

The Pennsylvania Gaming Alliance



**Testimony Presented to the Pa. House Gaming Oversight
Committee**

Pa. Small Games of Chance Act

May 3, 2016

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Lancaster Bingo Company

Good morning chairmen, members of the committee and staff. My name is Johnathan Smith and I am the President and Chief Executive Officer of The Lancaster Bingo Company, Inc. based in Lancaster, Ohio which is situated about 30 miles Southeast of Columbus, and with warehouses also in Harrisburg and Pittsburgh, Pennsylvania.

Lancaster Bingo was founded in 1983 and specializes in the distribution of bingo supplies, pull tabs, jar tickets, game boards and gaming equipment. In our 33 years of operation, we have greatly expanded both our business model and our distribution area. In addition to Pennsylvania and Ohio, we also provide service to customers in the states of Virginia, West Virginia, Maryland, Kentucky, Indiana, and Illinois. Our customer base is made up of charitable organizations, clubs, churches, other non-profits, and taverns and bars. I am proud to tell you that Lancaster Bingo is the largest distributor of pull-tab games in the nation.

Personally, I have been with my company for 19 years, and again, now serve as President and CEO. Prior to my time at Lancaster Bingo, I was the Senior Vice President of a community bank and was twice elected as an At-Large City Councilman in Lancaster, Ohio. I also worked for four years for a United States Congressman both in his district offices and in Washington, D.C. I have a great deal of respect for you elected officials, I know you sure don't do this for the money!

In addition to advocacy on behalf of our membership, one of the mission goals of the Pennsylvania Gaming Alliance is to be an informational source for you in regard to the gaming climates in other states where we do business. This type of information can be very difficult to find and usually requires a significant amount of digging even in our current world where the internet makes almost everything easy to find. With 8 states in Lancaster Bingo's footprint, we

have a significant amount of experience with the bingo and games of chance climates in many jurisdictions. We have also provided testimony and served on state sponsored gaming committees. We feel it is our responsibility to work with our regulators and legislators to create a level playing field for organizations who rely on bingo and small games of chance for much needed funds.

So, the goal of my testimony today is to highlight for you some of the major difference in the games of chance law in Pennsylvania compared to the other states that we serve. I have provided the committee with an Excel spread sheet which I believe has been distributed to the panel. I am hopeful that you will find this information to be helpful in understanding the many diverse climates for gaming. I hope that it may also offer you some ideas that could be implemented in Pennsylvania to improve the small games act and bolster the entertainment value and fundraising potential for organizations and businesses that utilize these games.

Specifically, I feel the legislature should eliminate the \$35,000 weekly aggregate in prizes. No other state, except for Illinois has this type of restrictive language. I also feel the 4,000 ticket limit should be eliminated. It really serves no purpose. The laws are clear on what type of games can be sold in Pennsylvania. It should be the responsibility of the licensed distributors and manufacturers to only sell games that conform to the laws. That is how every other state we do business in regulates games and none of them require games to be submitted and approved. The rules are the rules and it is the responsibility of the licensee to comply. If they are found to not be in compliance, they risk fines and disciplinary actions up to and including license revocation. It's a pretty strong deterrent. Submission and approval of games is just an unnecessary and subjective step that should be eliminated. Also, other states that surround Pennsylvania allow for small games of chance pull tabs with progressive jackpots. This feature

allows nonprofits organizations to build jackpots and compete with the giant for profit gambling companies.

I would like to add that since 1988 when the Small Games of Chance Act was enacted, Pennsylvania has experienced explosive growth in gambling. Horse tracks now have electronic gaming devices, there are land based casino throughout the commonwealth and who knows how many grey machines out there. It is time that the Small Games of Chance Act is amended to allow licensed organizations the opportunity to compete. The nonprofits are doing great things in your communities and they need your support.

In closing, on behalf of the Pa. Gaming Alliance, I want to thank the committee for the chance to spend some time with you today and share our experience and suggestions. We hope that you have found the information we have provided to be interesting and helpful. We stand ready to be of assistance to the committee as an informational resource at any time and we look forward to working with you help improve the Pa. Small Games of Chance Act. We would be happy to answer any questions that you may have.