

# REPORT HIGHLIGHTS

## *The Impact of Tavern Gaming on the Pennsylvania State Lottery for CY 2022*

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Act 2013-90, an amendment to the Local Option Small Games of Chance Act, requires the Legislative Budget and Finance Committee (LBFC) to conduct an annual study of the impact of tavern gaming on the State Lottery. Under the act, the Governor may request the General Assembly to appropriate money from the General Fund to the State Lottery Fund up to the amount identified in the study. This is the eighth report under this mandate.

### Findings:

- ❖ **As of February 2023, the PLCB approved 77 tavern gaming establishments, 41 of which are active.** This is far below the initial Governor's Office estimate of 2,000 licensees.
- ❖ **In 2022, tavern games generated \$1.18 million in state and host municipality tax revenue.** This is far below the initial Governor's Office estimate of \$93.6 million annually. From 2018 through 2022, there has been only \$6.32 million in total tavern gaming tax revenues.
- ❖ **Tavern gaming has not had a material impact on the State Lottery.** The \$1.18 million in tavern gaming revenue collected by the Commonwealth in 2022 represents about \$1.82 million in patron losses compared to about \$1.74 billion for persons participating in Lottery games, including iLottery play. Tavern gaming losses are one-tenth of one percent (0.10 percent) of the losses incurred in Lottery games, and tavern tax revenues are 0.07 percent of Lottery revenues. Because of this, we conclude tavern gaming did not have a material impact on State Lottery sales in 2022.

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