

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

\* \* \*  
HEARING OF THE HOUSE  
GAMING OVERSIGHT  
COMMITTEE  
\* \* \*

RYAN OFFICE BUILDING, 205  
HARRISBURG, PENNSYLVANIA

TUESDAY, OCTOBER 18, 2016  
9:00 A.M.

SUPREME COURT LOCAL SHARE  
COURT DECISION

BEFORE :

HONORABLE JOHN PAYNE, MAJORITY CHAIRMAN  
HONORABLE ROSEMARY BROWN  
HONORABLE RUSS DIAMOND  
HONORABLE GEORGE DUNBAR  
HONORABLE SUE HELM  
HONORABLE AARON KAUFER  
HONORABLE KATE ANNE KLUNK  
HONORABLE RYAN MACKENZIE  
HONORABLE KURT MASSER  
HONORABLE ERIC NELSON  
HONORABLE TODD NESBIT  
HONORABLE JASON ORTITAY  
HONORABLE DAVID PARKER  
HONORABLE RYAN WARNER  
HONORABLE DOM COSTA  
HONORABLE TINA DAVIS  
HONORABLE DANIEL DEASY  
HONORABLE MARTY FLYNN  
HONORABLE SID KAVULICH  
HONORABLE WILLIAM KORTZ, II  
HONORABLE ED NEILSON  
HONORABLE MARK ROZZI

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

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SUBMITTED WRITTEN TESTIMONY

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(See submitted written testimony and handouts online.)

## 1 P R O C E E D I N G S

2 \* \* \*

3 MAJORITY CHAIRMAN PAYNE: Good morning.  
4 I'd like to call this public hearing of the House  
5 Gaming Oversight Committee to order.

6 Please stand for the Pledge of Allegiance.

7 (The Pledge of Allegiance was recited.)

8 MAJORITY CHAIRMAN PAYNE: Thank you.

9 Can I have a roll call for attendance?

10 (Roll call was taken.)

11 MAJORITY CHAIRMAN PAYNE: The Chair wants  
12 to thank the Committee members for their attendance.  
13 I can assure you this was not an originally planned  
14 hearing week, being that we only have six days left,  
15 but the Supreme Court made a decision that prompted  
16 additional hearings for the Gaming Oversight  
17 Committee.

18 I'd like to call on my acting chairman --  
19 vice chairman -- and good friend, Dom Costa.

20 MINORITY CHAIRMAN COSTA: Thank you, Mr.  
21 Chairman.

22 Thank you, everyone, for being here.  
23 Unfortunately, we have to be here so let's make the  
24 best of it and see what we can do to correct this  
25 situation.

1 Thank you, Chairman.

2 MAJORITY CHAIRMAN PAYNE: Thank you.

3 I'd ask all of the presenters today to  
4 please give me what I like to refer to as your  
5 CliffsNotes version. Don't read your testimony. We  
6 all have it.

7 Try to summarize that testimony for us if  
8 you can in the interest of time. Many of the members  
9 here have other hearings, some of which are voting  
10 meetings this morning. It is a session day. We're on  
11 a tight schedule.

12 With that, I'd like to call our first  
13 speaker today, Secretary McNulty, for the Department  
14 of Revenue. With her is Tom Gohsler, deputy chief  
15 counsel.

16 Did I get close on that pronunciation?

17 MR. GOHSLER: Pretty close.

18 MAJORITY CHAIRMAN PAYNE: Secretary and  
19 Tom, thank you very much for being here.

20 SECRETARY McNULTY: Thank you, Mr.  
21 Chairman, and Chairman Kotik and members of the  
22 Committee for the opportunity to appear here before  
23 you and provide information about the local share  
24 assessment under the Racehorse Development and Gaming  
25 Act.

1           The local share was established to ensure  
2 that licensed casinos mitigate the impact of gaming  
3 and support the economy of the host municipalities and  
4 counties. The act provided a formula to divide the  
5 local share assessment revenue between the host county  
6 and the host municipality.

7           The formula for obtaining these revenues  
8 is different for casinos in Philadelphia and those  
9 outside of Philadelphia and the resort casinos. The  
10 Supreme Court determined that the difference between  
11 Philadelphia and non-Philadelphia casinos violates  
12 Pennsylvania's uniformity clause and is  
13 unconstitutional in that it treats Philadelphia and  
14 non-Philadelphia casinos differently without  
15 justification.

16           The Court invalidated the municipal and  
17 county local share assessments from the Gaming Act,  
18 but stayed their decision for 120 days to give the  
19 General Assembly an opportunity to address the matter.  
20 The Court also noted the petitioner, which was  
21 Mount Airy, was not entitled to any damages under the  
22 Gaming Act, and that no refunds would be available as  
23 a result of this decision.

24           In complying with the decision, the  
25 Department will continue to collect the county and

1 municipal local share assessment until the decision  
2 takes effect on January 26, 2017, unless  
3 the General Assembly amends the statute in the  
4 interim.

5 As of the effective date of the  
6 decision, we will cease collecting the local Share  
7 Assessment. The final amounts collected will  
8 be distributed on April 20, 2017 for the period from  
9 January 1 through January 26th of 2017.

10 The Local Share Assessment provided \$142.7  
11 million to approximately 157 municipalities and  
12 counties in 2015. As you consider amendments to the  
13 Gaming Act, and as you continue to discuss new gaming  
14 opportunities in Pennsylvania, I would like to address  
15 the concurrent need to build a stronger Pennsylvania  
16 lottery.

17 As you may know, the lottery reported  
18 record sales and profits last year to fund important  
19 senior benefit programs. However, those ticket sales  
20 came from the same basic sales model that the lottery  
21 has used since 1972, sales at physical retail  
22 locations.

23 Current statute prevents the lottery from  
24 selling its games on the Internet, but every business,  
25 including the lottery, must adapt to changes in

1 consumer behavior. And increasingly, these  
2 consumers are shopping and looking for entertainment  
3 opportunities online.

4 While the lottery cannot make sales  
5 online, it has built a strong online presence and  
6 improved its interactive infrastructure with a  
7 responsive website, a new lottery app and  
8 growing engagement on social media.

9 iLottery, as it is known, is the future of  
10 the Lottery industry. It allows players to purchase  
11 and play games online, where they increasingly are.  
12 The foundation for iLottery is ready, but in order to  
13 keep lottery revenues growing, I encourage the General  
14 Assembly to authorize online gaming sales, just as  
15 States including Virginia, Kentucky, Georgia and  
16 Michigan have done.

17 Lottery retailers will remain the  
18 cornerstone of the lottery's overall sales model and  
19 would also stand to benefit from ilottery. Evidence  
20 from Michigan and Georgia shows sales growth at  
21 brick-and-mortar retailers after iLottery launched in  
22 those States.

