

Testimony to the Gaming Oversight Committee

Presented by Peter Gonze, Paradise Township Supervisor, Monroe County

Ladies and Gentlemen,

Thank you for this opportunity to address your Committee. My name is Peter Gonze, I am a member of the Board of Supervisors of Paradise Township in Monroe County located in Northeastern PA.

The recent decision by the Pennsylvania Supreme Court which found the local share assessment tax to be unconstitutional will have dire consequences for our Township unless the legislature acts quickly to address deficiencies in the current gaming regulations. In the next few minutes I would like to highlight the impact to our Township and importantly focus on the adjustments and accommodations we have made as a function of the introduction of gaming at Mt. Airy.

The existence of the Mount Airy Casino was truly a collaborative effort with the Township from its inception. In order for Mount Airy to gain a license, it was imperative that the Township show its support and work cooperatively. To that end, the Township vacated roads (Strickland Road), and the Township took over a State-owned road to allow for reconstruction of the road in a fashion that would assist the Casino (Woodland Road). The Township is now solely responsible for Woodland Road which is a major thoroughfare.

Paradise Township is a small rural township with a population of roughly 3000 people in Northeastern PA, some would describe it as bucolic. We are a 2nd Class Township. Approximately 40% of our population is either under 18 or over 65 years of age.

Historically, resort hotels were the primary source of tax revenue to provide basic services in our community. Over the years these resorts fell out of favor with visitors and went out of business. Paradise Township lost a significant source of revenue and many community services, as well as road and bridge maintenance had to be curtailed. Infrastructure projects were delayed or canceled and the area went into decline with respect to maintenance and capital projects.

When the Mt. Airy Casino was licensed in 2007 and began to operate in the Township, this new source of revenue allowed the Township to restore, rehabilitate and maintain its 35 miles of roads (including repairing and resurfacing in the summer and snow plowing in the winter) and to maintain or replace the many bridges/culverts in the area. In addition, revenue from Mt. Airy allowed the Township to provide some support for community services including the Volunteer Fire Company, ambulance service, Community Center and Library.

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

All the roads that provide access to the Mt. Airy parking lots are Township roads. Increased traffic throughout the Township with visitors going to the casino along with increased crowds for special events (i.e. concerts, firework displays) adds to the wear and tear on roads and bridges. Thus, the revenue from the slots to the Township allows us to mitigate the impact of increased road usage and to provide cinders and snow plowing for all of the Township roads as well as the access roads to Mt. Airy.

Our Annual Township budget is approximately \$2.2 million. Revenue from Mt. Airy slots is \$880,000 which is about 40% of the Township revenue. These monies, as documented in our annual report to the Gaming Commission, go into the General fund (including road upkeep and repair) along with reserve accounts for anticipated expenses for bridges, stream bank stabilization and other Township infrastructure projects.

The assumption by some that having Mt. Airy in our Township is a panacea and an endless source of wealth for the Township is misguided. Foreclosures within the Township provide evidence that recovery from the housing bust of 2008 has yet to occur. And, when you consider the current burden of County taxes at 21 mills and especially school taxes at 131 mills, on top of state taxes, the additional gas tax and sales tax, it is not hard to understand the prevailing feeling is that we are living in TAXLYVANIA.

A loss of the Mt. Airy slots revenue to the Township would have a devastating impact on our residents. Specifically, to make up the loss of \$880,000 would

require the Township to increase local taxes by over 20 mills. As you may be aware an increase of this magnitude is impossible since the 2nd class Township Code cap on local taxes is 14 mills. Even if the loss were only half this amount (i.e. \$440,000), assuming it was an option, an increase in millage to make up the difference would create a hardship on our residents.

Not only would general fund amounts have to be slashed, cutting available funds for road upkeep and maintenance, but contributions to first responders in the Emergency Services associations would have to be cut back. Subsidies currently provided to community services like the Community Center, a key provider of services to young children and seniors, the library and other 501(3)c groups would be impacted and each forced to reduce services or seek other revenue sources.

On behalf of the residents of Paradise Township, the Board of Supervisors urges the Gaming Oversight Committee and indeed the entire legislature to address the deficiencies in the current regulations. Revenues from slots allow Paradise Township the resources to maintain critical infrastructure assets. We want visitors to continue to access Mt. Airy and we continue to prioritize the needs of our community. Loss of revenue from Mt. Airy would necessarily cause us to ratchet down our current level of maintenance and services.

Although the Casino has been for the most part a good neighbor, it is not a neighbor without costs. The neighbor has changed the landscape of the Township, and the Township has had to respond with accommodation. The accommodation comes with cost – the local share tax helped offset that cost. It is projected that the Casino will continue to flourish and if it does so, new strains on the very small economy of Paradise Township will be realized. Additional police services may be required, not just within the Casino, but outside the Casino to accommodate traffic, traffic violations, and the increased flow of people.

Your efforts to find a solution resulting from the PA Supreme Court decision to maintain our current level of funding from the Mt Airy slots is greatly appreciated.

Thank you for your thoughtful consideration.