

Video Lottery Terminals: A Bad Choice for School Funding A Catalyst for Statewide Casinos

Not one of the economists or expert witnesses to the Select Committee on Public School Finance recommended the addition of Video Lottery Terminals as a desirable source of revenue for public school funding.

Using the six criteria for evaluating reform options: efficiency, equity, simplicity, cyclical stability, growth stability, and deductibility*

VLT Slots fail the test as a desirable source of revenue.

* Dr. George Zodrow, James A Baker Institute for Public Policy, Rice University, *An Economic Evaluation of Alternative Sources of Tax Revenue for the State of Texas. Testimony to the Select Committee on Public School Finance, March 10, 2004.*



VLT SLOT
"Racino Model"

I. Classification and definition of video lottery terminals

A. What are Video Lottery Terminals and Racinos?

- **A Video Lottery Terminal or VLT is a high-speed slot machine.** Video Lottery Terminals are called **VLT Slots**; they are just like other slots except that they are connected to a central computer system for better tracking and joining jackpot. Just like a slot machine, there is a mechanism that randomly chooses when a player wins or losses. It looks like an arcade game or Las Vegas slot with flashy lights and (usually) a comfortable chair that allows the user to stay at the machine for long periods of time to pump money into it.
- **Video Lottery Terminals, VLT Slots are NOT used to play current Texas Lotto or lottery games.** There are no Video Lottery Terminals in Texas; they are illegal. Advocates of VLT Slots would like to place them in places where Texans have all ready approved some forms of gambling (horse and dog racing), making it look like a simple expansion of current forms of gambling.
- **VLT Slots are prohibited by the Texas Constitution.** Placing 18,000 VLT Slot machines at racetracks creates a new class of gambling prohibited by the state constitution. VLT Slots at the tracks are NOT a part of the Lottery authorized by Texas voters in 1991. Racinos look much like Las Vegas casinos with loud, bright slot machines and all the tricks used to induce long periods of play. The legal definition of a VLT in Texas is:
 - "Video lottery machine" or "machine" means any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including video poker, keno, and blackjack, using a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash, coins, or tokens, or that directly dispenses cash, coins, or tokens.
- **RACINO = Casino at the track.** When VLT Slots are placed in racetrack settings, (usually 1000-5000 machines per track) they are called "Racinos".

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LOTTERY PRODUCTS

VLT Manufacturers

▶ [Aristocrat Technologies Australia.](#)

▶ [Spielo Gaming International](#)

▶ [Bally Gaming, Inc.](#)

▶ [Video Lottery Technologies](#)

▶ [International Gaming Technologies \(IGT\)](#)

▶ [WMS Industries Inc.](#)





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WHALES OF CASH
WIN UP TO 25 FREE BONUS

WHALES OF CASH
WIN UP TO 25 FREE BONUS

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7	7	7	7	7	7	7	7	7	7
BAR	BAR	BAR	BAR	BAR	BAR	BAR	BAR	BAR	BAR
7	7	7	7	7	7	7	7	7	7

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