

More states roll the dice on slots

The number of slot machines is soaring as states seek more revenue and gamblers increasingly move from table games to the flashy electronic devices.

The USA had a record 767,418 slot machines and video poker games in operation on Jan. 1, up 6.4% from a year earlier, according to Casino City Press, an industry publication. The nation now has slots in 37 states – up from 31 in 2000 – and the equivalent of one machine for every 395 residents.

The trend will accelerate in the next few years. More than 100,000 new slot machines already have regulatory approval or could get it this year.

„Slots are considered an easier tax to impose“ than income or sales taxes, says Alan Meister, an economist at Analysis Group in Los Angeles who studies gambling.

What's happening nationwide:

California: Voters decide Feb. 5 whether to approve a deal to allow 17,000 new slot machines at tribal casinos. Gov. Arnold Schwarzenegger says the deal would bring the state about USD 400 million a year.

Maryland: Voters in November will decide whether to allow 15,000 slot machines at racetracks, reaping the state up to USD 650 million a year.

Florida: The federal government last week approved Gov. Charlie Crist's deal with the Seminole tribe to expand its seven casinos and add computerized slots. The tribe will pay the state at least USD 100 million a year. Separately, Miami-Dade County voters will consider slots at racetracks Jan. 29.

Kentucky: Gov. Steve Beshear has made a statewide referendum to legalize slots a top priority.

Massachusetts and Texas legislators will consider slot machines this year. Ohio, where voters rejected slots last year, is the only large state without slots or an active push to get the machines. Indiana, Kansas, New York and Oklahoma are among states that will dramatically expand slots this year or get them for the first time.

What's driving the push for more slots: The weakening economy has slowed state revenue growth to its lowest level in five years. States get USD 8 billion a year in gambling taxes and fees, spending it on education, economic development and other programs. Unlike lottery proceeds – often reserved for schools – most states give legislators free rein on how gambling revenue is spent.

Casino gamblers lost USD 61 billion nationwide in 2006, reports the Indian Gaming Industry Report.

The success of Pennsylvania's new slot machines has attracted national attention. The state took in USD 580 million in slot machine revenue in 2007, its first year of gambling, and only 12,000 of the maximum 61,000 slots are operating.

Maryland Comptroller Peter Franchot will campaign against slots in November. „People pretend it's free money,“ he says. „It's not. The revenue comes from the poorest, most vulnerable, and it comes with huge social costs in addiction, bankruptcy, crime and corruption.“