

**Kevin O'Toole, Executive Director
Pennsylvania Gaming Control Board
House Gaming Oversight Committee
September 21, 2022**

Good morning, Chairwoman Helm, Chairman Harkins and Committee members.

It is a pleasure to be with you today. My name is Kevin O'Toole and I serve as the Executive Director of the Pennsylvania Gaming Control Board.

Prior to discussing House Bill 2743, I wanted to take some time to provide you with an overview of video gaming in the Commonwealth as it now stands.

Video Gaming was initially authorized in the Fall of 2017 as part of a comprehensive Gambling Expansion Bill signed into law on October 30, 2017. In addition to Video Gaming, the Gambling Expansion Bill authorized Interactive Gaming for the play of slots, tables and poker online, Sports Wagering activity both retail and online, and mini-casinos, three of which are currently operational.

The Video Gaming Act ("Act"), as it is generally referred to, provides that an establishment, once licensed by the Board, can offer a maximum of five video gaming terminals, or VGTs, to the public. The enabling language for video gaming was unique in that businesses eligible for licensure are limited to "truck stop establishments." It appears that much of the rationale for that limitation was based upon the idea that VGTs located at Truck Stops would tap a different market of gamblers than those that visit Pennsylvania casinos or establish Pennsylvania specific online wagering accounts.

The Act and, to a lesser degree, the Board's regulations, are very specific as to what qualifies as a truck stop establishment. Specifically, under the Act, each of the following are currently required:

- The establishment must be situated on a parcel of land of not less than three acres in size, which is owned or leased by the operator;
- There must be diesel islands used for fueling commercial motor vehicles;
- Diesel or biodiesel fuel sales or projected sales must average 50,000 gallons per month;
- There must be a convenience store;
- There must be at least 20 parking spaces dedicated for commercial motor vehicles; and
- It cannot be on land owned by the Pennsylvania Turnpike; and
- The establishment must be a Pennsylvania Lottery sales agent.

On the parking space requirement, it is worth noting that the Board's regulations require that the 20 mandatory parking spaces be large enough for a tractor trailer.

Of particular significance to the approval of Video Gaming at eligible truck stops was the Legislative decision to ensure effective regulatory oversight of the conduct of Video Gaming and related activities associated with Video Gaming. Before a truck stop establishment can begin operations, the Act and regulations provides several critical prerequisites, including:

- That owners as well as staff overseeing VGTs, be vetted and licensed,

- That the specific location where VGTs are placed and played must be separate from the rest of the facility;
- That the facility must have approved surveillance;
- That there is access to compulsive and problem gambling information; and
- That there is a connection to the Central Control Computer System, assuring accurate calculations of all wagers and payouts for the purpose of tax revenue collection.

It is also worth noting that the video gaming provisions of Title 4 allowed each of the 12 counties in which a Category 1, 2 or 3 casino is located to prohibit the placement of video gaming terminals (“VGTs”) in that county, if they so chose. 9 of these 12 counties have done so. Additionally, pursuant to Act 63 of 2019, Lancaster County municipalities were given the same opportunity to prohibit VGTs, and the vast majority, if not all, have done so.

At present, there are 54 of Pennsylvania’s 67 counties where a truck stop establishment can seek a video gaming terminal establishment license from the PA Gaming Control Board. To date, we have licensed 66 truck stop establishments, with a total of 330 machines. In fact, later this morning, the Board is scheduled to vote on what would be the 67th licensed establishment.

As you can see from these numbers, every truck stop establishment that the Board has licensed has decided to place the maximum 5 machines on their properties. In terms of overall performance, VGT revenue has increased each of the first 3 fiscal years since the passage of the Video Gaming Act. The below chart provides a summary of those first 3 fiscal years:

| Fiscal Year | Revenue | State Tax | Local Share Assessment | # of VGT Establishments |
|--------------------|---------------------|---------------------|-------------------------------|--------------------------------|
| FY 19/20 | \$6,798,123 | \$2,855,211 | \$678,812 | (28) |
| FY 20/21 | \$31,334,744 | \$13,160,593 | \$3,133,474 | (50) |
| FY 21/22 | \$41,584,158 | \$17,465,346 | \$4,158,416 | (66) |
| Total | \$79,717,024 | \$33,481,150 | \$7,971,702 | |

I do have a few comments on House Bill 2743. That Bill would amend the definition of “Truck Stop Establishment” by deleting the requirement that a truck stop establishment must sell or be projected to sell an average of 50,000 gallons of diesel or biodiesel fuel per month. This gallonage requirement, of course, is only one of five statutory requirements focused on assuring that VGTs are only available to truck stops and their customer base, and not to more typical gas stations or corner convenience stores for which the primary target customers would not necessarily be truck drivers.