23 I also want to reiterate the lottery's  
24 continuing commitment to promoting responsible play.  
25 The Pennsylvania Lottery wants every player, no matter

1 where, when or how they are playing,  
2 to always play responsibly. Through iLottery  
3 technology, numerous gaming safeguards can be  
4 put in place to achieve that goal.

5 In summary, as the General Assembly may  
6 consider changes to the Gaming legislation, I  
7 respectfully urge you to include the future of the  
8 Pennsylvania Lottery in those discussions. It is  
9 especially important that the Lottery be permitted to  
10 sell its products on line if the Commonwealth's  
11 casinos are authorized to do the same thing.

12 By authorizing iLottery in conjunction  
13 with iGaming, we can responsibly continue to grow  
14 lottery sales while meeting the needs of our customers  
15 where they are and where they expect the lottery to be  
16 and benefit future generations.

17 Thank you very much.

18 MAJORITY CHAIRMAN PAYNE: Let the record  
19 show that Representatives Warner and Nesbit have  
20 joined the hearing.

21 Madam Secretary, you can't understand how  
22 pleased I was to hear your testimony and your comments  
23 on getting on the Internet. You've had a friend here  
24 in this Committee Chair who was trying to do joint  
25 hearings and promote new games and the Internet with



1 the lottery.

2 That committee is chaired by my good  
3 friend, Representative O'Neill, under Finance.  
4 Lottery does not fall under the Gaming Committee.  
5 Although I've always taken the belief that gaming was  
6 gaming, that's now how it was set up here at the  
7 House.

8 Likewise, I want to give you and your team  
9 credit for the astounding efforts they've done this  
10 year on the issue of problem gaming and the toll-free  
11 number and those things.

12 Representative Kaufer actually had a  
13 gentleman come in at one of our hearings, and I think  
14 the misconception is that people always have a gaming  
15 problem at the casino. This gentleman lost everything  
16 because he was buying roll upon roll upon roll of  
17 lottery scratch-offs. So you're to be commended.  
18 Your team is to be commended for those efforts they've  
19 taken.

20 Like I said, I wish I had lottery because  
21 I'd enjoy working with you on that topic because I  
22 believe in my heart, we, as the Commonwealth of  
23 Pennsylvania, to be successful in the next 10 years,  
24 20 years, have to look at the millennials, have to  
25 look at what they're doing, and they're not walking

1 into brick-and-mortar casinos, and they're not buying  
2 lottery tickets the way I do, our parents do. To be  
3 successful, we've got to change the model of  
4 operation.

5 So thank you very much for those efforts.

6 SECRETARY McNULTY: Thank you, Mr.

7 Chairman.

8 MAJORITY CHAIRMAN PAYNE: I also have  
9 Representatives Nelson and Klunk that have joined us.

10 Representative Mackenzie has the first  
11 question.

12 REPRESENTATIVE MACKENZIE: Thank you, Mr.

13 Chairman.

14 Thank you, Secretary McNulty, for joining  
15 us today. I appreciate your testimony.

16 My first question is, is it correct that  
17 all of the casinos are paying the flat \$10 million at  
18 this point; is that correct?

19 SECRETARY McNULTY: No. Only those who  
20 are category ones and category twos outside of  
21 Philadelphia.

22 REPRESENTATIVE MACKENZIE: Okay. Can you  
23 talk to the other, the non-category ones and twos  
24 outside of Philadelphia?

25 SECRETARY McNULTY: Those would be the

1 category threes, which are the resort facilities, and  
2 they do not have the \$10 minimum.

3 REPRESENTATIVE MACKENZIE: Okay. So all  
4 that are potentially eligible to pay the \$10 million  
5 are paying that, though; is that correct?

6 SECRETARY McNULTY: Under the current  
7 statute, but that has been found to be nonuniform.

8 REPRESENTATIVE MACKENZIE: Okay.

9 SECRETARY McNULTY: Yes.

10 REPRESENTATIVE MACKENZIE: But in the  
11 past, they've all been paying that \$10 million?

12 SECRETARY McNULTY: Yes.

13 REPRESENTATIVE MACKENZIE: Okay. Thank  
14 you.

15 SECRETARY McNULTY: All of those who are  
16 required to, yes.

17 REPRESENTATIVE MACKENZIE: So Mr.  
18 Chairman, I would just, if I could, briefly comment.

19 I would hope that, you know, we've gone  
20 through -- you've done a terrific job with the  
21 Committee over the course of this session, undertaking  
22 a lot of hearings on different topics.

23 I have concerns that if we don't address  
24 this quickly, there might be the potential that  
25 municipalities are left without this funding source.

1 Municipalities in my area rely very heavily on this  
2 revenue.

3 In Bethlehem, the city of Bethlehem, it's  
4 about 10 to 12 percent of their annual budget. So I  
5 would just hope that we can stick very closely to this  
6 topic, because if we get too far into these other  
7 things, we might not meet this 120-day deadline.

8 So I just hope that we can take this up,  
9 and then find a way to make these municipalities whole  
10 by finding a way to assess that revenue of \$10  
11 million, which they've already been paying and they  
12 knew they were going to be paying when they signed up  
13 for these casinos. That was the structure at the  
14 time.

15 I understand it has now been found  
16 unconstitutional, but hopefully we can find a way to  
17 make that fix, keep the municipalities whole and have  
18 that revenue going out in a similar fashion.

19 Thank you, Mr. Chairman.

20 MAJORITY CHAIRMAN PAYNE: Thank you.

21 Representative Neilson.

22 REPRESENTATIVE NEILSON: Thank you, Mr.  
23 Chairman.

24 Thank you, Madam Secretary, for joining us  
25 today. We do appreciate your company.

1           Does the administration have any quick  
2 fixes that they feel that the House can do to make  
3 this correct and right this wrong?

4           SECRETARY McNULTY: We don't have any  
5 quick fixes. I will note that the Court did not find  
6 any problem with the distribution formula. So the  
7 distribution of this \$142.7 million to local  
8 governments is safe.

9           The problem is with the method that is  
10 being used to generate that revenue from the casinos.  
11 There's a variety of different ways that that could be  
12 done, and we're very interested in listening to what  
13 the General Assembly feels is the appropriate way to  
14 do that, and working with you to ensure that that  
15 would be a workable deal.

16           REPRESENTATIVE NEILSON: Thank you, Madam  
17 Secretary.

18           I want to echo Representative Mackenzie's  
19 thoughts because this is something that has to be a  
20 quick fix. This hurts a lot of people. It's  
21 something that we do have five days. We ought to use  
22 these wisely and put something through here with no  
23 amendments, just push it through and get it passed.

24           That's our biggest cross that I think all  
25 of us know we'll have to bear because getting

1 something through clean, the House and the Senate, is  
2 going to be the most difficult task of all.

