

Video Lottery Terminals:

What are Video Lottery Terminals (VLTs)?

Governor Perry has proposed VLT slots to pay for the public school finance crisis in Texas. VLTs are high-speed slot machines.

- Adding 18,000 VLT slots at horse and dog racetracks = Racinos for Texas.
- **VLT slots** are considered the **crack cocaine** of gambling because they are considered to be the most addictive and destructive form of gambling.
- Legislators want to open up the Texas Constitution to include **Class III gambling**. Class III gambling can include statewide casinos (24 are planned in Texas),
- **VLT slots are illegal in Texas**. VLTs are considered Level 3 gambling, which is defined as “any electronic, electromechanical or mechanical contrivance... that (gives) a player anything of value...determined solely or partially by chance...whether or not the prize is automatically paid by the contrivance” (Tx Penal Code 47.06 a).
- **DO NOT CHANGE THE CONSTITUTION TO MAKE THESE LEGAL.**



VLT SLOT
“Racino Model”

The Cost of Addiction for Texas

The serious costs of gambling will impact Texas counties (see chart below). These costs will be passed on to taxpayers and families.

	Cost Per Pathological Gambler per year	Average Cost to a County - Population Under 100,000 in Texas	Average Cost to a County - Population 100,000-500,000 in Texas	Average Cost to a County -Population Over 500,000 in Texas
Addiction costs (1)	\$9,272	\$9,272,000	\$23,180,000	\$46,360,000
Bankruptcy costs (1)	\$316	\$316,000	\$790,000	\$1,580,000
Crime costs (1)	\$4,000	\$4,000,000	\$10,000,000	\$20,000,000
Insurance fraud (2)	\$3,700	\$3,700,000	\$9,250,000	\$18,500,000

¹ Earl L. Grinols and David B. Mustard 2001. Business Profitability versus Social Profitability: Evaluating Industries with Externalities, The Case of Casinos; Managerial and Decision Economics, 22 pg. 143-162.

² Henry R. Lesieur & Kenneth Puig, Insurance problems and pathological gambling, 3 J. Gambling Behavior 123, 125-127 (1987).

The Cost of Cannibalizing the Consumer Economy

The gambling industry claims that casinos provide economic stimulus for communities by creating jobs and bringing in tourist dollars. The untold story of casinos and other legalized gambling ventures reveals that local businesses actually lose profits or go out of business when casinos arrive in their communities. How is local economy cannibalized by gambling?

- Restaurants are unable to compete with the cheap prices at the casino restaurants. Even non-gamblers will choose the \$5 prime rib over the \$12 steak at the local restaurant. Other entertainment businesses, such as bowling alleys and movie theaters, also lose revenue.
- While casinos predict significant job creation for communities, for every job created at least an equal amount are lost when restaurants and entertainment businesses are forced to close.
- Betting on tourism for economic benefits is a losing bet. Gamblers stay close to home if given the chance. In Illinois, surveys revealed that 80% of gamblers live within 35 miles of the casino. Consequently, the costs of gambling losses also stay within the state.