

Casinos could be shut down in budget impasse

Harrisburg – The state's five new racetrack casinos, including The Meadows in Washington County, could be shut down as soon as July 7 if Gov. Ed Rendell can't reach agreement with state legislators on a new USD 27 billion budget for 2007-08.

Sixteen Revenue Department employees who run the central casino control computer aren't considered „essential“ by the Rendell administration, but the thousands of slots players who flock to the state's five casinos each day would probably disagree.

Those 16 workers monitor daily activity at the 9,000 slot machines around the state, and without them, the casinos would, by law, be forced to close, state officials said yesterday.

Revenue isn't the only department that would be affected.

State employees who work at driver's license testing and photo centers; state parks; state historic sites, museums and welcome centers; civil service testing workers; PennDOT hauling permit workers; and fire academy trainers also would be furloughed because they are in the nonessential category.

The Rendell administration said that in all, as many as 26,000 nonessential state workers would be furloughed as soon as July 7 if an agreement on a new budget isn't reached by then.

A furlough is an unpaid leave. Workers would resume being paid once they return to the job.

Some 58,000 essential workers would stay on the job, including state police, prison workers and emergency management officials.

Revenue Department spokeswoman Stephanie Weyant said the department has more than 2,000 workers, most of whom fall into the nonessential category.

The central computer system employees make sure no one at a casino has opened the back of a slot machine and taken money out.

They also monitor to make sure the state is getting its full 55 percent cut of the gross gaming revenue.

Without those workers on the job, the casinos would have to shut down, agreed gaming board spokesman Doug Harbach.

Gross gaming revenue is what's left after winners have been paid. The state takes a 34 percent cut for property tax relief; a 4 percent share for local governments where the casinos are located; a 5 percent tax for a statewide economic development fund; and a 12 percent tax that goes for developing the state's horse racing industry and for horse owners, breeders, trainers and riders.

Mr. Harbach said the state would have no choice but to shut down the casinos without the proper workers running the computer control system.

„It's a black-and-white call," he said. „Act 71, the slots law, mandates that all slot machines be linked to a central control computer. [A shutdown] wouldn't be an arbitrary call by the gaming board.“

A shutdown would be bad for the new casinos and the thousands of gamblers who file into them every day.

„We have struggled with the state's image [for casinos] and our regulatory environment, and we're finally demonstrating some stability. [A shutdown] would upset that stability," said Joseph Lashinger, a co-owner of Harrah's Chester racetrack and casino in southeast Pennsylvania.

„This industry is taking longer to jell than originally anticipated, and a shutdown would be another uncertainty for shareholders.“

David LaTorre, spokesman for The Meadows, declined to comment on the situation.

A casino shutdown would mirror what happened in Atlantic City, N.J., for the first three days of July last year. A budget impasse there kept state inspectors off the job and forced the closure of that city's 13 casinos.

The Rendell administration and legislative leaders claim they're still optimistic about reaching a budget agreement by the July 1 deadline, but major obstacles remain, including funding for road and bridge repairs, mass transit, the governor's call for USD 200 million in new spending for pre-kindergarten programs and laptop computers for high schools, as well as his call for several new or higher taxes.

Mr. Rendell and the Legislature have never agreed on a new budget by July 1, but in three of his first four years agreement was reached within a week after the deadline. Only in 2003 did the full budget not get approved until December.