



- NEWS
  - OBITUARIES
  - SPORTS
  - BUSINESS
  - ENTERTAINMENT
  - VELOCITY
  - FEATURES
  - OPINION
  - TRAVEL
- SERVICES

Search Kentuckiana: All



View 7 days > Su M Tu W Th F Sa Adv. search >

[courier-journal.com](#) > [Indiana](#)

Monday, January 15, 2007

E-mail this | Print page

## Video gambling sought in Indiana

Tavern owners' group readies long-shot legislative campaign

By **Grace Schneider**  
[gschneider@courier-journal.com](mailto:gschneider@courier-journal.com)  
The Courier-Journal

On a Monday afternoon last month, five men and a woman sat with their backs to a checkout counter at an Interstate 65 truck stop in Southern Indiana, sliding \$10 and \$20 bills into a row of Cherry Master gambling machines.

It's hardly an unusual sight.



A man played a video-gambling machine last month at a truck stop in Clark County, Ind. Such machines, which are illegal, continue to flourish in Indiana. (By Michael Clevenger, The Courier-Journal)

[+ enlarge](#)

Each year in Indiana -- and Kentucky -- millions of dollars flow into such gambling machines, which are illegal.

Though Indiana launched a limited crackdown in early 2005, it has served only to drive the machines from many bars and fraternal clubs while leaving them to thrive in places like the I-65 truck stop in Clark County.

But if an alcoholic-



Advertisement

beverage trade group has its way, all that could change.

This month the Indiana Licensed Beverage Association, a tavern owners' group, is preparing for what appears to be a long-shot legislative push to legalize the slots-style gambling machines -- but only in bars and restaurants.

They're selling the approach as a way to generate \$300 million in tax revenue for the state and tighten prohibitions on gambling at such places as truck stops and convenience stores where the activity is often available to anyone, including youngsters.

A Courier-Journal series two years ago documented widespread illegal video gambling in Kentucky and Indiana, where spotty law enforcement has allowed the activity to flourish. Indiana officials estimated then that there were up to 30,000 illegal machines statewide, pulling in \$300 million to \$500 million a year.

A spot check by the newspaper along I-75 in Kentucky found more than 130 machines at 19 truck stops, convenience stores and fast-food restaurants.

If Indiana eventually legalizes the machines, it would join only six other states that permit video gambling in multiple locations outside casinos and racetracks.

And even in those states, questions remain about whether legalization is good policy.

In West Virginia, for example, where nearly 9,000 video-lottery terminals generate about \$361 million a year to shore up the state budget and provide college scholarships, some lawmakers and many residents decry the state's grab for easy tax revenues from gambling.

"No matter how much money the state makes, it's never enough. The appetite is never satisfied," said Kelli Sobonya, a two-term Republican in the state's House of Delegates and a gambling critic.

### Revenue and regulation

#### What other states have done

<b>Oregon</b> Gambling machines: About 11,375, located at bars and restaurants with liquor licenses Revenue: \$731 million for education, economic development, state parks and natural-resources protection.	<b>Montana</b> Gambling machines: 17,900 at more than 1,600 licensed locations. Revenue: Produced nearly \$57 million in tax revenue last year for state and local governments.	<b>South Dakota</b> Gambling machines: Nearly 6,700 video-lottery terminals with blackjack, poker, keno and bingo games. Revenue: Produced \$109 million for the state, which is used for property-tax reduction for agricultural land and residential property.	<b>West Virginia</b> Gambling machines: Roughly 5,000 video-gambling terminals in 1,600 bars and restaurants and other establishments with liquor licenses. Revenue: Generated \$400 million last year to shore up the state budget, with a portion going to county governments and to college scholarships.
---	---	--	--

**Louisiana**  
Gambling machines: About 11,300 video-poker machines are located in 2,411 bars, restaurants, truck stops, hotels and racetrack OTB sites.  
Revenue: \$405 million in gaming revenues and franchise fees last year.

**Nevada**  
Gambling machines: 21,000 slot machines are located in non-casino venues.  
Revenue: \$15 million in state tax revenue last fiscal year.

Source: State lotteries, gambling and election agencies. By Steve Reed, The Courier-Journal

[+ enlarge](#)

#### RELATED NEWS FROM THE WEB

- Latest headlines by topic:
- Games
  - Lottery
  - Poker

Powered by [Topix.net](#)

**Looking to buy a house?**

Advertisement

#### NEWSLETTERS

**Sign up now!**  
Get morning headlines, breaking news, afternoon business updates, weekend happenings and more sent to your inbox!

#### FEEDBACK

**STORYCHAT**  
Click here to join a discussion in our reader forums.

#### E-EDITION

Check out the new digital version of the C-J

#### RSS

**RSS feeds - XML**  
Get the headlines you want delivered to your reader.

**Velocity**

Life

Advertisement

**Top Jobs**  
courier-journal.com

POWERED BY  
**careerbuilder**

**MAINTENANCE Electrical**  
MAINTENANCE Electrical exp. and ammonia ...

**Speech Therapists**  
Sacred Heart Village  
THERAPY Speech Ther...

**SOCIAL SERVICES. YOUTH DETENTI**  
Clark County Juvenile Detention Center

Careers

Besides West Virginia, four states -- Oregon, Montana, South Dakota and Louisiana -- allow video gambling primarily at bars and restaurants where alcohol is sold. Access is therefore restricted to those ages 21 and older.

