

REPORT HIGHLIGHTS

The Impact of Tavern Gaming on the Pennsylvania State Lottery for CY 2023

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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 annually study the impact of tavern gaming on the State Lottery. This is the ninth report under this mandate.

Findings:

- ❖ **As of February 2024, the PLCB approved 79 tavern gaming establishments, 39 of which are active.** This is far below the initial Governor's Office estimate of 2,000 licenses.
- ❖ **In 2023, tavern games generated \$1.1 million in state and host municipality tax revenue.** This, too, is significantly below the initial Governor's Office estimate of \$93.6 million annually. Total revenues since the inception of tavern gaming are \$11.3 million.
- ❖ **Tavern gaming has not had a material impact on the State Lottery.** The \$1.1 million in tavern gaming revenue collected by the commonwealth in 2023 represents about \$1.7 million in patron losses compared to about \$1.8 billion for persons participating in lottery games, including iLottery play. Tavern gaming losses are 0.09 percent of the losses incurred in lottery games, and tavern tax revenues are 0.06 percent of lottery revenues. We conclude that tavern gaming did not have a material impact on Pennsylvania State Lottery sales in 2023.
- ❖ **Finding:** We found that tavern gaming did not have a material impact on Pennsylvania State Lottery sales in 2023.

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