

PANCO

Pennsylvania Association of Nationally Chartered Organizations

TESTIMONY

House Gaming Oversight Committee

House Bill 1010

Public Hearing

Monday, May 1, 2017

Good morning. Chairman Petri, Chairman Harkins, distinguished members of the House Gaming Oversight Committee; I would like to thank you for the opportunity to present testimony today on House Bill 1010.

My name is Tom Helsel and I am the secretary of the Pennsylvania Association of Nationally Chartered Organizations. PANCO's membership consists of fraternal and veteran organizations that are nationally chartered. We count among our membership lodges, posts and aeries from the Benevolent and Protective Order of Elks, the Loyal Order of Moose, the Fraternal Order of Eagles, the American Legion and the VFW.

On reviewing House Bill 1010, it is our consensus to support the measure. We welcome any opportunity to help our organizations to raise funds for their purposes. PANCO has been supportive of video poker / video gaming terminal legislation dating back to at least 1988.

The club industry is a niche of its own and is always searching for new sources of revenue. Recent changes in the liquor code have left our segment untouched and we have traditionally looked at gaming as an important source of funding. Like other businesses we have taken on the burden of increasing costs to operate just to stay open. One of our largest expenses is real property taxes. With the exception of our veteran organizations, our members like all other businesses, pay real estate taxes on the property that we own. The opportunity that VGTs bring will significantly help offset those expenses and help fund our ongoing programs.

One of the key factors we like with the bill is accountability. Accountability of gross terminal revenue (GTR) is linked directly to the Commonwealth assuring an accurate and transparent accounting for all revenue. The concept of redemption centers lessens the threat of fraud and theft by keeping all transactions accountable

through a controlled single source. From our perspective it also relieves us of potential cash flow issues. This accountability factor will also be beneficial in promptly distributing the shares of GTR to the Commonwealth, local municipality, terminal operator and us.

We are in an age where our entertainment dollars are at their most sought after. Between other forms of entertainment, charitable, fraternal and veteran organizations are seeing these dollars less frequently. We see VGTs as an additional incentive to participate in our organizations. Without new sources of revenue, it makes it more difficult for us to keep our doors open. Ultimately if they shut, the charitable revenue stream that we supply will dry up as well. To sum it up, VGTs have the potential to help our organizations keep our doors open so that we may continue to provide for the many community programs that we do.

Thomas W. Helsel, Jr.
Secretary