3 Thank you, Mr. Chairman.

4 MAJORITY CHAIRMAN PAYNE: Thank you.

5 Thank you, Madam Secretary.

6 SECRETARY McNULTY: You're welcome.

7 MAJORITY CHAIRMAN PAYNE: The next  
8 presenter will be speakers Mario Civera, chairman, and  
9 John McBlain of the Delaware County Council.

10 Mr. Civera, Mr. McBlain, if you'd come  
11 forward.

12 We've been joined by Representative Deasy.

13 Mario, it's all yours.

14 MR. CIVERA: Mr. Chairman, Mr. Kotik.

15 MAJORITY CHAIRMAN PAYNE: Again,  
16 CliffsNotes, please.

17 MR. CIVERA: Okay. We are going to do  
18 that.

19 MAJORITY CHAIRMAN PAYNE: Go ahead.

20 MR. CIVERA: First of all, thank you for  
21 giving me the opportunity to return to Harrisburg to  
22 address the Gaming Oversight Committee. I truly  
23 appreciate that, and so does my colleague, John  
24 McBlain.

25 We were very disturbed, as many of you in

1 this room today were, when the Supreme Court made the  
2 decision. The decision was a decision that comes into  
3 a generation of governments that now rely on other  
4 sources of revenue, rather than taxing the people of  
5 the Commonwealth of Pennsylvania and taxing the people  
6 in the local municipalities and the counties.

7 I applaud the General Assembly for what  
8 they have done in the past couple of years to avoid  
9 that. That's something that we as citizens and  
10 taxpayers thank you for.

11 I was in the General Assembly for 30  
12 years, and a lot of you know that. When we had the  
13 task of addressing the issue of gaming in Pennsylvania  
14 for the first time, it was a task. It was a new dawn  
15 for the Commonwealth, a new dawn that would create  
16 revenues throughout the Commonwealth of Pennsylvania.

17 But the intent of the General Assembly at  
18 that time was to share those revenues rather than  
19 collect them as a whole as the Commonwealth. So what  
20 better teacher did we have, but the State of New  
21 Jersey right next to Pennsylvania.

22 We knew that a lot of that revenue that  
23 went into New Jersey would flow over to Pennsylvania,  
24 such as the Philadelphia region. We understood that  
25 that money should be shared, and it was a lot of

1 debate, a lot of amendments, back and forth between  
2 the House and the Senate for days, and a lot of ways  
3 of getting the votes to support such an intense  
4 measure, to support a measure that has never been done  
5 in Pennsylvania, a measure that had been looked upon  
6 from years ago that might be the wrong thing to do for  
7 Pennsylvania.

8           As Pennsylvania moves from a very, very  
9 conservative State in that type of an issue, to move  
10 to the center, and the reason it did was because when  
11 you look at the PIT, and you look at the sales tax,  
12 and you look at all of the different revenue sources  
13 that the Commonwealth draws from, there had to be a  
14 change in the way we went back, and so the taxpayers  
15 would have an even keel.

16           So what better idea, what better idea than  
17 to come share the wealth with the citizens of  
18 Pennsylvania? We did so, and we were proud that we  
19 did so.

20           Delaware County is a unique county as it  
21 sits outside the city of Philadelphia, very close  
22 proximity. It is the fifth-largest county in the  
23 Commonwealth, and we have Harrah's Casino in that  
24 county.

25           When the Supreme Court ruling came about,



1 we take a \$4.3-million hit. When you have a \$550  
2 million budget on the county level, and then you have  
3 the passthroughs -- and we're very lean as far as what  
4 we do as far as our moneys are concerned, all right --  
5 it was -- it is a hit that we now have to add in, and  
6 I realize what you're up against.

7           There's no fault sitting at this table.  
8 There is no fault sitting in this room. What you do,  
9 and Chairman, to both chairmen, how you have conducted  
10 business in the last two years, I applaud you. I  
11 sincerely mean that.

12           You've been all around the State. You  
13 know what the issues are. You know how you want to  
14 further the gaming institution. You know where we can  
15 get additional revenue. You know what, that's what  
16 government is about, to generate those ideas.

17           But now, today, we face a major crisis.  
18 How clever can you go in within so many days before  
19 you adjourn, because we're in an election cycle, and  
20 you have six session days left to carve that language  
21 out and to tuck back what the Supreme Court wants you  
22 to do as far as equality is concerned without --  
23 because I've been here for 30 years now, I understand  
24 -- without taking this whole thing apart and coming up  
25 with all new ideas that we could be maybe further

1 back, or at the same time, hurt the industry. We're  
2 not here to hurt anybody.

3 All we are here for today is to complete  
4 the task of what we've had in the past and to protect  
5 the \$4.3 million.

6 With that, I'd like to turn it over to my  
7 colleague, Mr. McBlain.

8 MR. McBLAIN: Mr. Chairman and members of  
9 the Committee, thank you for having us here today.

10 I'll take your suggestion and use the  
11 CliffsNotes version. I won't read my testimony, but I  
12 do want to say how important it is that we have some  
13 certainty this year moving into next year in regards  
14 to the fix of the Supreme Court decision.

15 As you know, counties work on an annual  
16 fiscal year. Under our home rule charter, come  
17 November the 1st, we must release a budget that is  
18 balanced to our residents. So we don't have a whole  
19 lot of time to deal with the issue of the loss of the  
20 \$4.3 million.

21 While Councilman Civera pointed out that  
22 we have a \$550 million budget, the loss of \$4.3  
23 million would be the equivalent of a 3-percent real  
24 estate tax increase to our residents. So we do ask,  
25 if at all possible, to address this issue in this

1 session to give counties, such as Delaware County,  
2 that certainty moving forward.

3 I just want to point out some of the  
4 things that we do do with that \$4.3 million that we  
5 receive. We have attempted to use gaming funds in  
6 areas where we believe that the gaming facility has  
7 impacted, or try to better the area where the gaming  
8 facility has impacted.

9 We use some of those funds for human  
10 services programs that, perhaps, would not have been  
11 eligible for funding otherwise. The example I point  
12 out in my written testimony is that we fund the  
13 program for child advocates, for abused children in  
14 dependency court situations with the moneys that we  
15 have received from gaming.

16 We use it for other streams in the Human  
17 Services Department that again would not have been  
18 otherwise been funded. We have used these funds in  
19 Delaware County to fund many of our economic  
20 development programs. We have what we believe to be a  
21 model program in terms of our Commerce Center.

22 We have an Economic Development Oversight  
23 Board that we fully fund with the money from gaming,  
24 and that board oversees our Redevelopment Authority,  
25 our Industrial Development Authority, and all of the

1 other economic development agencies within the  
2 county.

3 With these funds, we've been able to do  
4 some very good things, and I'll give you two examples  
5 as were pointed out in my written testimony. The  
6 first is, in 2011, the ConocoPhillips Refinery  
7 announced that they would be closing. Over 500 people  
8 would be out of work.