The nation's gambling mecca, Nevada, also has slot machines scattered in hundreds of locations outside its casinos -- at airport terminals, drugstores and other retailers.

According to lawmakers and policy analysts, legalizing gambling machines at retailers generates a steady source of revenue. But establishing a reliable system to regulate the industry is a key challenge, they said.

For instance, four states have linked their gambling terminals to a central computer system. That allows enforcement agencies to monitor activity at each terminal and thwart attempts to cheat the system.

In Oregon the state lottery earned \$733 million last fiscal year from about 11,375 machines it owns and has placed at 2,172 retail locations.

Officials have encountered the occasional thief who has broken open a machine and stolen money, but that's fairly uncommon, Oregon Lottery spokesman Chuck Baumann said.

In West Virginia, where fraternal organizations are allowed to offer 10 machines per location, compared with five at bars, the state had to tighten administrative rules a year ago to define fraternal clubs. The lottery found some clubs had only two or three members.

"People will do anything to try to circumvent the law," lottery spokeswoman Nancy Bulla said.

The National Council of Legislators from Gambling States hasn't taken a position on the practice of legalizing gambling outside casinos and tracks.

But lawmakers need to look beyond the rationale that legalization will simply legitimize a flourishing illegal activity and not expand gambling, said Steven Geller, a Florida state senator and outgoing national council president.

"I've heard that 50 times," Geller said, adding that it doesn't make for good public policy. "It's my personal opinion that there's a big difference (between convenience gambling) and destination gambling" at casinos and tracks.

But few studies, he said, have explored the social and economic impact.

In Oregon, which offers the nation's largest, most comprehensive system to prevent and treat problem gambling -- using \$4.5 million annually from video-lottery proceeds -- more than 12,000 people have received gambling treatment in the last decade.

When the legislature amended the law in mid-2005 to increase tax revenues by permitting slot-style games as well as video poker, the problem-gambling community insisted on some new regulations.

Clocks were placed on the machines so that players wouldn't lose track of time, as often happens, said Jeff Marotta, the state's problem-gambling services manager.

Credits now are displayed in dollars, not random numbers. The state gambling helpline number also is more prominently displayed, he said.

"Within Oregon, the public policy has been to create a balance between maximizing revenues and minimizing harm," Marotta said. "That really is kind of tricky."

### Long shot in Indiana

In Indiana, lawmakers are divided over the legalization, and because of that the measure is given long odds of passage this year.

House Speaker Pat Bauer, a South Bend Democrat, said last week that he doesn't hold out much hope for it but added: "We will continue to study the matter."


For one thing, Bauer said, allowing gambling at bars and restaurants "would take out the destination gaming we have attempted to have (with casinos) ... because they (the machines) would virtually be everywhere on every city block. That's a huge problem I don't think people fully understand."

But Senate President Pro Tem David Long, a Republican from Fort Wayne, believes the legislature must either strengthen the law to eliminate the estimated 25,000 machines or control them through legalization.


Other lawmakers agree that it's crucial to get a grip on an illegal trade.

Sen. Bob Meeks, a LaGrange Republican who is chairman of the influential appropriations committee, intends to sponsor legislation this session to permit 3,500 bars and restaurants to offer up to five machines per establishment.

We're The Affordable Furniture Store




On The Furniture Corner of State & Main, Downtown New Albany



10%, 15% up to  
**20% OFF**  
CASH PURCHASES ON  
SELECTED CLEARANCE  
ITEMS STOREWIDE!  
See store for details.

Click here to see our TV ad



Advertisement

Starting pay a...

**REGISTERED  
DIETICIAN LINCARE I**  
REGISTERED DIETICIAN  
LINCARE INFUSION, a...

Careers

The Louisville C...

**SOCIAL SERVICES Full-  
time, cas**  
SOCIAL SERVICES Full-  
time, case managem...

**RN Nursing Supervisor**  
Franciscan Health Care  
Center

**QUALITY CONTROL  
MANAGER Devel**  
QUALITY CONTROL  
MANAGER Develop &  
An...

**CUSTOMER SERVICE  
REPRESENTATIVE**  
â€¢Receives incoming  
sales orders, provi...

All Top Jobs

**About Top  
Jobs**

Fraternal clubs could have up to 10 each.

Although the Indiana Excise Police enforcement push in alcohol-serving places has made a dent, it's driven illegal machines to Laundromats, bait shops and truck stops, Meeks said.

"They're everywhere where the excise police don't go. I think it's kind of ridiculous," he said. And that's why he supports the new approach.

"Tax it, regulate it, and keep it away from the kids," he said.

Reporter Grace Schneider can be reached at (812) 949-4040.



[Post a Comment](#)

This article does not have any comments associated with it

[^^ Back to top](#)

[E-mail this](#) [Print this](#) [Subscribe](#) [RSS feeds](#)

---

[Home](#) | [News](#) | [Sports](#) | [Business](#) | [Features](#) | [Travel](#) | [Scene](#) | [Velocity](#) | [Classifieds](#) | [Jobs](#) | [Cars](#) | [Homes](#) | [Shopping](#) | [Contact Us](#) | [Search](#)  
**Classified Partners:** [Jobs: CareerBuilder.com](#) | [Cars: Cars.com](#) | [Apartments: Apartments.com](#) | [Shopping: ShopLocal.com](#)

Copyright 2005 The Courier-Journal.  
Use of this site signifies your agreement to the [Terms of Service](#) and [Privacy Policy](#) (updated 6/7/2005).  
Send questions and comments to [The Webmaster](#).