

The General Assembly of Pennsylvania
Session of 2009
Committee on Gaming Oversight

HOUSE BILL NO. 1317

HB 1317 GOALS



Providing
Tuition Relief!

Video Lottery
Program!

Removing
Illegal Video
Poker Devices!

HB 1317 ANALYSIS

Merits

- Providing a scholarship program for the eligible students of the commonwealth!

Strengths

- Legalized video lottery systems work!
- Legalized video lottery systems root out gray market devices

Weaknesses

- State ran video lottery systems by the very nature of the “day to day” operation are prone to failure

CAPITAL INVESTMENT REQUIRED.



Cost per video lottery terminal Installation

- \$15,000.00 Per Video Lottery Terminal
- \$ 2,500.00 Per Site Controller
- \$ 4,000.00 Fiber Optic Cabling, Hardware, and Materials
- \$ 1,000.00 Prize / Winnings bank
- \$ 22,500.00 Per Video Lottery Terminal



Cost for a typical location

- \$15,000.00 X 5 = \$75,000.00 ** VLT's
- \$ 2,500.00 X 2 = \$ 5,000.00 ** Site Controllers
- \$ 4,000.00 ** Fiber Optic Cabling, Hardware, and Materials
- \$ 1,000.00 ** Prize / Winnings bank
- \$ 85,000.00 Per Location!!!

CAPITAL INVESTMENT

- ✘ Per VLT Installation ** \$22,500.00
- ✘ Per Licensed Establishment ** \$85,000.00
- ✘ Total Market Matrix ** \$1,190 BILLION!
 - + Based on projected qualified establishments
- ✘ Investment to Remove Illegal VLT's ** \$340 MILLION!
 - + Based on a projected 20,000 Gray Market VLT's

VENDOR BASED VS. STATE OWNED!



Vendor Owned

- Knowledge of Existing Customer!
- Service!
- Track Record of Success!
- Access to Capital for Rapid Roll-Out of System



State Owned

Have Historically Under Performed Vendor Based Systems on Every Level