9 We went to work. Using some of this  
10 money, we made infrastructure improvements in that  
11 area and were able to attract what is now Monroe  
12 Energy, which is owned by Delta Airlines. Now, that  
13 refinery is up and running and employs over a thousand  
14 people.

15 Similarly, we tried to use these funds to  
16 invest in the city of Chester, where our Harrah's  
17 facility is located, and we used some of these funds  
18 to help fund Talen Energy -- what is now Talen Energy  
19 Stadium, the home of the Philadelphia Union, which now  
20 attracts on a regular basis over 18,500 people to the  
21 city of Chester, where we didn't have those people  
22 coming before.

23 Just last week, their training facility  
24 opened along with their fields, and they announced  
25 other development incentives in and around that

1 stadium area, which had been a polluted brown field  
2 prior to that action, the building of the stadium.

3 So we would ask that you consider those  
4 counties. For the city of Chester, this is a \$10  
5 million hit to their budget. Recently, their Act 47  
6 Report indicated that Harrah's, all of the funds from  
7 Harrah's, funds over one-third of their budget. This  
8 would be the equivalent of a reduction in their budget  
9 of about 20 percent for a municipality that is already  
10 economically distressed, so we would ask you to  
11 consider those. Good luck, and address it this  
12 session.

13 Thank you.

14 MAJORITY CHAIRMAN PAYNE: Thank you.

15 I thank representative Civera for your  
16 kind comments about the fault does not lay in this  
17 room, nor does the fault lay with the majority of the  
18 casinos, but here we are.

19 So we'll move forward with that.

20 Representative Diamond is first with  
21 questions.

22 REPRESENTATIVE DIAMOND: Thank you, Mr.  
23 Chairman.

24 Thank you, Chairman and councilman, for  
25 your testimony today.

1 I want to direct my question to you, Mr.  
2 Chairman, simply because of your history here. You  
3 were here when the slots law was passed.

4 The local share was originally intended to  
5 offset local impact of gaming; am I correct?

6 MR. CIVERA: Yes.

7 REPRESENTATIVE DIAMOND: Can you recall,  
8 from those days, what those impacts were expected to  
9 be?

10 MR. CIVERA: Well, those impacts were the  
11 direct hit as far as the casinos were concerned in the  
12 communities because we were looking. What we didn't  
13 want to see at that point in time was Atlantic City  
14 and the deterioration of Atlantic City. We did not  
15 want to have that repeat performance in Pennsylvania.

16 So it was looked upon that that would not  
17 reoccur again, that the casinos would not be on top of  
18 one another, that the restructuring of the financial  
19 ability of how those casinos raised the revenues would  
20 be shared within so many square miles of the counties  
21 or the municipalities.

22 Basically, what the casino -- the dollars  
23 that were brought in, the financial impact on that  
24 municipality, what happened in the State of New Jersey  
25 is that the money went back to Trenton. It never

1 stayed in some of those counties, so that's what we  
2 were very -- and believe me, the debate went on and on  
3 about that, and we were very careful and very -- you  
4 know, when you go back to look at how that whole thing  
5 came down and where those votes came out of, you know,  
6 there were certain parts and certain counties of the  
7 67 counties that didn't support this, that didn't  
8 believe that we need this.

9           So we looked at that. We had to show and  
10 convince the people that were opposed to the idea of  
11 gaming in Pennsylvania that the impacts would not be  
12 as severe to those municipalities and counties because  
13 we were going to make certain adjustments to that. I  
14 hope I answered the question.

15           REPRESENTATIVE DIAMOND: Yeah, you did.

16           Thank you, very much for that.

17           So the offset or the things that we were  
18 trying to offset -- the General Assembly was trying to  
19 offset -- was perhaps blight, human services needs,  
20 gambling addiction, that sort of thing?

21           MR. CIVERA: Yes.

22           REPRESENTATIVE DIAMOND: Okay.

23           If I may, Mr. Chairman, I certainly  
24 understand the urgency that we have to fix this  
25 problem for the communities that are currently being

1 served by the local share. However, I do think that  
2 if we have any opportunity whatsoever, I think we also  
3 ought to look at the distribution end because as  
4 Chairman Civera said, these impacts go over a radius  
5 for square miles.

6 I'm just speaking here as someone from  
7 Lebanon County who has a casino just across the line  
8 and partially straddles the line into Lebanon County.  
9 Whereas, no offense to you, Chairman Payne, but  
10 Dauphin County heavily benefits from the Hollywood  
11 Casino, whereas Lebanon County has a very, very small  
12 benefit.

13 I'd just like to be able to reexamine that  
14 distribution formula so that that drive shed is taken  
15 into consideration instead of man-made borders that  
16 may be artificial as it relates to the impacts of  
17 gaming.

18 Thank you, Mr. Chairman.

19 MAJORITY CHAIRMAN PAYNE: You were doing  
20 so good until the end there.

21 That and the comment of those days, like  
22 back in the old days, I was a freshman back in those  
23 days. I remember starting the gaming bill at 3:00 in  
24 the afternoon and finalizing it at 8:40, 8:45 the  
25 following morning.



1                   We didn't go home at 11:00 then, you know.  
2                   Representative Brown has joined us.  
3                   Representative Masser is next with a  
4 question.

5                   REPRESENTATIVE MASSER: I just want to get  
6 a feel for -- you weren't in office, obviously, when  
7 the gaming, because you were here, so you weren't in  
8 office in Delaware County.

9                   Were you in office in Delaware County at  
10 the time that the gaming came through?

11                  MR. McBLAIN: I was not in office, but I  
12 served as solicitor for the county, and I was very  
13 much involved because our redevelopment authority  
14 actually owner the property where Harrah's is now  
15 situated.

16                  So we were, from day one, involved in the  
17 negotiation and the process that brought the casino  
18 there.

19                  REPRESENTATIVE MASSER: Okay.

20                  A county gets an influx of that kind of  
21 cash, was there a tax decrease for the citizens of the  
22 county at that time?

23                  MR. McBLAIN: Not a tax decrease, but I  
24 will point out and we were assisted last year, but  
25 that coincided with the time that, for us at least, a

1 large revenue or budget driver was the 911 situation,  
2 where as more cell phones came into existence, the  
3 landline share went down and we saw almost dollar for  
4 dollar, you know, what we lost in 911 revenue, we  
5 gained in gaming revenue. So at that -- it just --  
6 the coincidental was that those two things happened at  
7 the same time or over the same period of time. So one  
8 offset the other.

