

Pa. lawmakers may agree on expanding gambling

http://articles.philly.com/2015-10-14/news/67381927_1_gambling-revenue-online-gambling-gambling-options#8rDIsKc2clfur8D7.99

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POSTED: OCTOBER 14, 2015

HARRISBURG - With Gov. Wolf and the Republican-controlled legislature locked in a months-long budget stalemate, there is one area in which they might be able to agree: expanding gambling options to increase state revenues.

After a news conference last week during which Republican leaders in the state House indicated a willingness to discuss expanded gambling access as a cash source, Wolf's spokesman said Monday that the first-term Democrat was also open to considering gambling proposals.

Neither side has offered specifics, but there currently are bills awaiting discussion that would legalize online gambling or allow gaming in state airports.

Speaker of the House Mike Turzai (R., Allegheny) said last week that expanding gaming options in Pennsylvania had "bipartisan support" and that the various options could generate up to \$500 million.

Stephen Miskin, spokesman for House Republicans, said Monday that gambling expansion "is something that we do hope to talk with the governor about."

Still, Miskin acknowledged that gambling would likely be only one piece of a potential revenue package.

And Wolf has long signaled a preference for using tax increases to fund increased disbursements to state schools, something the GOP has stridently opposed. Sheridan added Monday that Wolf felt gambling revenue was unlikely to provide the long-term stability that he is seeking.

Still, with the state's \$30 billion spending plan 104 days overdue, any sign of compromise is notable.

Chris Borick, political science professor at Muhlenberg College, said turning to gambling is a familiar refrain in Pennsylvania and a far cry from what Wolf has pushed for during the standoff.

The governor has sought an income tax hike to send more money to schools. But the state House rejected that plan in a vote last week.

"It's really quite a path we've gone down," Borick said, "from discussing major shifts in the tax structure . . . to shaking the gaming tree one more time to see if it bears any fruit."

Gaming revenues alone would not fill Pennsylvania's multibillion dollar budget deficit, Borick noted, and detractors have long argued that adding games in one place simply takes revenues away from another.

In New Jersey, where Internet gambling was legalized in 2013, the actual revenue realization was tiny, according to the Office of Legislative Services. It projected \$160 million in revenue in fiscal year 2014. But online games accounted for only \$10.7 million.

In March, Morgan Stanley issued a similarly sober report, saying that online gaming in Nevada, New Jersey, and Delaware earned a combined \$135 million in 2014, about a third of what the firm had initially forecast.

Paul Boni, a Philadelphia attorney and board member of the national advocacy group Stop Predatory Gambling, said expanding access to gaming could hurt poor or inexperienced players the most.

"The state government is addicted to gambling just as much as the people in the casinos," he said. "It's too tempting to get away with exploiting people."

Still, there appears to be some momentum around the topic. A sponsor of one online gaming bill, Sen. Tommy Tomlinson (R., Bucks), said he supports it as a partial solution for the state's revenue woes.

Sen. Daylin Leach (D., Montgomery) is not opposed to the idea. But he sees it as a distraction from hammering out a real solution.

"The tax revenue is a relatively small and unpredictable amount of money," he said. "It's not going to solve the underlying issues with the budget."

Borick doesn't see gambling as a budgetary silver bullet, but said it might be one of the few things that both sides, at this point, can realistically embrace.

"Maybe that's where we are, given the protracted stalemates," Borick said. "You take out the duct tape and see what we can piece together to move this on to another day."

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