

Action on a state House bill that requires the state's casinos to pay a \$10 million yearly fee to their host municipalities is not expected until January at the earliest.

Kevin Flowers @ETNFlowers

The Pennsylvania Supreme Court issued a ruling in late September that put millions of dollars casinos pay to host communities across Pennsylvania in jeopardy.

The state's highest court also gave Pennsylvania lawmakers roughly four months to come up with a fix, and that fix hasn't happened yet.

Gov. Tom Wolf wants to see state legislators get back to work to forge a solution, before Erie County and other communities that rely on gambling revenues start to suffer financially.

"What we really need is the Legislature to do what the Supreme Court asked them to do," Wolf said during an hourlong meeting with the Erie Times-News Editorial Board last week, "and come up with something that does pass constitutional muster.

"I don't have the answers," Wolf said. "But I will work with the Legislature to try to come up with (answers)."

Legislative action on a state House bill that requires the state's casinos to pay a \$10 million yearly fee to their host municipalities to cover costs associated with legalized gambling is not expected until sometime in January at the earliest.

That bill passed the House Oct. 27, but the state Senate needs to take up the issue again before the legislation can move forward.

Even though the Senate approved a gambling bill on Oct. 25 that included the \$10 million host fee, that bill was changed by the House to include gaming expansions that would legalize

internet and fantasy sports gambling that represent about \$100 million in new revenue for the state.

Neither the Senate nor House has regular session days scheduled for the remainder of this year.

Wolf said the Supreme Court was "generous" in giving state legislators a window to fix the state's gambling law, but there needs to be positive movement on the issue soon.

State Rep. Pat Harkins of Erie, D-1st Dist., agrees with Wolf's assessment.

"We did deal with it before the end of last session, but it's not done. It's priority number one as far as I'm concerned when you look at what it could do to smaller communities," Harkins said.

"This is making people uneasy. We have to jump on this as soon as we get back," Harkins continued. "But I think people will want to make a statement with it, get their pound of flesh for their areas. That's what I'm concerned about."

Presque Isle Downs & Casino in Summit Township has paid county government about \$11 million each year since it opened in February 2007, with \$5.5 million going to the county and \$5.5 million to the Gaming Revenue Authority.

Summit Township also receives roughly \$1.2 million annually as the casino's host municipality, and four other municipalities near the casino — Millcreek, McKean, Waterford and Greene townships — receive smaller shares of slots revenue as the result of a 2008 lawsuit over how county government planned to use a portion of its gambling funds.

The county uses gambling revenues to fund libraries, award grants to various local agencies and to make payments on the county's existing long-term debt. Erie County Executive Kathy Dahlkemper's administration plugged \$5.5 million in gambling revenue into the county's \$98.7

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million budget for 2017.

That budget was approved by Erie County Council on Nov. 15.

Wolf added that his administration is willing to help municipalities and the casinos that they host broker payment in lieu of taxes deals, similar to the \$10 million P.I.L.O.T. for 2017 that the city of Pittsburgh and the Rivers casino announced in November.

Perry Wood, the Gaming Revenue Authority's executive director, has said that Erie-area officials should consider approaching Presque Isle Downs & Casino about a similar deal.

The Supreme Court ruled on Sept. 28 that the effect of a "local share assessment" is unconstitutional because it treats the state's 12 casinos unequally. A lawsuit filed by Mount Airy Casino in the Pocono Mountains argued the assessment violates the state constitution by imposing a heavier tax burden on lower-performing casinos.

Kevin Flowers can be reached at 870-1693 or by email. Follow him on Twitter at [twitter.com/ETNflowers](https://twitter.com/ETNflowers).

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