9 REPRESENTATIVE MASSER: I feel your pain  
10 because I was county commissioner when that happened  
11 in Northumberland County also, but we didn't have the  
12 luxury of eating that with gaming dollars. So I share  
13 Representative Diamond's concerns that, to me, you  
14 have an influx of the gaming dollars, not only that,  
15 you have an influx of jobs. And the dollars in tax  
16 revenues that are generated from that influx of jobs,  
17 in border counties, we just aren't seeing that.

18 We have to eat the 911 cost. I think  
19 everything has to be looked at when we do this, and  
20 I'm not sure that an easy fix -- I'm just anxious to  
21 see what the product is as it rolls out because there  
22 are other counties that struggle and don't have the  
23 benefit of the influx of jobs and those taxes that  
24 come along with the influx of jobs.

25 But I thank you for your testimony.

1 MAJORITY CHAIRMAN PAYNE: Thank you,  
2 Representative.

3 I think for the public's point of view,  
4 while earlier comments were the Supreme ruled on the  
5 tax part and not the distribution part, the problem  
6 was up front in the tax part. I believe you're going  
7 to find here in the House and Senate, the problem will  
8 be in the distribution part. Those that have think  
9 it's a great system; those that have not don't think  
10 it's a good system.

11 Representative Helm.

12 REPRESENTATIVE HELM: Thank you, Mr.  
13 Chairman. I just want to add on to what  
14 Representative Diamond said, because with the  
15 redistricting, I picked up two municipalities in  
16 Lebanon County.

17 So I absolutely want to protect my Dauphin  
18 County, but one of my municipalities of Lebanon has  
19 one acre of ground in the casino, where the casino is.  
20 So they get a little bit. I have another one who gets  
21 nothing, but their fire engines come to Dauphin  
22 County, you know, to protect us and they get nothing.  
23 They work so hard.

24 I've been trying to figure out a way to do  
25 it. With the law the way it is written, it is

1 impossible. So I would just like that to be looked  
2 into so that it's a little bit more fair for all the  
3 counties involved.

4 MAJORITY CHAIRMAN PAYNE: Thank you, Mr.  
5 Chairman.

6 Thank you, gentlemen, for your testimony.

7 Mario, it's good to see you again.

8 Welcome back.

9 Real quick, if we can't get this done on  
10 time before sessions ends, and/or it extends into next  
11 year and we lose a year, what are you facing?

12 Are you facing higher taxes, programs  
13 being cut, some of both?

14 MR. CIVERA: You're facing a potential tax  
15 increase in real estate. You're facing that we're  
16 just going to have to get leaner on our budget.

17 Remember, you had the budget impasse last  
18 year. Some of those social programs were -- we then  
19 received those funds and the county was able to keep  
20 up with that until the budget impasse, you know,  
21 passed. So we were able to do that because we had  
22 these types of revenues coming in.

23 I could tell you right now, to make up  
24 \$4.3 million in a county of 550,000 people, it's not  
25 going to -- we have a hard task ahead of us. There's

1 no question about it. You know, when the question  
2 comes, what happened? Well, this is what the Supreme  
3 Court ruled, and this is what we were taking in and  
4 this is what happens.

5           Again, I repeat, no fault to anybody in  
6 this room, but it's something that I wouldn't be here  
7 today -- honest to God, I wouldn't be here today -- if  
8 I wasn't really, really concerned about this because  
9 it will have a direct, direct impact on that county as  
10 the other counties, too.

11           REPRESENTATIVE KORTZ: Thank you.

12           Thank you, Mr. Chairman.

13           MAJORITY CHAIRMAN PAYNE: Thank you.

14           I have two to go, Kavulich and Dunbar;  
15 Kavulich first.

16           REPRESENTATIVE KAVULICH: Mr. Chairman,  
17 congratulations. On one of your last meetings, you  
18 finally got my name right.

19           MAJORITY CHAIRMAN PAYNE: Representative,  
20 I have always figured that part out.

21           REPRESENTATIVE KAVULICH: And really, no  
22 disrespect to you. You've been a great friend, and  
23 you've done a great job. It's been an honor working  
24 with you, even though you didn't get my name right  
25 until today.

1 MAJORITY CHAIRMAN PAYNE: Thank you.

2 REPRESENTATIVE KAVULICH: We will miss  
3 you, by the way.

4 With all due respect to me fellow members  
5 discussing the distribution formula, we all know how  
6 things run in this chamber and how long it takes us to  
7 get things done. I would urge us to first of all  
8 solve the problem that was created by the Supreme  
9 Court ruling with how these funds are -- whether we do  
10 it with a flat tax or whether we do it with some other  
11 sort of formula for the casinos, and then we look into  
12 -- then we come back and look into the distribution  
13 formula and if we are going to open up the gaming bill  
14 and do a more comprehensive reform.

15 Because as we heard from the two gentlemen  
16 who have been speaking, the budget is due in less than  
17 a month and some of these -- we do this to school  
18 districts. We force them to have a budget in June  
19 before we even have a State budget and they even know  
20 their allotments, and then they get stuck.

21 Let us solve the problem so the  
22 municipalities know what they have and then when we  
23 come back for a new session with however we're going  
24 to look, with whatever members are here, then let us  
25 deal with the distribution formula and any other

1 gaming issues that we would like to see changed.

2 I just think it's imperative that we act  
3 on this quickly and do it before we get out of here  
4 and then we come back and start anew and maybe look at  
5 some of the other problems or some of the other issues  
6 that the members have, and I say that respectfully to  
7 everyone here.

8 Thank you.

9 MAJORITY CHAIRMAN PAYNE: Thank you.

10 Representative Dunbar.

11 REPRESENTATIVE DUNBAR: Thank you, Mr.  
12 Chairman.

13 I really, really was trying to be good and  
14 sit here and keep my mouth shut and not say anything,  
15 but -- and I agree with you, Representative Kavulich  
16 -- did I get that right, Sid?

17 I do agree with you that those that have  
18 should remain whole, but at the same time, those that  
19 have not have been looking for the opportunity for  
20 this portion to be open. I will try to frame a  
21 question in the middle of all of this.

22 But first, to let everyone understand, I'm  
23 from Westmoreland County, and we do not have a casino,  
24 but we are contiguous to three counties that do so we  
25 are surrounded. And we are the only county -- we are

1 the only, only county in the Commonwealth that has  
2 three casino counties around it.

3 With all due respect, Mr. Civera, I'm sure  
4 if you were home and every time you went home and you  
5 heard from every single resident about how Allegheny  
6 County gets this and Fayette County -- Sorry, Ryan, I  
7 know you're sitting in -- and Washington County --  
8 Sorry, Jason -- you know, all of their counties are  
9 getting money, we're not getting money. So we get  
10 beat up quite regularly.

11 So with all -- the question I really had  
12 was, back in those days, back when you and  
13 Chairman Payne did this, didn't you get a lot of  
14 pushback from the contiguous counties? I mean, I  
15 understand there are like 24, 26 contiguous counties,  
16 ones that border, how did you get past them?

