



Let the People Decide!

Major Features of House Bill 2308 The Riverboat Gaming Bill

- ▶ Establishes a Riverboat Gaming Commission with five members appointed by the Governor and legislature leaders.
- ▶ Defines “riverboat” as a watercraft, dockside or otherwise, on which gaming is conducted in accordance with the Riverboat Gaming Act. It may be permanently moored and does not need self-propulsion.
- ▶ A riverboat must be confined to “eligible waters”: any commercially useable river or lake existing on the effective date of the Riverboat Gaming Act within an eligible Pennsylvania County. Excludes waterways within any park.
- ▶ Riverboat games or gambling games will not include pari-mutuel horse race betting, authorized bingo, authorized small games of chance, or the Pennsylvania State Lottery.
- ▶ The Commission will have authority to issue 19 riverboat gaming licenses.
- ▶ Licensees must pass a thorough financial and criminal background investigation.

How licenses will be distributed across the Commonwealth:

<u>County Size</u>	<u>Eligible Counties</u>	Max. No. of <u>Licenses</u>
First Class	Philadelphia	4
Second Class	Allegheny	4
Second Class A	Montgomery, Delaware and Bucks (with no more than 2 of the 4 awarded to any 1 county)	4
Third Class	Lancaster, Chester, Westmoreland, York, Berks, Luzerne, Lehigh, Erie, Northampton, Dauphin, Lackawanna (with no more than 1 of the four awarded to any 1 county)	4
Fourth Class	Washington, Cumberland, Beaver, Cambria, Schuylkill, Butler, Fayette (with no more than 1 of the 3 awarded to any 1 county)	3

- ▶ The Riverboat Gaming Act sets a 15% tax on adjusted gross receipts, paid into a Riverboat Gaming Fund.
- ▶ Revenues from the fund would be distributed primarily for property tax relief to the state and to municipalities and counties hosting casinos.



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MAJOR FEATURES OF HB 2308 THE RIVERBOAT GAMING ACT

Legislative Situation

The riverboat gaming bill currently in play is House Bill 2308, introduced January 24, 1996 by George Kenney, a Republican from Philadelphia with eight co-sponsors - two Republicans and six Democrats, including William DeWeese, the Democratic floor leader. H.B. 2308 has been referred to the Judiciary Committee, chaired by Thomas Gannon of Delaware County. The ranking Democrat on the Judiciary Committee is Thomas Caltagirone of Berks County.

H.B. 2308 replaces an earlier Kenney bill (H.B. 2301) which called for a statewide referendum to authorize riverboat gaming to be followed by county referenda. H.B. 2301 was referred to the State Government Committee (because of the statewide referendum provision) where it faced a certain death due to the avowed opposition of Chairman Paul Clymer, of Bucks County. House Bill 2308 only calls for county referenda, however Governor Tom Ridge appears to be set in concrete on a statewide referendum as a prerequisite for his approval of a riverboat gaming measure.

There is not a companion bill in the Senate. The prevailing wisdom is that whatever happens concerning riverboat gaming in the House will have a major influence on its prospects in the Senate.

Major Features of the Riverboat Gaming Bill

House Bill 2308 would establish a Riverboat Gaming Commission as an independent state agency with comprehensive powers to award licenses and to regulate the riverboat gaming industry. The legislation would establish both the sole procedure for awarding riverboat gaming licenses and provide for all appeals of the commission's decisions regarding licenses.

The Riverboat Gaming Commission would consist of five commissioners with the Governor, the President *Pro Tempore* of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives each empowered to appoint one commissioner. All commissioners would be appointed for four year terms and be limited to two consecutive terms. The Governor's appointee would serve as Chairman.

A "riverboat" is defined in the bill as every description of watercraft on which gaming, dockside or otherwise, is conducted in accordance with the Riverboat Gaming Act. The watercraft need not be self-propelled and may be permanently moored.

"Eligible Waters" is defined as any river or lake existing on the effective date of the Riverboat Gaming Act within any eligible county in Pennsylvania which are used or are susceptible to being used, as arteries of commerce. No portion of any river or lake that is within the boundaries of any

national, state, county or municipal park, nature preserve or other similar preserve shall be considered “eligible waters.”

The Commission would be authorized to award riverboat gaming licenses as follows:

- Three licenses to First Class counties (population of 1,500,000 or more);
- Three licenses to Second Class counties (population of 800,000 or more but less than 1,500,000);
- Four licenses to Second Class A counties (population of 500,000 or more but less than 800,000) except that no Second Class A county shall receive more than two licenses;
- Three licenses to Third Class counties (population of 225,000 or more but less than 500,000) except that no Third Class county shall receive more than one license;
- Two licenses to Fourth Class counties (population of 150,000 or more but less than 225,000 except that no Fourth Class county shall receive more than one license).

In addition to the licenses awarded on the basis of county class, the Commission would be authorized to issue 1 additional license for each “primary market area” of an established race track except in a Second Class A county. (A license can be awarded on this basis to a Second Class A county, but not in addition to the license awarded by county class).