Specifically, even without the 50,000 gallon requirement, the definitional factors in the Video Gaming Act still require an applicant that has a fairly large footprint of not less than three acres with fuel islands devoted to diesel sales for commercial truck traffic and parking that would accommodate those commercial vehicles.

As indicated previously, later today the Board will have its 67th Truck Stop Establishment before it for licensure. It is anticipated that the number of operational VGT rooms at licensed Truck Stops will reach 70 by the end of this year.

It should be noted that approximately 25 applicants for a Truck Stop Establishment License withdrew their applications over the past several years when they realized that the 50,000 gallons of diesel fuel sales on average per month was not a goal with a realistic expectation of attaining.

Ultimately, the Board believes that House Bill 2743 falls under the General Assembly's purview to establish policy for our Board to implement. With that said, it is the Board's belief that the removal of the gallonage requirement alone could result in an increase in the number of eligible truck stops, but not significantly, as the definition of truck stop establishment would still require 3 acres of land, dedicated diesel islands, and "20 parking spaces for commercial vehicles."

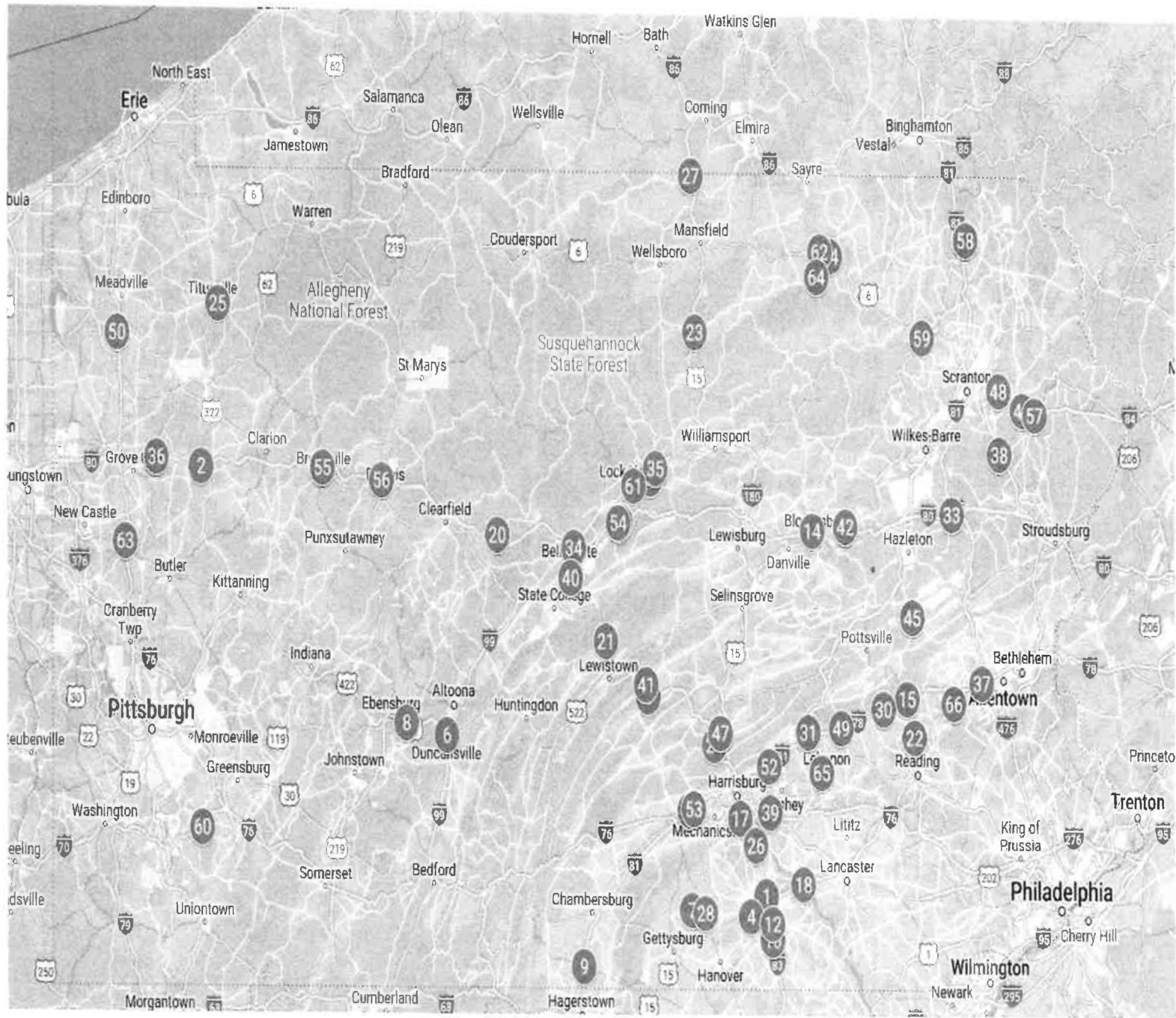
Thank you again for the opportunity to present testimony and I am available to answer any questions that you may have.

