitment will stay the same, but we face growing challenges that are impacting how we serve others. As mentioned before, it is hard for veterans organizations—just as it is for other non-profits—to maintain operations and to continue financial support to the community where it's needed to meet the growing need for donations.

Allowing posts to keep some of the revenue from video poker would help generate funds for use in keeping our posts modern, safe and convenient for use by the membership and the community. Many posts open their doors for use by community groups and military units for no charge. To keep a building clean, handicap accessible and attractive takes money. Non-profits don't have access to the capital that for-profit organizations do, and banks won't often loan money to non-profits because they cannot show a steady revenue stream. Being able to use some of the video poker revenue for upkeep and improving the facility would benefit the community.

The VFW—joined by other veterans groups and representatives of the police and fire communities—recently visited with a key member of the Senate to show how important our donations are to the community. One police chief testified that he was grateful for VFW donations which provided money that he could not get from other sources to buy equipment. A long-time leader of a small fire department also pointed to donations from non-profits as vital to having modern equipment.

We would be thrilled to donate entire police cruisers, not just one piece of equipment. With more money to give away, we could not only buy a fire hose but perhaps a complete uniforms including breathing apparatus. We could help more families impacted by life-changing disasters. We could send more support to the troops who are defending our freedom.

We could step in to provide financial help where disappearing government grants and shrinking budget allotments have left people and organizations in need of more funds.

Lastly, I, too, would like to encourage you to make it clear in the bill that video poker revenue be considered separate for all purposes from other small games of chance earnings. To not do so would significantly impact the degree to which we could use video poker to make life better for citizens across the Commonwealth.

(Commander Wade)

Committee members, as you can probably tell, we like to put our mission of serving people to work for people from all walks of life. You can only raise so much through fundraisers and our current small games environment. We think that using video poker in a responsible way makes sense, and it would help preserve the non-profits who have proven to be the lifeblood of so much community support.

Thank you, Mr. Chairman, for the chance for us to speak to you today. We would be happy to respond to any questions or comments that you may have after hearing our testimony.