

**TOWNSHIP OF LOWER MERION**  
***Building & Planning Committee***  
**Issue Briefing**

**Topic:** Mini-Casino Gambling Legislation

**Prepared By:** Robert E. Duncan, Assistant Township Manager

**Date:** December 6, 2017

**I. Action To Be Considered By The Board:**

There is no action associated with this item.

**II. Why This Issue Requires Board Consideration:**

As noted above, this item does not require action and is therefore for informational purposes only.

**III. Current Policy Or Practice (If Applicable):**

Not applicable.

**IV. Other Relevant Background Information:**

On October 30, 2017, Governor Wolf signed a bill to greatly expand gambling across Pennsylvania. This was part of the approved budget. The new law allows a broad expanse of gambling options including off-track electronic horse-race betting; wagering on "Fantasy Contests"; internet instant lottery; sports wagering (when federally authorized); and various inter-active gaming devices (including authorizing them at airports). The bill also authorizes existing casinos to open a "mini-casino" containing slot machines and table games. The state's existing casinos will have the first option at one of the ten "mini-casinos" with up to 750 slot machines and 30 table games to start. Truck stops could have up to five video gaming terminals, and under the definition in the law, about 100 locations would qualify.

The bill recognizes four categories of slot machine casinos:

Category 1: Licensed racetrack facilities.

Category 2: Casinos in Philadelphia, a city of the second class or a revenue- or tourism-enhanced location (such as the Poconos).

Category 3: A well-established resort hotel having no fewer than 275 guest rooms.

Category 4: A new facility, owned by an existing slot machine licensee, to be used for slot machine and/or table gambling where the new facility is not within 25 miles of a Category 1, 2 or 3 facility not owned by the licensee and is not in a county where there is a Category 3 casino.

The definition of a Category 4 casino thus places some areas of Pennsylvania off-limits. Much of northeastern Pennsylvania around Mount Airy Casino Resort as well as Armstrong County. Fayette and Montgomery counties are banned because both are home to a resort casino — Valley Forge Casino and Lady Luck Casino – both are similar in size to the new mini-casinos. Thus, Pennsylvania's most heavily populated areas are off limits, unless a casino operator wants to put its own mini-casino nearby (except for Fayette and Montgomery Counties).

Municipalities will have until the end of 2017 to opt out. Counties in which there are currently existing casinos can also opt out. The deadline for municipalities to decide whether a casino is for them is by the end of 2017. Under the law, a municipality can approve a resolution before January 1, 2018 prohibiting one of the new casinos. It can undo the decision later, but after that it cannot reconsider.

Because the Valley Forge Casino is a Category 3 casino, no mini-casino would be currently permitted in Montgomery County. Thus, there is no reason for Lower Merion Township to take action to “opt out” unless there is concern that the Valley Forge Casino would cease operations. On the other hand, if the Board would not want a “mini-casino” in the Township, there is no harm in adopting the “opt-out” resolution. If the Board prefers to adopt a resolution to opt out, a special Committee meeting can be scheduled prior to the December 20, 2017 Board of Commissioner’s meeting.

**V. Impact On Township Finances:**

There is no impact on Township finances.

**VI. Staff Recommendation:**

No recommendation is being provided since this item does not require action.