



**Statement of the Pennsylvania Federation of Fraternal and Social Organizations on  
Transfer of Small Games of Chance to the Gaming Board  
Presented to the House Gaming Oversight Committee by Ted Mowatt, CAE  
Executive Director  
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Chairs Payne and Kotik, and members of the House Gaming Oversight Committee, I am Ted Mowatt, Executive Director of the Pennsylvania Federation of Fraternal and Social Organizations. I very much appreciate this opportunity to comment on draft legislation to move the oversight of the Local Option Small Games of Chance Act to the Gaming Control Board.

The Pennsylvania Federation of Fraternal and Social Organizations (PFFSO) is a statewide association of approximately 500 social clubs, veterans clubs, fire companies and other non-profit service organizations. Our clubs provide numerous charitable works in the local communities, funded largely, by law, by small games of chance.

Our members are now nearly a year into reporting under the updated Local Option Small Games of Chance Act, and by and large it appears to be going rather smoothly. We do have some suggestions on possible changes to the reporting requirements, and appreciate the opportunity to share them with you today.

Although we do recognize that the system in place for applying, reporting and enforcement involves a handful of unrelated agencies, and understand the desire for a more streamlined approach to Small Games of Chance, we have some reservations about moving charitable gaming under the same umbrella as for-profit, casino gambling. The Department of Revenue has for nearly 30 years now, had responsibility for setting regulations, and now for receiving reports, regarding SGOC, even though there is little "skin in the game" for them, since only the Tavern Gaming portion is subject to tax. We would, of course, like to keep SGOC for non-profits out of the tax discussion, and retain the charitable purpose of the raffles and pull tabs proceeds. We fear that moving the reporting and regulatory functions to the Gaming Board will result in SGOC being "lost in the shuffle," so to speak, behind the weightier issues of casinos for the Board and staff, and could further subject the charities to the mindset of the casino interests, when the two industries are distinct.

The bulk of this proposed legislation deals primarily with the registration and conduct of distributors and manufacturers, but we believe that putting SGOC under the Gaming Board could eventually lead to a complete takeover of the charitable gaming infrastructure that our local communities depend on by the Board and the casino industry that is currently generating a lot of money itself for property tax relief and tourism, but again is distinct from the local community tradition and culture of small games.

We ask that you consider carefully the potential ramifications of this well-intended idea.

Thank you again for this opportunity, and I would welcome any questions.