Attachment 1

List of Truck Stops Operating VGT Rooms

1. Rutter's Store 15 – 2125 Susquehanna Trail, York PA 17403, York – August 16, 2019
2. Emlenton Truck Plaza – 6446 Emlenton-Clinton Rd., Emlenton, PA 16373, Venango – August 22, 2019
3. Rutter's Store 37 – 27335 Route 75 North, Mifflintown PA 17059, Juniata – August 27, 2019
4. Rutter's Store 60 – 4425 West Market Street, York PA 17404, York – September 4, 2019
5. Bald Eagle Truck Stop, Inc. – 612 McElhattan Drive, McElhattan PA 17748, Clinton – September 6, 2019
6. Rutter's Store 79 – 234 Kuhn Lane, Duncansville PA 16635, Blair – September 26, 2019
7. Rutter's Store 36 – 3050 Heidlersburg Road, York Springs PA 17372, Adams – October 3, 2019
8. Keystone Restaurant & Truck Stop – 190 Keystone Road, Loretto PA 15940, Cambria – October 24, 2019
9. TA Operating #213 – 10835 John Wayne Drive, Greencastle PA 17225, Franklin – October 29, 2019
10. Rutter's Store 16 – 362 North Main Street, York PA, 17403, York – October 31, 2019
11. TA Operating #336 – 1201 Harrisburg Pike, Carlisle PA 17013, Cumberland – November 19, 2019
12. Rutter's Store 8 – 129 Leader Heights, York PA 17403, York – November 20, 2019
13. Kwik Fill 229 – 5574 PA-8, Harrisville PA 16038, Venango – November 21, 2019
14. TA Operating #212– 6 Buckhorn Road, Bloomsburg PA 17815, Columbia – November 26, 2019
15. Rutter's Store 69 – 100 Grand St., Hamburg PA 19526, Berks – December 5, 2019
16. TA Operating #3 – 245 Allegheny Blvd., Brookville PA 15825, Jefferson – December 12, 2019
17. Rutter's Store 56 – 368 Lewisberry Rd., New Cumberland PA 17070, York – December 17, 2019
18. Rutter's Store 4 – 201 Cool Springs Road, Wrightsville PA 17368, York – December 18, 2019
19. TA Operating #68 – 5600 Nittany Valley Drive, Lamar PA 16848, Clinton – December 19, 2019
20. Kwik Fill 226 – 73 Rolling Stone Road, Kylertown PA 16847, Clearfield – January 8, 2020
21. Rutter's Store 96 – 20 Commerce Drive, Milroy PA 17063, Mifflin – February 13, 2020
22. Rutter's Store 81 – 15 New Enterprise Drive, Leesport PA 19533, Berks – February 14, 2020
23. Liberty Exxon – 8489 Route 414, Liberty PA 16930, Tioga – February 20, 2020
24. Rutter's Store 77 – 77 Benvenue Road, Duncannon PA 17020, Dauphin – February 27, 2020
25. Kwik Fill 200 – 1001 East Spring St., Titusville PA 16354, Crawford – March 3, 2020
26. Rutter's Store 53 – 2215 Old Trail Road, Eppers PA 17319, York – March 12, 2020
27. Lawrence Exxon – 13305 Hwy 49, Lawrenceville PA 16929, Tioga – June 11, 2020
28. Rutter's Store 17 – 2115 East Berlin Road, East Berlin PA, 17316 – Adams – July 15, 2020
29. Love's Travel Stop #324 – 440 West 3rd, Mifflinville PA 18631 – Columbia – July 30, 2020
30. Love's Travel Stop #358 – 3700 Mountain Road, Hamburg PA 19526 – Berks – July 30, 2020
31. Love's Travel Stop #366 – 22 Old Forge Road, Jonestown PA 17038 – Lebanon – July 30, 2020
32. Love's Travel Stop #407 – 165 Harrisburg Pike, Carlisle PA 17013 – Cumberland – July 30, 2020
33. Hickory Run Travel Plaza – 2550 Route 534, White Haven PA 18661 – Carbon – Aug 21, 2020

