

Tom Scott, Owner

McGrath's Pub

202 Locust St, Harrisburg

My name is Tommy Scott and my wife Amy and I are the owners of McGrath's Taverns in Harrisburg, We have been in the restaurant and tavern business for 30 years. These past few years have been particularly difficult due to stricter DUI laws, the smoking ban, competition from the clubs and casinos that offer gambling and now the recession.

When I first heard the Governor propose to legalize video gaming in Pennsylvania's bars and clubs, and that the proceeds would go to help fund kids college education, I thought I was a winner in both cases. I hope for us to have several vide poker machines that would help pay the mortgage and utility bills, plus if the program was successful throughout the state, my two kids Joseph, 20, and Nicole, 22, could benefit by having lower tuitions. After reading House Bill 1317, I am very disappointed.

If I read the legislation correctly- and the secretary of revenue's cost projections- each of these machines would net approximately \$30,000.00 annually. My tavern's 25% would equal approximately \$7500. The license fees of \$500 annually to the state (which the Secretary of Revenue could raise at any time) would lower it to \$7000. The city would most likely impose a license fee like other cities in the neighborhood of \$1000.

So far that would leave me approximately \$5250. My property and casualty insurance would increase substantially-as it has in other states-to cover the loss of monies in the machine if theft or burglary occurs. Let's say that goes up \$250 per year. The revenue from the other amusement machines that I already have in my establishment- Megatouch, Golden Tee, Buckhunter, and dart machine- will decrease by 30% because the customers' discretionary income goes into the poker machine. That is another \$50 per month or \$600 per year. I am now down to \$4,400 net.

I am required to maintain my own "kitty" for prizes which mean that I have to have thousands of dollars available at all times. That's not easy when you have a small business and cash flow is not always as good as you would want. If I would want to have two video machines, I would have to remove at least two tables, which means I am losing seating for lunch and dinner for 8 people and that is another loss of income.

And, of course, since every penny is accountable because of the central computer-which is a very good idea by the way-I will owe state and federal

taxes which will take another \$1200 to \$1500. I am now down to around \$2500.00 per year- and I just don't know if it is worth the aggravation.

Please consider the changes that the Pennsylvania Tavern Association is suggesting to House Bill 1317. If they are approved, at least there is a better chance I will participate- and everybody can benefit.