

**The Pennsylvania House of Representatives Judiciary Committee Hearing
on House Bill 2308**

**Thursday, September 12, 1996
Penn State Erie-Behrend College**

Testimony submitted by:

**Mayor Joyce A. Savocchio
City of Erie**

Good morning. It is my pleasure to welcome you, Mr. Chairman and members of the Pennsylvania House of Representatives Judiciary Committee to the Erie area. We appreciate the opportunity to give comment on legislation on Riverboat Gaming in Pennsylvania, known as House Bill 2308.

There are several issues and points of view that adhere to the question and legislation on gaming in general and riverboat gaming in particular that I am confident you will be hearing today.

I come before you today as Mayor of the City of Erie to express my interest and support of this legislation and its requirement for referendum.

There certainly will be those who will speak to the adverse affects of riverboat gaming from a moral or religious principle perspective, and they should and must be heard.

There certainly will be those who will speak from a business or commercial interest perspective, and they should and must be heard.

There certainly will be those who will speak from a quality of life perspective, and they should and must be heard.

That is what this hearing is about and why a referendum is appropriate and why I support such a referendum.

With this in mind and knowing of our state legislators' discussion and consideration of riverboat gaming, I established a commission to study Riverboat Gaming in our city. This Commission has been studying the feasibility and impact of Riverboat Gaming over the last two and a half years. Should legislation pass, this Commission will issue their findings to

assist local voters in their decision-making process in voting on a state-wide referendum. Ultimately, it will be up to the people to decide.

However, I would be remiss if I did not comment from my perspective as Mayor on this vital issue.

Erie, like most cities in the Commonwealth and, indeed, the nation, is fighting for survival.

We are faced annually with balancing our local budgets with ever-rising costs and flat revenues. We face rising demands for services yet face the inability to raise taxes both because of taxpayer reluctance or inability to pay or because of the lack of tax reform which has saddled us with an antiquated state tax system.

We are faced with underfunded employee pension systems, unfunded mandates from both the federal and state governments, rising employee costs, and the list goes on.

We must rebuild our cities literally from the ground and below the ground up from aging infrastructure to blighted or deteriorating neighborhoods.

We are expected as a city government to do all this and to do so without the financial resources to accomplish this daunting task.

While Washington and Harrisburg are talking of smaller governments and grappling with the new "devolution" program, even those grants and competitive funding streams that have assisted local governments will see cuts if not elimination. What this will all mean is something we the Mayors and local governments of Pennsylvania and our citizens have yet to see.

We at the local level, myself as Mayor included, have formed partnerships of all types, both public and private. We have restructured our governments to become more effective and efficient in delivering the basic services to our citizens, and we annually balance budgets with painstaking efforts to hold down taxes and fees. We have joined with sister municipalities both in the Greater Erie Area and within Northwestern Pennsylvania to find ways to share services, ideas and programs in an effort to save taxpayer dollars.

We have worked in Erie to turn our city around with great success - with bayfront development, downtown revitalization and an aggressive economic and job development program. The City of Erie is truly a success story.

However, the fact remains and is driven home to me and my Administration annually that revenues received by the City remain flat in spite of all the efforts we continue to make at being the best in services, at being the best in rebuilding our city because of forces totally beyond our control. That control remains in the hands of the competitive market place and economy, and in the hands of Harrisburg and Washington.

If our cities in Pennsylvania are to survive and continue to be the centers of our culture and arts, our education, our health care, our history, our government and judicial institutions, and our business and financial as well as transportation hubs, we must be able to insure that the services of our cities survive - from the distribution of water and sewer services to the paving of streets and rebuilding of infrastructure to public safety services.

It is with this in mind that I support legislation now under consideration to permit riverboat gaming in the state of Pennsylvania and in its Great Lakes port city of Erie.

I know that there are those who feel strongly about this legislation and therefore I support the referendum.

However, while many will oppose this legislation for a variety of reasons, I would be remiss not to note that Pennsylvania currently runs a lottery system for the benefit of senior citizens, permits small games of chance to benefit private clubs, societies and organizations to allow for financial resources to add in their continuance, and permits bingo to benefit religious and non-profit groups in school and capital projects.

We have generally as a community, society and Commonwealth accepted these forms of gaming because we attach to them benefits derived that have assisted a wide variety of institutions and programs that have benefitted our citizens and our communities.

We must now afford the same derived benefits to our cities that are in need of revenues to have the same opportunity.

I do not want nor envision Erie to be or become an Atlantic City. I view gaming in Erie to be limited to another piece in the puzzle or options that will enhance one of our cities and the Commonwealth's major industries, namely tourism, and would provide our city with needed new revenues that would assist in our budget and city service needs.

I would expect and, yes, demand that the state tightly regulate and control this industry and its licensing and operations.

The legislation must provide for a reasonable and limited number of licenses and locales to insure that cities in this Commonwealth are not vying with one another to the degree that gaming will not become a main source of revenues for either our cities or our

Commonwealth but only a limited option in a wide variety of options that will add to state and local economies, jobs and service survival.

I thank you for the opportunity for myself and others of our community and region to provide testimony today and to begin the public dialogue and input on the issue and legislation regarding riverboat gaming.

Ultimately, the people of this Commonwealth will decide whether the option of riverboat gaming will be available to cities of this Commonwealth.

The state must decide whether that option will be brought forward for citizen decision.

I am here today to ask that that option be presented to the voters of this state and that it be made available by legislation and referendum in the near future.

While this legislation has languished, it has not only prevented or delayed development in various cities in the Commonwealth but has allowed our sister states of Ohio and New York to move forward on their own gaming legislation.

For these reasons and others, the time has come for the state to act and for the people to choose.

Again, I thank you for being here today and for allowing me this opportunity to give testimony.

I will be most pleased, in the interest of time and your long day, to submit my particular comments on House Bill 2308 in writing to your committee.