

FACT SHEET: The Gaming Regulation Act. (HB 970)

THE PROBLEM: Unregulated Gaming

- Unregulated and untaxed “gray” gambling machines have proliferated across Missouri
- Unregulated gaming lacks sufficient guardrails to protect the public:
 - Unregulated gaming has no protections for underage gaming or problem gaming prevention
 - Unregulated gaming has no consumer protections mandating certified games free from manipulation
 - Unregulated gaming has no requirements for background checks, inspections or law enforcement
 - Unregulated gaming pays no taxes

THE SOLUTION: Regulated Distributed Gaming

- Licensed, certified and taxed Video Lottery Terminals (VLTs)
- Regulatory framework, licensing, inspections and background checks enforced by Missouri Highway Patrol and administered by Missouri Lottery
- Central control system monitoring all VLTs
- Guardrails providing consumer protections, underage gaming prevention and problem gaming mitigation requirements
- 34% tax rate forecasted to generated in excess of \$600 Million per year

WHAT DOES HB 970 DO?

HB 970 implements a regulatory framework for video lottery terminals (VLTs). This system will ensure player protection, fair play, and generate up to \$600 million tax revenue dedicated to education. Key Concepts:

- Establishes a regulatory framework administered by **Missouri Lottery Commission for licensing and taxation, and Missouri Highway Patrol for inspection and enforcement** of video lottery terminals (VLTs).
- Requires all VLTs to connect to a centralized computer system to monitor all VLT play, ensure transparency and security, and assure tax collection.
- Implements **consumer protections**, including limits on wagers and winnings, as well as measures to prevent underage and problem gambling.
- Allocates a **34% tax on adjusted gross gaming revenue**, with funds directed toward public education.
- Sets a limit on the number of machines per location and **prohibits VLTs in family oriented locations**.
- Requires **mandatory licensing** for manufacturers, operators, retailers, and handlers, with fees contributing to enforcement and administrative costs.

MYTHS VS. FACTS

Out of State Casino Corporations are spreading misinformation about Distributed Gaming

MYTH

Video lottery terminals (VLTs) are no different from unregulated gambling machines currently found in Missouri.

FACT

Regulated VLTs are Class III gaming devices – the same devices located in casinos. VLTs are not “gray” games. Regulated VLTs are certified by independent laboratories, connected to a centralized control system and regulated by the state just like gaming machines located in casinos.

MYTH

Legalizing VLTs will lead to increased crime in Missouri communities.

FACT

There is no evidence linking regulated distributed gaming to increased crime rates. On the contrary, creation of a proper regulated VLT marketplace will replace illegal gambling environments with lawful, monitored systems that reduce opportunities for criminal activity and require the payment of taxes.

MYTH

VLTs will cannibalize existing casino revenues and harm the gaming industry.

FACT

Regulated VLTs provide a new entertainment venue allowing local small businesses to provide gaming entertainment to their customers and audience. Other states with large corporate casinos and regulated VLTs have not suffered casino closures – in fact most casinos continue to have year-over-year revenue gains and continue to build more casinos!

MYTH

Missouri voters are divided on legalizing VLTs.

FACT

Recent polling shows that a majority of Missouri voters support regulated VLT gaming. There is broad, bipartisan support for legalizing and regulating VLTs across Missouri, with majorities of Republicans, Democrats, and Independents in favor of the legislation.