17 MR. CIVERA: A lot of those counties were  
18 opposed to the idea of gaming to begin with. There  
19 was -- the votes weren't there. It took quite some  
20 time before the leaders and the chairmen and  
21 everything put this whole packet together in front of  
22 the House and caucused very intently on it.

23 But there was no, everybody dying to push  
24 that green switch, Truthfully, I'm telling you. So  
25 that had somewhat -- to be honest with you, that had



1 somewhat of an impact on what happened and how it was  
2 laid out.

3 REPRESENTATIVE DUNBAR: And I pretty much  
4 figured that would be the answer. So we also are  
5 going to be in that position with this fix. Not  
6 everybody is going to be dying to jump onto that green  
7 button for this fix.

8 And we understand it needs to be done. I  
9 don't think anybody here is advocating against the  
10 fix. I think we all want the fix, but at the same  
11 time, with this portion being opened, I think you're  
12 going to see a lot of members like myself included  
13 continue to push for the contiguous counties to get  
14 something.

15 Thank you, Mr. Chairman.

16 MAJORITY CHAIRMAN PAYNE: Thank you.

17 Moving onto our next speaker.

18 MR. CIVERA: Thank you, Mr. Chairman.

19 MAJORITY CHAIRMAN PAYNE: We appreciate  
20 it.

21 MR. CIVERA: Thank you, members of the  
22 Committee.

23 MAJORITY CHAIRMAN PAYNE: Next speaker  
24 from Paradise Township, Monroe County, is Mr. Peter  
25 Gonze.

1 Peter.

2 MR. GONZE: Actually, no. Gonze.

3 MAJORITY CHAIRMAN PAYNE: Gonze.

4 MR. GONZE: Peter Gonze.

5 MAJORITY CHAIRMAN PAYNE: Peter Gonze.

6 So I got Sid's right, but I messed yours  
7 up.

8 MR. GONZE: That's all right.

9 MAJORITY CHAIRMAN PAYNE: Peter, thank you  
10 very much for being here today.

11 Again, if you can give us the CliffsNotes  
12 version, we're trying to get through here before  
13 10:00, and it's a hot topic with the members.

14 I think, if you haven't guessed this, I  
15 don't think the fix will be the problem as much as the  
16 distribution.

17 MR. GONZE: So I appreciate the  
18 opportunity to come before your Committee to provide  
19 you with some comments from a township, Paradise  
20 Township in northeastern Pennsylvania.

21 My comments were already CliffsNotes  
22 versions, so I will not bump down to bumper sticker  
23 messages.

24 MAJORITY CHAIRMAN PAYNE: That's good.

25 MR. GONZE: The recent decision by the

1 Pennsylvania Supreme Court will have absolutely dire  
2 consequences for our township. It's not by  
3 coincidence that tomorrow we begin our budget  
4 discussions, and I anticipate a robust conversation  
5 about what do we use for revenue.

6           The existence of the Mount Airy Casino was  
7 truly a collaborative effort with the township from  
8 its inception. For Mount Airy to gain a license, it  
9 was imperative that the Township show its support and  
10 work cooperatively with the casino. To that  
11 end, we vacated roads and we also took roads that  
12 would assist in traffic patterns going into the  
13 casino. We are now solely responsible for  
14 some of those roads.

15           We're a small rural township with a  
16 population of roughly 3,000 people, a second-class  
17 township. When Mount Airy was licensed in 2007 and  
18 began to operate, the Township was provided with a new  
19 source of income that allowed us to restore and  
20 rehabilitate and maintain our 35 miles of roads,  
21 including repair in the summer, snow plowing in the  
22 winter, and to maintain or replace the  
23 bridges and culverts that needed to be maintained.

24           In addition, the revenue from Mount Airy  
25 allowed the township to provide some support for

1 community services, including volunteer fire company,  
2 ambulance service, the community center and library,  
3 which needed additional support.

4           So While the revenue generated by Mount  
5 Airy that came to the township allowed for a  
6 restoration of support for some basic community  
7 services, it also was necessary to offset the impact  
8 to our roads from the additional traffic and clean-up  
9 of trash due to the increased number of visitors  
10 coming through Paradise Township.

11           Our annual township budget is  
12 approximately \$2.2 million. Revenue from Mount  
13 Airy slots is \$880,000, which is 40 percent of the  
14 township revenue. These moneys are documented in our  
15 annual Gaming Commission report, and they go into the  
16 General fund for road upkeep and the things that we  
17 mentioned, along with reserve accounts for  
18 anticipated expenses for bridges, stream bank  
19 restoration and stabilization and other township  
20 infrastructure projects.

21           So The assumption by some that having  
22 Mount Airy in our township is a panacea and an  
23 endless source of revenue for the township is  
24 misguided. Our community is still suffering from the  
25 housing bust of 2008, a number of foreclosures. And

1 when you consider the current burden of county taxes  
2 at 21 mills, and especially the school taxes at 131  
3 mills, the additional gas tax, the sales tax, it is  
4 not hard to understand that the prevailing feeling is  
5 that we are living in Taxylvania.

6 A loss of the Mount Airy slots revenue to  
7 the township would have a devastating impact on our  
8 residents. Specifically, to make up the loss of  
9 \$880,000, it would require the township to increase  
10 local taxes by over 20 mills. As you may be  
11 aware, an increase of this magnitude in a second-class  
12 township is not possible since the cap on local taxes  
13 is 14 mills. So creating create -- filling that gap  
14 would create a hardship on our residents.

15 Not only would the General Fund amounts  
16 have to be slashed, cutting available funds for road  
17 upkeep and maintenance, but contributions to first  
18 responders in the emergency services associations  
19 would also have to be cut back. So the subsidies we  
20 provide to community services, which support the young  
21 kids and seniors, and also the library, would  
22 be impacted, and they would be forced to reduce their  
23 services.

24 Although the casino has been for the most  
25 part a good neighbor, it is not a neighbor without

1 costs. The neighbor has changed the landscape of the  
2 township, and the township has had to respond with  
3 accommodation. The accommodation comes with a cost,  
4 the local share tax to offset that cost. It is  
5 also projected that the casino will continue to  
6 flourish, and if it does so, new strains on  
7 our very small economy of Paradise Township will be  
8 realized. Additional police services may be required,  
9 not just within the casino, but outside the casino to  
10 accommodate traffic, traffic violations and the  
11 increased flow of people into the community.

12 So your efforts to find a solution  
13 resulting from this Supreme Court decision to  
14 maintain the current level of funding from the Mount  
15 Airy slots to our community is greatly appreciated.

16 I thank you in advance for your thoughtful  
17 consideration.

18 MAJORITY CHAIRMAN PAYNE: Thank you.

19 I hear you loud and clear on the issue,  
20 and I find it kind of ironic that Mount took the lead  
21 on the lawsuit before the Supreme Court.

