

Joint Public Hearing with House Liquor Control Committee: Casino Liquor Licenses
May 11, 2015

Testifiers:

Tim Holden, Chairman, PLCB

Joseph “Skip” Bryon, Member, PLCB

Michael Negara, Member, PLCB

Jerry Waters, Sr., Senior Director of Regulatory Affairs, PLCB

Rodrigo Diaz, Executive Deputy Counsel, PLCB

Adrian King, Jr., Partner, Ballard Spahr, LLP

Joseph Tyrrell, Regional VP of Government Relations, Caesars Entertainment Corp.

Amy Christie, Executive Director, PA Licensed Beverage and Tavern Assoc.

Melissa Bova, Director of Government Affairs, PA Restaurant and Lodging Assoc.

Key Points:

- Chairman Holden on behalf of PLCB
 - Currently, there is no liquor license specifically designed for casinos. Instead, the 12 casinos use restaurant liquor licenses to sell alcoholic beverages to customers.
 - Conveyed a series of questions to consider while deliberating the creation of a new casino license
 - Acceptable time for sale/service of alcohol (i.e., after 2:00am, or 24/7)
 - Comping patrons with free alcohol, regardless of active playtime
 - Use of “loyalty” or “rewards” points to purchase alcohol
 - Exempting casinos from rules regarding discount pricing practices (i.e., happy hours, daily drink specials)
 - Exempting casinos from regulations involving “events, tournaments or contests” and prize limitations
 - Allowing multiple restaurant venues to sell alcohol using only the casino’s liquor license
 - Complete exemption from license suspension provisions of the Liquor Code, and imposing more significant fines for unlawful conduct
 - Requiring casino operators to obtain the new casino licenses, and allow them to retain current liquor license or simply surrender to PLCB.
- Mr. King Jr. spoke on behalf of Ballard Spahr
 - Due to increased competition in the gaming industry, tax revenue over the past two years has decreased.
 - An extended or 24-hour alcohol service will protect the Commonwealth’s casinos from further competition and increase attractiveness to both in and out-of-state gaming patrons.
- Mr. Tyrrell spoke on behalf of Caesars Entertainment Corp.
 - Casinos in the state report a sharp decline in patronage at 2:00am, the time when alcohol service is cut off. A lot of players at Harrah’s are shift workers whose happy hour may come at 3:00am.
 - Maryland permits a 24-hour alcohol service and local jurisdiction takes precedent. States that offer 24-hour service have higher revenues.

- The Gaming Act was designed to help the racehorse industry and provide property tax relief. Casinos are regional business and have a different threshold to cross relative to local bars.
- Ms. Christie spoke on behalf of PA Licensed Beverage and Tavern Assoc. which opposes the creation of new license.
 - If serving hours are extended for casinos, the same extension should be offered to all retail licensees.
 - A casino license would devalue investments and create an un-level playing field with liquor code laws and regulations.
- Ms. Bova spoke on behalf of PA Restaurant and Lodging Assoc. which opposes the creation of new license.
 - A 24-hour alcohol service would be another advantage denied to non-casino entities.
 - Raised concerns over safety related to 24-hour sales and logistical issues related to how a casino license would work.
 - Increased number of DUIs in Lehigh County following the opening of Sands Bethlehem increased after free drinks were allowed.