

March 24, 2022

The Honorable Robert Stivers  
Senate President

The Honorable Mike Wilson  
Majority Whip

The Honorable David P. Givens  
President Pro Tempore

The Honorable Morgan McGarvey  
Minority Floor Leader

The Honorable Damon Thayer  
Majority Floor Leader

The Honorable Reginald Thomas  
Minority Caucus Chair

The Honorable Julie Raque Adams  
Majority Caucus Chair

The Honorable Dennis Parrett  
Minority Whip

Re: HB 608 – Legislation to Ban “Skill Games”

Dear Senate Leaders:

The American Gaming Association (AGA) strongly supports legislative efforts contained in HB 608 to ban unregulated “skill games,” and urges the Senate to approve this measure.

The AGA is the premier national trade group representing the \$261 billion U.S. casino industry, which supports 1.8 million jobs across the country. Our membership consists of more than 70 commercial and tribal casino operators, U.S.-licensed gaming suppliers and equipment manufacturers, financial institutions, food and beverage suppliers, and other key stakeholders in the gaming industry. The gaming industry is one of the most highly regulated in the country at various levels, including by federal, state, and tribal agencies. Our members strive to uphold the highest standards of consumer protection while providing significant contributions to our communities.

Unfortunately, there are a growing number of companies that design, manufacture, sell, or operate machines that mimic regulated gambling devices but operate without complying with state and federal laws. These games are extremely similar to regulated gambling devices, using drums or reels with insignia or other symbols that players “spin” to win prizes, including money. The manufacturers of such machines argue that their games are “skill-based” or operate in other “gray areas” of the law, thereby exempting them from regulation. However, these machines function similarly to traditional slot machines, and in fact, many consumers do not know the difference between regulated gambling devices and these so-called “skill-based” or “gray” machines.

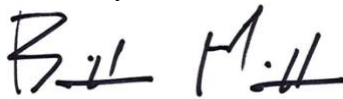
AGA’s report “*Skilled at Deception: How Unregulated Gaming Machines Endanger Consumers and Dilute Investments in Local Economies*” (available [HERE](#)), outlines the myriad problems

posed by the spread of these machines. While regulated gaming machines undergo rigorous testing to ensure game integrity and fairness, there is no such oversight for these illegal or unregulated games. Nor do the machines comply with anti-money laundering or cybersecurity standards established by relevant governing bodies. Further, while the regulated gaming industry invests hundreds of millions of dollars annually to support responsible gambling and works every day to ensure that regulated gaming is enjoyed responsibly, illegal and unregulated machines can prey on the most vulnerable – including minors. These machines are also often tied to criminal activity, including money laundering, drug trafficking, violent crime, and more.

To address the significant dangers presented by the proliferation of these devices, law enforcement and policymakers must prioritize robust enforcement of laws to root out illegal and unregulated gaming machines. This includes enforcing laws already in place, as well as clarifying the law to make the illegality of these machines clear where any ambiguity exists. HB 608 would assist with advancing these important policy goals. States and communities must resist the temptation to simply authorize these machines. While many jurisdictions are looking for novel revenue sources, allowing these machines to continue will only reward bad behavior, erode investment made by regulated entities, and expose consumers to unnecessary risks.

AGA appreciates your leadership and encourages you to approve this measure, which will help ensure the safety of Kentuckians.

Sincerely,



William C. Miller, Jr.  
President & CEO

Cc: Rep. David W. Osborne  
Rep. David Meade  
Rep. Steven Rudy  
Rep. Suzanne Miles  
Rep. Chad McCoy  
Rep. Joni L. Jenkins  
Rep. Derrick Graham  
Rep. Angie Hatton  
Rep. Adam Koenig  
Rep. Al Gentry  
Rep. Kim Banta  
Rep. Thomas Huff  
Rep. Michael Meredith  
Rep. David W. Osbourne  
Rep. Rachel Roberts  
Rep. Cherlynn Stevenson