The practical effect of the licensure provisions would enable Pennsylvania counties to obtain the following maximum number of licenses:

First Class	Philadelphia	4
Second Class	Allegheny	4
Second Class A	Montgomery, Delaware, and Bucks (with no more than 2 of the 4 awarded to any 1 county)	4
Third Class	Lancaster, Chester, Westmoreland, York, Berks, Luzerne, Lehigh, Erie, Northampton, Dauphin, Lackwanna (with no more than 1 awarded to any county)	4
Fourth Class	Washington, Cumberland, Beaver, Cambria, Schuylkill, Butler, Fayette (with no more than 1 of the 3 awarded to any county)	3

Tax Revenue

The Riverboat Gaming Act would establish a tax on the adjusted gross receipts at the rate of 15%. This tax shall be collected and administered by the State Treasurer through the Department of Revenue of the Commonwealth. The taxes collected shall be maintained in a separate fund, the "Riverboat Gaming Fund." In addition, the Commission would be entitled to keep all fines, penalties,

and any other monies received - except the Riverboat Gaming Tax - in a separate fund for operational and administrative expenses. This fund is the "Gaming Commission Fund."

Revenues raised from the Riverboat Gaming Tax are to be distributed as follows:

- One sixth for providing property tax relief for the elderly in accordance with the Senior Citizens Rebate and Assistance Act of 1971.
- One third to the Commonwealth to be held in trust for general property tax relief allocated to political subdivisions proportionally based on population.
- One fourth allocated to the counties where one or more licensee operates a riverboat.
- One fourth allocated among the host municipalities where one or more licensees operate a riverboat.



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FACTS ABOUT RIVERBOAT GAMING IN PENNSYLVANIA

The General Assembly of the Commonwealth of Pennsylvania - our state's legislature - is considering a bill which, if enacted, will bring highly popular and successful riverboat gaming to "The Keystone State". This bill (H.B. 2308) is sponsored by Representative George T. Kenney (R-Philadelphia) and is pending before the House Judiciary Committee, chaired by Representative Tom Gannon (R-Delaware). Hearings have been held already in Harrisburg, and additional ones will take place around the state and/or back in the capitol in the next few weeks.

The fact sheet will help you get a better understanding of the issue, and it may come in handy when talking to family members, friends, neighbors, colleagues at work, etc. If you need more information, please just let us know. Write to us at the address indicated below.

FACT: Proposed Legislation Permits Limited Riverboat Gaming in Specified Locations, With Voter Approval

- * Up to nineteen riverboat casinos would be authorized in Pennsylvania, with four each in Philadelphia and Allegheny counties and the remainder distributed throughout the state with no more than one or two licenses in any other county.
- * The four Pennsylvania racetracks would each be licensed to operate a riverboat casino within 35 miles of the track (included in the total of 19).
- * The riverboat casinos would be licensed and regulated by an independent Riverboat Gaming Commission.
- * Pennsylvania would receive 15% of the gross revenue from riverboat casinos to help fund services and programs.

FACT: Gaming Entertainment Creates Jobs

- * In 1995, more than 350,000 people nationwide worked in the casino entertainment industry, with a total payroll of over \$9 billion.
- * It is estimated that the 19 riverboat casinos in Pennsylvania would produce a total of nearly 50,000 new jobs (about 1,000 new jobs in each casino, and about 30,000 new jobs in related industries).
- * Jobs in the casino entertainment industry pay, on average, about \$25,000 per year, and often include health and education benefits.
- * The legalization of riverboat casinos would also protect and enhance the 35,000 jobs in the horse racing and related commercial equine activities because Pennsylvania's racetracks would be authorized to operate riverboat casinos.

FACT:

Revenue from Gaming Pays for Important Public Services and Programs

- * It is estimated that legalizing riverboat casinos in Pennsylvania would generate approximately \$500 million in new revenue every year.
- * In Missouri, riverboat casinos generated over \$57 million in education tax revenue in their first year of operation (almost twice what was predicted).
- * In Illinois, the city of Joliet has used more than \$90 million in tax revenue from riverboat casinos to cut taxes, pay off a sizable amount of debt and make major capitol improvements.

FACT:

Gaming Entertainment is Growing in Popularity Across America

- * As new casinos become established in communities across the country, more Americans are personally experiencing the economic and entertainment benefits gaming provides. U.S. households made 154 million visits to casinos in 1995.
- * A significant majority of U.S. adults-91%-say casino entertainment is acceptable for themselves or others.
- * In 1994-1995, more Americans visited casinos than visited amusement parks or Broadway/touring shows and symphony concerts.

FACT:

Riverboat Gaming in Pennsylvania Will Pay Off for Everyone in Pennsylvania

- * A recent statewide survey revealed that 58% of Pennsylvania adults have visited Atlantic City casinos.
- * Philadelphians alone accounted for 9 million visits to casinos (in all locations) in 1995.
- * Estimates indicate that Pennsylvanians spend approximately \$1.3 billion yearly in Atlantic City casinos and related New Jersey businesses, such as hotels and restaurants.

FACT:

The People Want To Decide The Issue. Public Opinion Polls-And Other Evidence-Prove That The People Want to Decide This Issue

- * In a recent statewide survey, 89% of adult Pennsylvanians said that the issue of riverboat gambling should be decided by the voters. That's an overwhelming margin of 9 to 1! So, even Pennsylvanians who are opposed to gaming would like to have a say on this issue.