

Video Gaming: Myths vs. Realities

MYTH: Communities are required to vote on whether to allow Video Gaming or not.

REALITY: This is simply not true. Local governments may, at their discretion, decide to address whether they want to opt-out within their jurisdiction. It is recommended that they proceed responsibly by waiting on the final rules to be adopted by the Illinois Gaming Board. Many concerns that have been raised have already been addressed through legislation. Others will be addressed through the Gaming Board Rules. The Illinois Gaming Board is respected by the industry as the most thorough in the nation and is addressing all issues in detail. Additionally local governments should be equally as thorough in their research by discussing the issue with local businesses that will be affected.

MYTH: The bill allowing video gaming was rushed through the legislature.

REALITY: In fact the Illinois legislature, which has worked on the bill for a number of years, acted carefully and prudently. Five different public hearings were held this year for which more than 100 witness slips were filed, allowing for comment from interested parties on both sides of the issue.

MYTH: The Illinois Gaming Board does not have the capacity to regulate video gaming.

REALITY: The Illinois Gaming Board has earned high marks for its ability to regulate other legalized gaming industries in Illinois and is currently drafting its plans to oversee and regulate video gaming operations and the licensees who install the machines.

MYTH: Video gaming will bring social problems like pathological gambling and higher crime rates to communities that allow video gaming.

REALITY: The Government Accounting Office (GAO) reports it has found no evidence of a link between convenience gambling and pathological gambling, bankruptcy, crime rates or an increase in social problems in states where convenience gambling is legal.

MYTH: Video gaming under the new rules opens the door to criminal influence.

REALITY: Just the opposite: The law requires extensive criminal and financial background investigation of manufacturers, distributors and operators, all of whom must be licensed. There can be no cross-ownership. These measures will eliminate any potential criminal influence. Legalizing video gaming also should help discourage the illegal gambling that already exists and that often has ties to organized crime. The IGB will have the right to turn off any games operated by a location or terminal operator that does not confirm to the rules and regulations. This will insure that all licensees will abide by the laws and guidelines of age control, payment of taxes or other rules put into effect.



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MYTH: Video gaming can quickly consume a player's entire paycheck.

REALITY: Video gaming in Illinois will have a maximum \$2 per hand betting limit (and a 5-cent minimum), with an expected payout of 90 percent, meaning that approximately 90 cents of every dollar bet will be paid back as winnings. Under those circumstances, someone who played 500 hands of video poker could bet no more than \$1,000, and on average, would likely win back \$900, leaving an actual loss of just \$100.

MYTH: Revenues will be diverted from other legal games such as the lottery, the riverboats or pari-mutuel racing when video gaming happens.

REALITY: There is no evidence in other states that the introduction of video gaming has caused existing lotteries or riverboats to falter. In Louisiana, for example, land-based casino revenues actually increased 75 percent, lottery revenues by 35 percent, racetrack revenues by 300 percent and riverboats by 26 percent since video poker was introduced in 2000.

MYTH: Other states repealed video gaming, which proves that it doesn't work.

REALITY: Iowa and South Carolina repealed their laws allowing video gaming because the regulatory statutes did not guarantee strict age controls. In Illinois, machines will only be located in areas restricted from access by minors. Other states that regulate legal video gaming have found their operation to be a reliable revenue source. Those states are Delaware, Louisiana, Montana, New York, Oregon, Rhode Island, South Dakota and West Virginia.

MYTH: Bars or restaurants with video gaming will add to law enforcement problems.

REALITY: By law, the Illinois Gaming Board has exclusive jurisdiction over video gaming. In addition, the added income provided to the bar owners by video gaming would give them every reason to prevent problem behavior in their establishments to assure that they do not lose their video gaming license.

MYTH: Video gaming will hurt the communities where the machines are installed.

REALITY: According to the GAO report, convenience gaming created jobs in the communities studied and generated tax revenues for the municipalities. It also generally increased wage rates and employee benefits, yet had no cause-effect on bankruptcies or crime rates. The wider availability of video gambling may increase the level of temptation among some community members, but will also provide additional revenues that government can use to fund job-creating activities and assist families. The limit of \$2 per hand mandated by state law should also help keep customers from betting in excess.

MYTH: Opting out of video gaming will have no effect on businesses within particular municipalities.

REALITY: In addition to loss of revenue, municipalities that opt out risk putting local businesses at a competitive disadvantage against those in nearby communities where video gaming is available.



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