



Testimony of Melissa Bova  
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Good morning Chairman Ross, Chairman Payne, Chairman Costa, Chairman Kotik and members of the House Liquor Control and Gaming Oversight Committee. Thank you for allowing me to testify before you today. My name is Melissa Bova. I am the director of government affairs for the Pennsylvania Restaurant & Lodging Association (PRLA). On behalf of our more than 2,600 members who represent more than 7,000 locations in Pennsylvania, many of which hold a liquor license, I am here today to discuss the potential ramifications of creating a casino license in Pennsylvania.

As you well know, tweaking one thing in the liquor code tends to cause a ripple effect on other aspects of the code. The proposal to create an entirely new license category for casinos must be scrutinized for its potential impact down the line. Without seeing an actual proposal, I cannot say that PRLA is opposed, supportive or neutral on the creation of a license; however, I do want to share the feedback, thoughts and concerns our association and the members we represent have towards the concept.

Our first concern with a casino license would be the competitive disadvantage placed on current license holders. Casinos already receive many perks not afforded to other licensees, such as extremely broad smoking exemptions, free drinks on the casino floor and, of course, gaming. We are assuming that a "C" license would be allowed to operate for 24 hours. This would be yet another perk to an entity that has a business model meant to keep people in the casino and not visiting other entities in an area.

Our second concern is the safety risk associated with permitting a licensee open for 24 hours. Yes, casinos do have the Pennsylvania State Police on site but what about when those customers leave the casino? The risks must be fully evaluated when allowing for individuals to be drinking until 3, 4 or 5 o'clock in the morning.

Finally, we want to touch upon the logistics of how this type of license would work. Under the current system, a casino does not necessarily operate with a single R license. There are multiple restaurants in many of these locations, each with its own R license. If a casino license is created, does the license that licenses the floor of casino become the new license? What happens to onsite restaurants that have their own license? They have to follow the rules and regulations of their licenses, which puts them at a disadvantage to the casino license that now can operate 24 hours per day. Are all entities in the casino going to be required to give up or sell their R license? That certainly would not work because the R license is the property of the holder of the license. This could be a lose-lose for those restaurants—they have to sell their R license to comply with a new law, or they keep their license, but can't compete with the casino floor. If they do choose to sell the license because of a new law that wraps them into another

license—what if there is not a buyer at that time? The existing license holders that would be impacted by this new license need to be carefully considered.

As you can see by our testimony, we have several concerns and questions about creating a new license category which will need answers. At the end of the day, if the legislative body does decide that a separate license for casinos needs to be created, we urge that the cost of the license reflect the additional perks casinos are currently receiving, plus any new perks they would receive under this license upon purchase. In many areas, R licenses are selling for well over \$300,000. If a license is created that offers more perks than an R license, the cost of that license needs to reflect the difference.

We would ask, as you move forward with this process, that you allow the PRLA to provide the insight and feedback that will be needed on any proposal that is developed. We represent a wide variety of licensees in this state and the change to any current system needs to be carefully considered relating to how it will impact those already operating under the guidelines of the liquor code.

Thank you for allowing me to testify before you, I will be happy to answer any questions.