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Memorandum

Date: January 3, 2011
To: All House Members
From: Curt Schroder, Member
155th Legislative District 
RE: Re-introduction of Legislation
Fiduciary Duty of the Gaming Control Board

Currently, the Pennsylvania Race Horse Development and Gaming Act provides that the Pennsylvania Gaming Control Board shall serve as a "fiduciary of the Commonwealth." A fiduciary duty, in broad terms, requires the fiduciary to act as a good steward of the funds and authority reposed in him.

In the past, the Board has used this broad "fiduciary" language to justify actions which go far beyond the stewardship encompassed in the general understanding of fiduciary duty. In just one example, the Board incurred significant legal fees by filing petitions to dispute a Philadelphia City Council ordinance which authorized a referendum concerning the location of slots casinos within the city. This litigation should have, and could have, been handled by the affected licensees, i.e., Sugarhouse and, at the time, Foxwoods. Time and time again, the Gaming Control Board has used its "fiduciary duty" as an excuse to act as an advocate for the casinos it is supposed to oversee.

In the near future, I intend to re-introduce legislation to clarify the fiduciary duty of the Board. My legislation would specifically limit the fiduciary duty of the Board to the following:

- protection of the public through the regulation and policing of gaming,
- strict monitoring and enforcement regarding the activities of licensees and licensed facilities,
- strict financial monitoring and controls, and
- actions necessary to maintain the integrity of gaming.

If you are interested in cosponsoring this legislation, please contact my office by calling 783-2520 or e-mail Carolyn May at cmay@pahousegop.com.