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*W.Va. leads in gambling growth as share of revenue*

*By Lawrence Messina, The Associated Press*

CHARLESTON, W.Va. — West Virginia now ranks second only to Nevada in the share of its state budget that comes from gambling revenues.

That's the finding of a new report that also ranks the Mountain State ahead of Nevada and all other states in terms of how much that share of the budget grew between 1998 and 2006.

**West Virginia has a traditional lottery as well as nearly 20,000 video lottery machines, many of them hosted at four racetracks. Thursday's report from the Rockefeller Institute of Government said gambling revenues equaled nearly 9 percent of the state's 2006 general revenue budget.**

Only Nevada had a larger share, at 13.4 percent. Utah and Hawaii have no legalized gambling, while Alaska reported no revenues from its American Indian bingo halls. Of the rest, 16 including Alabama, Arkansas and North Carolina relied on gambling for 1 percent or less of their general revenue.

West Virginia's budget reliance on gambling dollars grew by 6.4 percent between 1998 and 2006, the most of any state. Rhode Island had the next-largest growth, at 3.3 percent.

Half the other states saw declines in the share of their budgets that came from gambling dollars, led by Nevada with a 2.4 percent drop. Mississippi and Texas each reported declines exceeding 1 percent during those years.

Such drops helped fuel the report's conclusion that while gambling revenue has reached an all-time high among states, "growth is slowing due to objec-

tions about social impacts and broader economic trends."

**"From a fiscal perspective, state-sponsored gambling now resembles a blue-chip stock reliably generating large amounts of cash, but no longer promising dramatic growth in revenue," said the report from the institute, part of the State University of New York.**

Pegging West Virginia's gambling revenue at \$639 million for the last fiscal year, the report also ranked the state first for such funding as a percentage of personal income, and second only to Nevada in such revenues per resident.

A leading gambling foe in West Virginia's Legislature, House Minority Leader Tim Armstead, said such figures should prompt the state to reverse course.

"We're running our state government using a source of revenue that destroys families and destroys people's lives," said Armstead, R-Kanawha. "We should be becoming less and less dependent, not the other way around."

Deputy Revenue Secretary Mark Muchow noted that a majority of gamblers at West Virginia's four racetracks hail from other states, putting it in line with Nevada as a host of destination gambling.

"A lot of our revenues come from people who travel to West Virginia to gamble," Muchow said.

Muchow also cited efforts to cap the amount of lottery revenues tapped for general revenue spending. Such moves have been driven partly by threats from Pennsylvania, which began opening slot machine parlors in late 2006.

Another neighbor, Maryland, is slated to vote on whether to legalize the devices in November. Muchow expects that referendum to pass.

The report's figures precede the late 2007 arrival of casino table games at two of West Virginia's tracks. The tracks lobbied for poker, blackjack and the like to help blunt the drain of gamblers to these

emerging competitors. Muchow said the state has dedicated its share from table games toward debt.