



**THE LEAGUE
OF WOMEN VOTERS**
P E N N S Y L V A N I A

**TESTIMONY BEFORE THE HOUSE JUDICIARY COMMITTEE
HB 2308 — LEGALIZATION OF RIVERBOAT GAMBLING IN PA
JULY 1, 1996**

Mr. Chairman, Members of the Judiciary Committee, thank you for holding public hearings on this very important proposal (HB 2308) to establish a commission and license riverboat gambling casinos in this state.

The League is very much in favor of bringing more business and jobs to Pennsylvania, but we do not think that expanding legalized gambling will ultimately have a positive effect on the local or state economy. While our great historic landmarks, renowned orchestra and distinguished art museums make our city a very attractive tourist destination, recent research on the economic effects of riverboat gambling indicate that the benefits to casino communities are very disappointing despite millions of dollars in profits taken from those communities by casino operators.

A recently completed study by the Better Government Association of Chicago says that Illinois experiences a net loss of \$6 million a year from gambling, not including the cost of infrastructure, regulation and social costs of gambling addiction, according to Association Director Terry Brunner. By contrast, the four month long Monet exhibit at the Chicago Art Institute during 1995 yielded a net economic gain of \$393 million according to the Institute's Public Relations Director, Eileen Harakal, and the Better Government Association.

The report entitled Casinos in Florida: An analysis of the Economic and Social Impacts released by the Florida Governor's office in 1994 concluded that for each new dollar in tax revenue generated by casino gambling, the cost to taxpayers could be from \$8 to \$12. Several economists have noted that casinos generate significant new revenues only if they can export their problems; i.e., when the gamblers go home to other communities. The Florida study notes that this system works for Las Vegas and Atlantic City, which draws patrons from New York, Philadelphia and Washington.

Expansion of gambling leads to market saturation and an increased reliance on local population as customers. Can Philadelphia reasonably expect to attract gamblers from outside the Philadelphia area to its proposed riverboat casinos? Will the current corporate conventioners and visitors to our historic and cultural attractions find the new casino atmosphere inviting?

The League of Women Voters of Pennsylvania hopes members of the General Assembly will find alternative means to stimulate economic growth in Pennsylvania.

Thank you Mr. Chairman and members of the Committee.