34. TA Operating #214, Milesburg – 875 North Eagle Valley Road, Milesburg PA 16853 – Centre – Aug 28, 2020
35. Liberty Travel Plaza, Avis – 3163 Woodward Avenue, Avis PA 17721 – Clinton – Aug 31, 2020
36. TA Operating #67, Harrisville – 5644 State Route 8, Harrisville PA 16038 – Butler – Oct. 9, 2020
37. Trexler Plaza Truck Stop – 5829 Tilghman St, Allentown PA 18104 – Lehigh – Nov. 23, 2020
38. Liberty Travel Plaza – Gouldsboro – 17 Main Street, Gouldsboro PA 18424 – Wayne – Nov. 25, 2020
39. Rutter's Store 20 – 2800 Vine Street, Middletown PA 17057 – Dauphin – Dec. 9, 2020
40. Rutter's Store 87 – 700 T532, Bellefonte PA 16823 – Centre – January 5, 2021
41. Liberty Travel Plaza, Mifflintown – 9 Stop Plaza Drive, Mifflintown PA 17059 – Juniata – Jan. 20, 2021
42. Liberty Travel Plaza, Mifflinville – 451 West Third Street, Mifflinville PA 18631 – Columbia – Feb 12, 2021
43. Liberty Travel Plaza, Gibson – 2174 State Route 848, Milford PA 18834 – Susquehanna – Feb. 22, 2021
44. Dandy Mini Mart – Wysox – 30023 Rt 6, Wysox, PA 18854 – Bradford – March 18, 2021
45. Fegley Oil Company, Inc. – 551 West Penn Pike, Tamaqua PA 18252 – Schuylkill – May 26, 2021
46. Liberty Travel Plaza – Lake Ariel – 151 Twin Rocks Road, Lake Ariel PA 18436 – Wayne – May 28, 2021
47. Liberty Travel Plaza – Duncannon – 3298 Susquehanna Trail, Duncannon PA 17020 – Perry – June 9, 2021
48. Liberty Travel Plaza – Mt. Cobb – 1174 Mt. Cobb Road, Lake Ariel PA 18436 – Lackawanna – June 22, 2021
49. Pilot Travel Center #518 – 2210 Camp Swatara Road, Frystown PA 17067 – Berks – June 30, 2021
50. Geneva Truck Stop – 17400 Smock Drive, Cochranon PA 16314 – Crawford – July 1, 2021
51. Pilot Travel Center #001 – 5868 Nittany Valley Drive, Mill Hall PA 17112 – Clinton – July 1, 2021
52. TA Operating #012 – Harrisburg – 7848 Linglestown Road, Harrisburg PA 17112 – Dauphin – August 9, 2021
53. Pilot Travel Center #708 – 1501 Harrisburg Pike, Carlisle PA 17013 – Cumberland – August 10, 2021
54. Pilot Travel Center #709 – 5609 Nittany Valley Drive, Mill Hall PA 17751 – Clinton – August 10, 2021
55. Pilot Travel Center #336 – 1742 Rich Highway, Dubois PA 15801 – Clearfield – August 11, 2021
56. Pilot Travel Center #707 – 246 Allegheny Blvd., Brookville PA 15825 – Jefferson – August 11, 2021
57. Liberty Travel Plaza – Lakewood – 1414 State Route 507, Greentown PA 18426 – Wayne – August 23, 2021
58. Pilot Travel Center #710 – 1623 Oliver Road, New Milford PA 18834 – Susquehanna – August 31, 2021
59. D & C Fuels East – 6313 Sr 6, Tunkhannock PA 18657 – Wyoming – September 20, 2021
60. Pilot Travel Center #620 – 122 Fitzhenry Road, Smithton PA 15479 – Westmoreland – December 6, 2021
61. Dandy Mini Mart, Monroeton – 510 James Monroe Avenue, Monroeton PA 18832 – Bradford – Feb, 28, 2022
62. Pilot Travel Center #081 – 2010 New Castle Road, Portersville PA 16051 – Butler – March 28, 2022
63. Lucky Seven Travel Plaza – 360 East Walnut Street, Lock Haven PA 17745 – Clinton – March 28, 2022
64. Dandy Mini Mart, Inc. (Towanda) – 474 Reuter Blvd., Towanda PA 18848 – Bradford – April 11, 2022
65. Rutter's Store 41 – 1621 W Cumberland St, Lebanon PA 17042 – Lebanon – June 15, 2022
66. Rutter's Store 92 – 15475 Kutztown Road, Kutztown PA 19530 – Berks – July 19, 2022



Attachment 2
Location Map of Truck Stops Operating VGT Rooms