

PANCO

Pennsylvania Association of Nationally Chartered Organizations

Testimony

PA House Gaming Oversight Committee

HB 1598

October 30, 2019

Thomas W. Helsel, Jr., Secretary

Good morning Chairman Marshall and Chairman Conklin. My name is Tom Helsel and I am the secretary for the PA Association of Nationally Chartered Organizations or more commonly known as PANCO. PANCO is comprised of individual aeries, lodges and posts from the Fraternal Order of Eagles, Benevolent and Protective Order of Elks, Loyal Order of Moose, American Legion and Veterans of Foreign Wars. I would like to thank the Committee for the invitation to provide testimony on HB 1598.

Our members are known for providing charitable works to their local communities. The funds raised for these works are primarily generated through the avenues of small games of chance, bingo, and other fundraising activities such as chicken BBQ's. We have worked over the years to help bring into fruition Act 67 of 1981 the Bingo Law, Act 156 of 1988 the Local Option Small Games of Chance Act, as well as subsequent acts amending these two cornerstones of our fundraising abilities. Throughout these instances we have worked with various legislators, legislative committees and other organizations to improve and enhance our members' ability to provide charitable funding for our local communities.

We support Rep. Moul's legislation, HB 1598 and applaud him for his efforts in this and previous endeavors. We believe that there are several positive initiatives in this bill that would be beneficial to our membership as well as all clubs across Pennsylvania. First and foremost is the removal of the \$35,000 weekly limit, followed by the addition of poker runs, coin auctions, vertical wheel games, event games and skill machines as authorized games, changes to the amounts retained and the addition of a special permit for club licensees.

The initial concept of a weekly limit was an arbitrary number applied at the onset of small games in 1988. In 2013 the Legislature increased it to its current limit of \$35,000. While many clubs across the state are not impeded by this limit, there is still a segment of the club industry that is. Removal of the weekly limit does not impact the integrity of "small games". It simply allows clubs with larger membership resources the ability to find its limit. There are still regulatory and statutory limits that remain in place to maintain the integrity of "small games"; the single prize limits and the limits applied to the wager amount.

The bill adds several new games to the list of authorized games. In each instance we believe that these additional games complement our current arsenal of allowed games. The most controversial game added is that of skill games. While we have advised our

members that the PA Department of Revenue and the Pennsylvania State Police have opined that skill games are illegal, there is conflicting advice and evidence to the contrary. Many of our members have turned to the Pennsylvania Skill Game as an additional source of revenue based upon the reliance by vendors and the manufacturer that the game is one of skill rather than chance.

We believe that placing skill games under the Local Option Small Games of Chance Act would eliminate the confusion that is currently there. It would allow skill games to be utilized only by licensed establishments; clubs, bars and taverns, thus stopping the proliferation into other retail avenues.

With regard to the changes in amounts retained, the bill would allow all club licensees to retain the first \$20,000 in net proceeds. Currently only those clubs which report \$40,000 or less in the previous year's report may retain that amount. We believe this to be a fair and equitable solution for those clubs which report over \$40,000 that do not reach a threshold that corresponds to the 40% retained equaling \$20,000.

Finally we support the addition of special permits for club licensees. This would allow clubs to participate in fundraising done at events within their county such as community or county fairs. Currently a club licensee may not offer SGOA at such an event.

Again, I would like to thank the Committee for this opportunity and look forward to any questions you may have.