22 So that is part of the reason that we're  
23 here today, is to try and come up with that fix.

24 Representative Parker, questions?

25 REPRESENTATIVE PARKER: Thanks, Mr.

1 Chairman.

2 Yes, well, Paradise Township is in my  
3 district, and I travel through it quite a bit.  
4 Actually, we have a closed bridge right now. So a lot  
5 of traffic is detouring onto local roads because of  
6 that, and it's a State bridge project.

7 So one question is on the impact of having  
8 our local roads right now. That would come out of  
9 your regular budget, as well?

10 MR. GONZE: Absolutely. Absolutely.

11 REPRESENTATIVE PARKER: Okay.

12 MR. GONZE: Plus, as you know, we have  
13 other township bridges and culverts that have been  
14 rated as requiring repair --

15 REPRESENTATIVE PARKER: Right.

16 MR. GONZE: -- and we count on those funds  
17 for that, as well.

18 REPRESENTATIVE PARKER: Right. Yeah, if  
19 it's okay to point out, in Monroe County, we have the  
20 highest quality streams, and many of them. So as a  
21 result, we have a lot of bridges that need  
22 replacement. So this revenue is particularly  
23 important to Paradise Township, which has many, many  
24 streams and lots of bridges.

25 So if I could talk about distribution. I

1 know people have been sharing their concerns with how  
2 the money is distributed, that their contiguous county  
3 doesn't get money. Monroe County, which has the  
4 highest foreclosure rate in the State, the highest  
5 school property tax in the State as a percentage of  
6 income.

7           It is the only county that has to share  
8 half of their county revenue with the contiguous  
9 counties, even some counties that have their own  
10 casino. So I'm interested in a fix. As many of you  
11 know, I tried to get a fix in the last gaming bill.  
12 That didn't work out, but I know we need to fix this  
13 quickly.

14           And I appreciate the comments of the  
15 gentleman from Lackawanna County, who also shares in  
16 our consumer revenue to a large degree. But when I  
17 see casino revenue from our county going to townships  
18 that border New York State, I fail to see the impact  
19 that they're receiving from our casino and why that  
20 money should travel so far.

21           We definitely do need to address that. I  
22 know we need to fix this quickly so Paradise Township  
23 doesn't lose their money. Monroe County, as well,  
24 relief heavily on the revenue from the casino. So I  
25 urge a quick fix, and then we need to address how the



1 distribution takes place.

2 MAJORITY CHAIRMAN PAYNE: Thank you.  
3 Representative Rozzi.

4 REPRESENTATIVE ROZZI: Thank you, Mr.  
5 Chairman.

6 I want to agree with my fellow  
7 Representatives here that, no doubt, a tax fix is  
8 imperative and that we do that quickly. All this talk  
9 about the distribution, and of course Berks County, we  
10 don't have any casinos. We don't see any dollars. Of  
11 course people travel through.

12 But when I hear all of this talk about  
13 distribution, you know, it concerns me because it  
14 seems like we're going to be looking to fill all of  
15 these county budget holes with casino money. How much  
16 more do they need to pay?

17 You know, when is enough enough taking  
18 from the casinos?

19 They put their fair share in, and my  
20 concern is that we're going to be looking back to them  
21 and saying, how much more can we take from they,  
22 because maybe we don't want to do our job here at the  
23 State. So I just want to make that comment, moving  
24 forward, that we make sure that whatever fix we put in  
25 place resembles the numbers that they are currently

1     paying and not trying to go and keep taking and  
2     taking, you know, when we can't even get other things  
3     done by gaming that would benefit our Commonwealth and  
4     other things that we've been working on, the fantasy  
5     and the online poker.

6             I mean, it's time we get some of that  
7     other stuff done, and again, put the right fix in  
8     place and not keep asking our casinos to pay more.  
9     There's going to be an argument over distribution, for  
10    sure, but that's definitely for another day.

11            Thank you, Mr. Chairman.

12            MAJORITY CHAIRMAN PAYNE: Thank you for  
13    echoing my feelings on we sent an omnibus bill over,  
14    out of this Committee, off of the House floor, that  
15    would not only bring more revenue into the  
16    Commonwealth, but it would really help all of the  
17    casinos stay competitive with the surrounding States.

18            So thank you.

19            Thank you very much for your testimony.

20            Next, we have, let's see, Nancy Agostine,  
21    Summit Township, and Kathy Dahlkemper, Erie County.

22            How'd I do?

23            MS. AGOSTINE: Great.

24            MAJORITY CHAIRMAN PAYNE: Everybody is  
25    happy, but Sid. I got Sid happy today.

1 MS. AGOSTINE: Thank you, Chairman Payne,  
2 and everyone, for your time this morning.

3 I will just keep with the pertinent  
4 comments and not stick with my testimony.

5 I would like to talk a little bit about  
6 the impact on host municipalities. Summit Township is  
7 the host for Presque Isle Downs and Casino. I was  
8 there when it started. I've been with the township  
9 for 22 years.

10 The impacts are severe on the host  
11 municipality. We could start with the volunteer fire  
12 department. Everyone's fire department is struggling  
13 already and it puts such an impact on ours. Our  
14 casino has 120 calls a year. They're there every two  
15 or three days.

16 We had to come up with a hybrid system,  
17 and we've now got a partially-paid,  
18 partially-volunteer fire department. The cost for  
19 just a skeleton crew on that staff is \$500,000 per  
20 year, and that will continue for every year in the  
21 future. There is an impact to host municipalities.  
22 They do need to be taken care of.

23 Our sewer authority just began a \$3.5  
24 million lift station project. Fifty percent of the  
25 capacity is from the casino itself. We've provided

1 already \$1 million of gaming revenue towards that  
2 project. That project allows them to provide the  
3 capacity that not only the casino will need, but when  
4 they came in, they used up the future capacity that we  
5 had been anticipating for many years to come. The  
6 same goes for our water authority. The capacity that  
7 the casino uses was so substantial, and they needed to  
8 also have backup for fire alarms, which is another  
9 substantial amount of water.

10 When they came in, it became necessary to  
11 actually develop a well field because we could not  
12 purchase enough from the city of Erie. If we had  
13 purchased enough via downstream systems, the casino  
14 would be paying another \$150,000 per year for water.

15 So we've participated millions and  
16 millions of dollars. Practically all of our funding  
17 has gone to the impacts created by the casino, and I  
18 think it is very important that everyone remember  
19 that. I would just like to add the comment, keep it  
20 simple stupid. Let's just get the fix in and worry  
21 later about the additional concerns over the  
22 distribution.

23 Thank you for your time.

24 MAJORITY CHAIRMAN PAYNE: Thank you.

25 MS. DAHLKEMPER: Thank you, Chairman Payne

1 and Representative Costa. Thank you for allowing me  
2 to speak on behalf of the citizens of Erie County.

