

# Expanding Gambling With Video Lottery Terminals

## Q. What is a VLT (Video Lottery Terminal)?

- **Video Lottery Terminals are slot machines** that run 365 days, 24 hours a day, 4,000 per site.
- **Video Lottery Terminals (VLT) do NOT give lottery tickets.**
- **Video Lottery Terminals are NOT a video game.**
- **VLT slots addict players** 3 times faster than other gambling.
- **VLT slots** are considered the **crack cocaine** of gambling. They are the most addictive and destructive form of gambling.



## Q. Will VLT slots provide strong revenue? VLT Slots fail the revenue test.

- Funds from VLT slots are **NOT EFFICIENT.**
- Funds from VLT slots are **NOT EQUITABLE.**
- Funds from VLT slots are **NOT SIMPLE.**
- Funds from VLT slots are **NOT STABLE.**
- Funds from VLT slots do **NOT GROW WITH ECONOMY.**
- Funds from VLT slots are **NOT FEDERALLY DEDUCTIBLE.**



## Q. Do VLT slots have high costs for local communities?

**The costs outweigh the benefits with 40,000 slot machines Texas will have new high crime and bankruptcy costs.**



CRIME COSTS	\$323 million
LOSS PRODUCTIVITY COSTS	\$212 million
BANKRUPTCY COST	\$19.3 million
ILLNESS COSTS	\$69.6 million
SOCIAL SERVICES COSTS	\$37.3 million
DIVORCE COSTS	\$ 5.6 million

### Addiction Is Essential

37% of VLT Slot revenue is from addicted gamblers. Creating new addicts, creates huge costs.

## Who says what.....

- **Attorney General Greg Abbott** : VLT slots were **not** authorized by the Voters when they adopted the State lottery in 1991 and would require a statewide election for a constitutional amendment. Opinion No. GA-0103
- **Governor Rick Perry**: In the past, Governor Perry has opposed expanding gambling in Texas, including Racinos. Recently, however, he has been a strong supporter of gambling and VLT slots and received large contributions (\$500,000+) from gambling interests.
- **Comptroller Carol Strayhorn**: Enthusiastic supporter of VLT slots. Why? The Comptroller is not required to produce a Cost Benefit Analysis of VLT slots that reflects all local costs; she only counts revenue produced. The costs of addiction, bankruptcy and crime are passed on to local communities.
- **Select Committee on Public School Finance, Testifying Economists**: Not one of the expert economists recommended VLT slots as a desirable revenue option for funding.
- **House of Representatives**: Voted against the Governor's leadership and said "NO" to VLT's during the regular session and the last special session.
- **US Senators John Cornyn and Kay Bailey Hutchison**: Vocal and strong opponents of VLT's for Texas. "Governor Bush fought gambling in this state and I will, too." Hutchison.

## What You Don't Know...WILL Hurt You!

- ⇒ **Currently VLT slots are NOT a part of the Texas Lottery!** According to the opinion issued by Attorney General Abbott: “The voters approved a narrow construction of the term “lottery” that cannot be read to authorize the state to operate slot machines. On the basis of all these factors, we conclude that Article III, section 47 (e) of the Texas Constitution does not permit the legislature to authorize that state to operate video lottery terminals.” *Opinion GA-0103 Sept. 2003.*
- ⇒ **Video Lottery Terminals are video slot machines**—Casino devices currently prohibited by Texas law and considered the “crack cocaine” of gambling. Permitting the operation of VLT slots will put 4,000 slot machines in buildings at 10 race tracks called “slot barns” or Racinos. VLT Slots are **NOT** an electronic way to get a lottery ticket or play an existing lottery game. Think about it, would you drive to a race track to get the same scratch off of Lotto ticket that you can get at any convenience store?
- ⇒ **Harmful Effects—Deloitte Touche Study** South Dakota commissioned a study by Deloitte Touche. The study found:
- VLT slots alone (not including the states casinos) cost the state a net **loss** of 640 jobs
  - VLT slots cost the economy a net of \$105.4 million annually
  - VLT slots have created 4,250 crimes annually...and this is in a state with a small population)
- ⇒ **Other States Are Turning Away Gambling Expansion!**
- South Carolina voted out Video Gambling after 3 years
  - In 2003, with state budget deficits front page news across the US, VLT slots at race tracks were proposed in 19 states, only 2 states voted in the expansion.

**Texas can turn away slots.  
Slots cheat Texas economy, Slots cheat Texas families,  
Slots cheat Texas communities**