

## Comments of the Independent Regulatory Review Commission



### Pennsylvania Gaming Control Board Regulation #125-206 (IRRC #3174)

#### Junkets, Electronic Credit Systems and Table Game Rules of Play

September 13, 2017

We submit for your consideration the following comments on the proposed rulemaking published in the July 15, 2017 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the Pennsylvania Gaming Control Board (Board) to respond to all comments received from us or any other source.

**1. Chapter 423a. Applications; Statement of conditions; Wagering restrictions; and Chapter 437a. Gaming service provider certification and registration. – Clarity.**

The intent of proposed amendments to these chapters is to close a loophole that allows a licensed person who is subject to an upcoming revocation to surrender their license prior to the Office of Enforcement Counsel filing for revocation of that license. By surrendering the license, the person avoids the five-year prohibition on reapplying for a license, which is currently applicable when a license or application is withdrawn with prejudice, denied or revoked. The amendments will provide for the surrender of a person's license with prejudice.

We agree with the intent of the proposed amendments, but question whether the new language completely closes the loophole the Board has identified. To carry out the intent of the Board, we suggest that §§ 423a.7(a) and (c) and 437a.8(c)(3) be amended to clarify that if a license, permit, certification or registration was revoked or surrendered with prejudice, the holder of that license, permit, certification or registration may not reapply to the Board for five years.

A second concern we have with §§ 423a.7(a) and (c) and 437a.8(c)(3) pertains to the addition of the word "surrendered" as it relates to the processing of applications. An application, in general, can be denied or withdrawn. However, how can an application be surrendered? The person that filed the application is not in possession of anything to surrender. In the Preamble to the final-form regulation, we ask the Board to clarify the intent of the proposed amendments to these sections.

**2. Section 439a.10. Monthly gaming junket reports. – Clarity.**

The Board is proposing to delete existing Subsection (a) and to replace it with new language. The new language uses the term "customer" and "patron" interchangeably. We are not aware of

a difference between the terms. To improve the clarity and consistency of the rulemaking, we suggest that the Board use just one of those terms.

We have a similar concern with new Subsection 609a.19, relating to the use of an electronic credit system for the processing of counter checks and customer deposits.

**3. Section 461a.13. Wide area progressive systems. – Clarity.**

We have two clarity concerns with proposed amendments to this section. First, under Subsection (i), to be consistent with the *Pennsylvania Code and Bulletin Style Manual*, we recommend that the term “will” be changed to “must.”

Second, under Subsection (l), since the term “jointly” is used, we suggest that the term “several” be changed to “severally.”

**4. Section 465a.11. Slot machine licensee’s organization; Job compendium. – Need; Economic impact; Implementation procedures.**

The Board is proposing to delete language from its existing regulations that allows slot machine licensees to amend and implement previously approved job compendiums if certain conditions are met. We have two concerns with the language that is being deleted from Subsection (i)(1) and (2). First, the Preamble explains what changes are being made, but does not explain why the language is being deleted. What is the need for the change?

Second, a commentator has stated that the deletion of the language would hamper its ability to hire, retain and promote employees and operate efficiently. We ask the Board to explain the time frames associated with reviewing a slot machine licensee’s request to amend a job compendium and to consider the ramifications delays would have on slot machine licensees.