

Could a Casino be Coming to Your Neighborhood? Opt-Out Deadline Approaching!

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A Category 4 slot machine licensee will be authorized to operate no less than 300 and no more than 750 slot machines at a licensed facility (“ Category 4 casino”).

Act 42 prohibits a Category 4 casino from being built within 25 miles of a Category 1, 2 or 3 casino unless the owner of a Category 4 slot machine license already owns/operates a Category 1, 2 or 3 casino. Specifically, Section 1305.1(B)(2) of the Act states that:

(2) A WINNING BIDDER’S CATEGORY 4 LOCATION MAY NOT BE WITHIN 25 LINEAR MILES OF ANOTHER CATEGORY 1, CATEGORY 2 OR CATEGORY 3 LICENSED FACILITY BUT MAY BE WITHIN 25 LINEAR MILES OF THE WINNING BIDDER’S LICENSED FACILITY.

4 Pa. C.S. § 1305.1(B)(2) (emphasis added).

Rivers Casino in the City of Pittsburgh is a Category 2 casino. The only way a Category 4 casino could be built within a 25-mile radius of the Rivers Casino—affecting almost every municipality in Allegheny County—is if Rivers bids on and purchases a Category 4 slot machine license. It is possible that the Rivers Casino will become the licensee of Category 4 license since only Category 1 and Category 2 casinos can participate in the initial auction for a Category 4 license.

The good news for a municipality that does not want a Category 4 casinos is Act 42 allows a municipality to opt-out of allowing the establishment of a Category 4 casino within its corporate borders. To do so the governing body of the municipality must adopt a Resolution to prohibit these casinos **before** the opt-out deadline of December 31, 2017.

Our office has drafted a model “opt-out” resolution. If your municipality desires to prohibit the establishment of a Category 4 casino within its corporate borders, please contact us for a copy of our model resolution.

For additional information contact Daniel Conlon.