



**Senate Community, Economic & Recreational
Development Committee Hearing on Casino Gaming**

Testimony of Eric Schippers, PENN Entertainment, Inc.

Good Morning Chairman Gebhard, Chairman Williams, and Members of the Senate Community, Economic & Recreational Development Committee. My name is Eric Schippers, and I am the Senior Vice President of Public Affairs & Government Relations for PENN Entertainment, Inc. Our company was founded and incorporated in Pennsylvania over 50 years ago, in 1972, and our corporate headquarters remains located less than an hour away in the Borough of Wyomissing, Berks County. We take a lot of pride in the fact that we have grown from the owner/operator of a single racetrack – Penn National Race Course here in Dauphin County – into what is today the nation’s largest regional gaming operator with 43 properties in 20 states throughout the U.S., including four here in the Commonwealth.

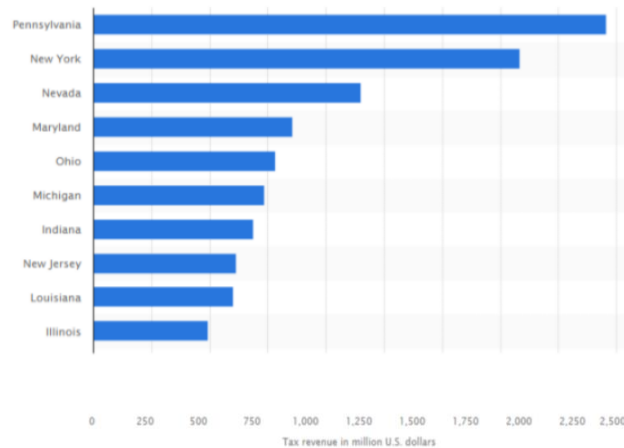
In Pennsylvania, we employ nearly 2,300 team members at our Hollywood Casino properties in Grantville (Dauphin County), Morgantown (Berks County), Washington (Washington County), and York (York County), as well as at our Wyomissing corporate office and our Interactive Division

office – focusing on online gaming and sports wagering – in Center City Philadelphia.

Since the passage of the Gaming Act in 2004, our company has invested well over \$1 billion in our gaming facilities here and paid over \$1.7 billion in taxes and local share disbursements. Equally important is the fact that we are one of the largest economic engines in the communities in which our facilities are located. During the time our casino facilities have been in operation we have paid our team members nearly \$1.2 billion in salaries and benefits, supported the horse racing and agriculture industries with Race Horse Development Fund payments totaling \$710 million, and spent \$232 million with small local businesses and diverse vendors. In addition, we have contributed millions of dollars to charitable and non-profit organizations, including the Central PA Food Bank, the Pennsylvania Veterans Trust Fund, the American Cancer Society, the Pennsylvania Breast Cancer Coalition, the Alzheimer’s Association, the Humane Society, the Washington County Food Bank, the United Way of Berks County, the Honey Brook Food Pantry, the York County Food Bank, York County Veterans Outreach and numerous volunteer fire departments and other deserving entities. We are committed, long-term investors in the overall economic health and success of our local communities.

Our Company’s achievements are a reflection of the unrivaled success that is the Commonwealth’s regulated casino gaming industry as a whole. With a carefully designed plan, Pennsylvania generates more gaming tax revenue for the benefit of its citizens than any other state in the country, *including Nevada*. In 2022 alone, gaming tax revenue totaled over \$2.2 billion, and from the passage of the Gaming Act to present day, the casino gaming industry has partnered with the Commonwealth to produce an astounding \$24 billion in tax revenue alone. Please refer to the 2022 Casino Tax Revenue Chart below.

**Tax Revenue from Commercial Casinos
in the United States in 2022 (in Million U.S. Dollars)¹**



Regrettably, I am here today to tell you that all of this – the tax revenue, the capital investment, the family sustaining jobs, the local share payments,

¹ Pennsylvania = \$2.207 billion, New York + \$1.834 billion, Nevada = \$1.151 billion.

the vendor spend, the associated spin-off economic development, and the community support – is at grave risk of significant impairment. What is causing this risk? To be clear, it has nothing to do with existing tax rates, tweaking regulatory mandates under the Gaming Act, or any other topic that this hearing may be intended to cover. Those are all requirements that the casino gaming industry agreed to in 2004 with eyes open in exchange for a protected market with limited competition, predictability and stability. Instead, the risk is created by the seemingly endless threat of continued cannibalistic gaming expansion in any of its various forms, including distributed gaming.

To be honest, at PENN, we are shocked and dismayed that this is once again an issue. The 2017 Gaming Act expansion amendments were supposed to have decided this issue. As some of you will recall, at that time, widespread distributed gaming was firmly rejected by the General Assembly and instead land-based expansion was focused on the authorization of Category 4 casinos and limited truck stop VGTs. We successfully bid on two of the Cat. 4s and developed state of the art facilities that are helping to grow the market for Pennsylvania in York and Morgantown. But now, once again, the Legislature is considering changing the rules in the middle of the game.

As the Commonwealth's proven and reliable tax generation partner, we urge smart, targeted and economically beneficial gaming policy decisions that take into account the billions of dollars of investments that have been made by our industry and additional capital investment plans we have for the future. Make no mistake about it, policy decisions resulting in a massive expansion of legalized gaming on every street corner across Pennsylvania represent an existential threat for the casinos here and the tens of thousands of jobs they provide.

Thank you for the opportunity to appear before you today. I would be happy to answer any questions you may have.