3 As an Erie County executive, I want to  
4 speak about the urgency of getting something done  
5 within this calendar year.

6 Our home rule charter states that I have  
7 to have a budget to the county council by October 1st.  
8 Since that was a Sunday this year, two days after the  
9 Supreme Court ruling, I presented my budget to county  
10 council.

11 We have \$5.5 million of our budget coming  
12 from the gaming funds that Erie County receives  
13 because of Presque Isle Downs Casino. So this  
14 obviously would put a huge hole in our budget; \$3.8  
15 million of that \$5.5 is for debt service on an airport  
16 extension, which benefits the entire northwest  
17 Pennsylvania, as well as an arena that was renovated.

18 My understanding, I was not there at the  
19 time of the law's passage, but my understanding is  
20 that part of the law is to help the host county have a  
21 vibrant community that's not defined by its casino.  
22 So much of our funding, the \$11 million that Erie  
23 County gets, \$5.5 million, which goes directly to the  
24 county, \$5.5 million goes to an authority that we've  
25 created, enhances all of those community entities that

1 we have, from our zoos to our museums to helping our  
2 small communities grow and be more vibrant, to the  
3 Flagship Niagara, which is actually a State property,  
4 but is located in Erie and is also funded through some  
5 gaming funds.

6           So I have a budget that's been put forth  
7 to my counsel. They have to pass that budget by  
8 December 1st. We have \$5.5 million in that budget  
9 coming from gaming funds. I'm not sure where we would  
10 come up with that funding.

11           As I said, \$3.8 is debt service that has  
12 to be paid. Much of the other money goes to pay for  
13 -- goes to our entities that work with our most  
14 impoverished individuals in our community. We have  
15 the second-highest poverty rates of any community in  
16 the State, and we've had huge job losses this past  
17 year with General Electric, our largest employer,  
18 laying off 100 people permanent -- permanent layoffs.

19           So we've got a lot of challenges right  
20 now, and my request -- and I used to be in a  
21 legislative body as a member of the U.S. Congress, and  
22 I know how difficult this is. I know that your time  
23 frame is short, and I know that there are a lot of  
24 interests tugging at you now, but I ask you to please  
25 look at the impacts that this has on the counties and

1 the host communities that these casinos are in and  
2 that will be affected greatly through our budget  
3 process.

4 So again, I thank you for your interest.  
5 I thank you for having this hearing today and really  
6 listening to our concerns.

7 MAJORITY CHAIRMAN PAYNE: Thank you for  
8 your testimony.

9 Questions?

10 The Chair is seeing none.

11 I want to make two comments and then have  
12 my co-chair comment.

13 It should be noted that within 48 hours of  
14 the Supreme Court decision, Josiah came into my office  
15 with several bullet points on fixes. We hashed those  
16 around for a day, went down to our House Republican  
17 leadership team, met with the Appropriations people,  
18 hashed those bullet points around again, went to the  
19 House Democratic side of the aisle and talked to them.  
20 In fact, the Senate now is involved in those  
21 discussions.

22 So as we sit here today, our leadership  
23 team in both the House and the Senate are under  
24 discussion of several bullet points that Josiah -- and  
25 he deserves that credit -- with 48 hours of that

1 Supreme Court ruling, he came up with some potential  
2 ideas.

3 Now, there is no magical wand that fixes  
4 everything. I was correct in determining it's not  
5 just a fix, it's the distribution side as we've heard  
6 repeated in testimony today.

7 There's also the desire to look at a new  
8 revenue side because while the fix may fix the local  
9 share for those that haven't followed, we've already  
10 drawn on our line of credit now twice. So that brings  
11 additional challenges.

12 The Senate, fortunately, has three title  
13 bills that this Committee has voted out of committee,  
14 the House has voted out of the House, they're over in  
15 the Senate chamber, which would be a lot easier to  
16 amend and send back on concurrence than this Committee  
17 starting all over with a bill or a fix or whatever you  
18 want to call it.

19 For those that don't remember, we had a  
20 substantial amount of amendments on every one of the  
21 Title IV gaming bills in the House, in the hundreds.  
22 So my hope is that we are able to negotiate a deal,  
23 the Senate can make the amendment and send the bill  
24 back to us on a concurrence vote.

25 I also want to comment, while I have no



1 casino in my district, and that's probably a good  
2 thing -- I'm fair and unbiased to all of the  
3 casinos -- Representative Helm, and she and I share  
4 Dauphin County, has one in her district.

5 Hollywood has been a good neighbor to  
6 Dauphin County and to Grantville, where it's located.  
7 You talk about a small municipality in the middle of a  
8 cornfield, that's exactly what Grantville was before  
9 Hollywood got there, but they have been a tremendous  
10 neighbor and helped out.

11 Dauphin County has done a great job in the  
12 distribution of that local fund. Most of our fire  
13 departments, and it's ironic you brought up the fire  
14 service, has benefitted with new fire equipment, or a  
15 new fire station in Grantville's case thanks to the  
16 gaming revenue.

17 So I think there's a way to do it.  
18 There's a way to do it right. The challenge will be  
19 getting 102, 26 and 1.

20 Chairman Costa.

21 MINORITY CHAIRMAN COSTA: Thank you, Mr.  
22 Chairman.

23 Thank you for being here, ladies.

24 I can assure you that we probably got one  
25 of the best qualified committees to deal with this

1     problem. Under Chairman Payne's leadership, we've  
2     been all over the State. I've been on this gaming  
3     since I got here eight years ago.

4             I know what happened is something that the  
5     chairman has is he had the insight of saying, we have  
6     new members all the time. Had he not prepared me us,  
7     because apparently he's a public safety person, too,  
8     and he know the meaning of -- he knows what prepared  
9     is, this would be a calamity right now for this  
10    committee to try to deal with this without the  
11    knowledge that we've gained throughout these past two  
12    years under his leadership.

13            He's a friend of mine. I respect that,  
14    and I think I'm very much into the training aspect. I  
15    think we're ready to deal with this, and I think we'll  
16    deal with it in a very professional and fair manner  
17    because of the things that he has done and, you know,  
18    the progress that we have here.

19            So Chairman, thank you. I appreciate  
20    that.

21            MAJORITY CHAIRMAN PAYNE: No, thank you.

22            With that, this hearing is adjourned and I  
23    appreciate everybody's testimony and the members'  
24    attendance. Thank you.

25            (Whereupon, the hearing concluded at 9:58 a.m.)

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C E R T I F I C A T E

I do hereby certify that the foregoing is a true and accurate transcript, to the best of my ability, of a public hearing taken from a videotape recording.

*Tiffany L. Mast*

Tiffany L. Mast, Reporter

Notary Public

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