

1 Thank you very much.

2 CHAIRPERSON JAMES: And if you have
3 further comments, you can give them, and they will be
4 entered into the record.

5 Ms. Dietrich.

6 MS. DIETRICH: Good afternoon. I'm
7 Barbara Dietrich. I am President of the League of
8 Women Voters of Philadelphia, representing the
9 President of the League of Women Voters of
10 Pennsylvania.

11 The League of Women Voters of Pennsylvania
12 opposes the legalization of additional forms of
13 gambling in Pennsylvania, such as river boats, slot
14 machines at race tracks, gambling machines in
15 establishments with liquor licenses, et cetera.

16 We oppose the spread of the gambling
17 industry because we think it violates sound government
18 policy as a method for collecting revenue in several
19 respects. The League's position on taxes holds that
20 any tax system must be equitable, flexible, and able
21 to reliably produce adequate revenue.

22 A dependence on tax revenue from gambling

1 is troubling in that it puts in jeopardy all three of
2 these principles for a fair and reliable method of
3 raising the money to operate government. We all know
4 that any level of government is in trouble when the
5 reliability of its tax base erodes. Ironically it is
6 just such erosion of the tax base in our big cities
7 that leaves many people to view gambling revenues a
8 panacea.

9 However, despite the large amounts of
10 gambling profits in some states and communities, the
11 pitfalls are already visible. Casino profits spiral
12 downward as competition increases. As Illinois
13 gamblers are wooed by boats in Indiana and Lake
14 Michigan, as much as \$20 million in taxes may be lost
15 to the State of Illinois and towns with river boats.

16 Competition makes markets grow old quick,
17 says Duncan McKensie, who has been sent to rescue the
18 Hilton owned river boat casino in Kansas City.

19 Also, there does not seem to be any
20 evidence that the presence of gambling nourishes other
21 businesses. In fact, there is evidence that
22 businesses in the vicinity of new gambling

1 establishments begin to lose money.

2 The loss of variety in the business tax
3 base creates an over-reliance on gambling revenues for
4 the local government. This is a precarious situation
5 in any case, but particularly when the public must
6 depend on government to regulate the industry.

7 To call gambling revenues an equitable
8 source of revenue might seem questionable since
9 gambling is an elective activity. Wealthy and poor
10 people alike may become problem gamblers or fully
11 addicted gamblers. Betting has never been confined to
12 one income group, but one can easily surmise that it
13 takes relatively smaller amounts of gambling losses to
14 destroy the livelihood of a low to medium income
15 family.

16 Let's look at the fairness involved for
17 taxpayers in paying for the losses incurred by
18 gamblers, a small percent of whom will become addicted
19 to what started out as entertainment.

20 In a congressional hearing on July 21st,
21 1994, John Kent, professor of economics at the
22 University of Illinois, said that research indicates

1 that for every dollar gambling contributes in taxes it
2 usually costs the taxpayers at least \$3 in
3 infrastructure, regulatory, criminal justice, and
4 social service expenses.

5 The idea that lottery revenues would
6 provide better schools or services to senior citizens
7 as dedicated revenue is the sales pitch that sold
8 citizens of most of the 36 states with lotteries on
9 the idea that they could improve services without
10 raising taxes. It is --

11 CHAIRPERSON JAMES: Ms. Dietrich, I'm
12 going to have to ask you to stop at that point, but
13 would ask you to enter the remainder of your comments
14 for the record.

15 MS. DIETRICH: We do have them.

16 Thank you very much.

17 CHAIRPERSON JAMES: Thank you very much.

18 Ms. Lilian Bryant.

19 MS. BRYANT: Good afternoon. Thank you
20 for the opportunity to speak to you.

21 My name is Lilian E. Bryant. I live at
22 1917 Horace Bryant, Jr. Drive in the City of Atlantic