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PhiladelphiaPark  
CASINO

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February 13, 2008

Paul Resch, Secretary  
Pennsylvania Gaming Control Board  
P.O. Box 69060  
Harrisburg, PA 17106-9060  
Attn: Public Comment on Regulation No. 125-78

INDEPENDENT REGULATORY  
REVIEW COMMISSION

2008 FEB 19 AM 9:40

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Re: Proposed Regulations 58 Code Chapters 461a (Gaming Vouchers)

Dear Mr. Resch:

Enclosed please find comments on behalf of Greenwood Gaming and Entertainment, Inc. with regard to the above referenced proposed regulations.

Very truly yours,

Thomas C. Bonner  
Vice President and General Counsel

cc: Karen Wosnack, Esq.  
Alan C. Kohler, Esq.

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BEFORE THE  
PENNSYLVANIA GAMING CONTROL BOARD  
INDEPENDENT REGULATORY  
REVIEW COMMISSION

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In re: Regulation No. 125-78 :  
Proposed Rulemaking – 58 Pa. Code, :  
Chapter 461a :

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**GREENWOOD GAMING AND ENTERTAINMENT, INC.'S  
COMMENTS TO PROPOSED RULEMAKING**

Greenwood Gaming and Entertainment, Inc. ("GGE") is the holder of a Category 1 slot machine license which authorizes GGE to operate slot machines at the Philadelphia Park Casino in Bensalem, Pennsylvania. GGE submits these comments to the Pennsylvania Gaming Control Board's (the "Board") rulemaking, as captioned above, which was published in the *Pennsylvania Bulletin* at 38 Pa.B. 343 on January 19, 2008. GGE would like to thank the Board for the opportunity to comment during the rulemaking process.

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By way of general comment, GGE recommends that the entire identification requirement be eliminated and that a shorter tracking and retention period (one year to mirror the period applicable to unredeemed pari-mutuel tickets) be implemented.

A requirement that slot operator licensees (A) track all unredeemed vouchers for a five year period and (B) attempt to identify the persons to whom the vouchers are issued would be unduly burdensome and prohibitively expensive. In the fourteen (14)

months since opening, the slot machines at Philadelphia Park Casino have issued over 24,700,000 individual vouchers (or an average of approximately 410,000 vouchers per week). Approximately 65,000 vouchers (only 1/4 of 1% of the total number issued) remain unredeemed with a collective value of approximately \$124,460 (only 1/100<sup>th</sup> of 1% of the total value issued). The average value of each unredeemed voucher is only \$1.91. While the benefit to the Commonwealth via escheat would be a meaningful amount, the average unredeemed individual voucher amount is so small for the individual patron that the benefit to the gaming public from such a pervasive, burdensome and expensive identification requirement pales in comparison to the effort and expense that would be required. The proposed regulation would layer yet another expensive compliance obligation upon licensees, who are already struggling to operate profitably in what is essentially a 60% tax environment.

1. Definition. We recommend that the definition of "unredeemed gaming voucher" in Section 461a.1 be amended as follows: "A gaming voucher that has not been presented to a slot machine licensee for redemption ***within one (1) year of the voucher date*** or a gaming voucher that has been found and returned to a slot machine licensee ***by a person not claiming to be the owner of such voucher.***" There are many reasons why a patron may not immediately redeem a gaming voucher. For instance, the voucher may be an insignificant amount (i.e. \$.02) or the patron may simply prefer to allow a number of vouchers to accumulate prior to redemption. Providing that a gaming voucher must be at least one year old before it becomes an unredeemed gaming voucher will avoid unnecessary effort by licensees to identify patrons and track vouchers that may be redeemed within the one year period.

2. Obligation to Identify Owner of Unredeemed Voucher. Proposed Section 461a.8(d)(9) requires that the licensee develop “[p]rocedures for the payment of the value of unredeemed gaming vouchers to patrons whose identity can be determined by the slot machine licensee.” It is our position that gaming licensees should have no obligation to identify owners to whom unredeemed vouchers have been issued. As indicated above, the average value of each unredeemed voucher is only \$1.91. It is likely that the administrative costs incurred to identify and notify the voucher recipient will exceed the value of the voucher. With limited exceptions, the Disposition of Unclaimed and Abandoned Property Act does not require the holder of unclaimed property to locate the owner prior to the expiration of the holding period. GGE believes that no substantial benefit to the gaming public or to the Commonwealth will result from the imposition of the substantial burden of identifying voucher owners, and that any benefit will be outweighed by the expense that licensees will incur to identify and contact patrons with respect to numerous vouchers with very small value. Given the fact that Pennsylvania has an effective 60% gaming tax rate (one of the highest in the nation), the Board must be diligent in avoiding the imposition of costs on slot machine licensees which, like the costs proposed here, are not fully justified by corresponding benefits. GGE sees no reason to impose upon gaming licensees any greater identification obligations than those that exist in the general unclaimed property legislation.

In considering the implementation of the proposed regulation, the Board should be aware of important limitations on GGE's ability to identify patrons who are issued vouchers. The Bally ACSC casino management system run by GGE will capture a

patron's identity only if the patron plays the slot machine with a player card inserted. Insertion of a player card is not required to enable a patron to play the machine and the identity of persons who play without player cards will not be known. Furthermore, patrons who do use player cards sometimes allow other persons to play on their cards. For these reasons, there will be many instances in which the identities of the persons to whom vouchers were issued will not be known. It is important that the regulation acknowledge these factors and limitations and be drafted with them in mind.

If the Board imposes an identification obligation, then in order to implement procedures that will allow GGE to identify the owner of the voucher issued to a player using a player card, modifications to the Bally ACSC casino management system will be required at the expense of GGE. There is no existing report that includes the identity of the patron along with all of the other information required to be printed on each gaming voucher (i.e., date and value, asset number, etc.) If the Board acts to implement the proposed regulation, GGE requests that sufficient time be allowed prior to the implementation of this regulation so that the manufacturer can develop and install those software modifications and complete any necessary testing before the requirement becomes effective.

If an identification requirement is imposed, GGE asks that the Board place a minimum value of \$5.00 on the vouchers for which patron identification would be required. All unredeemed vouchers would still be retained by GGE, and would be included in the unredeemed voucher total in compliance with proposed Section 461a.(8)(d)(10), but only vouchers with a value in excess of \$5.00 would carry with them an obligation to identify or notify the patrons to whom they were issued.

3. Proposed Holding Period. Proposed section 461b.3(a) requires licensees to retain and track unredeemed vouchers for five years. GGE recommends that the holding period be one year, as it is for unredeemed pari-mutuel tickets. The shorter holding period will lessen the administrative burden somewhat and will allow the licensees to eliminate the financial liability on an annual basis.

Mirroring the holding period for pari-mutuel tickets will produce numerous benefits, including cost reduction for licensees and avoidance of confusion among patrons. Furthermore, the Board can implement such a result through this rulemaking. While currently the Disposition of Unclaimed and Abandoned Property Act, 72 P.S. § 1301.1 et. seq., may require a five year holding period, the Board can avoid this requirement by promulgating a regulation requiring (A) that each unclaimed voucher expire one year from issuance or from a firm date and (B) that the value of unclaimed vouchers then be paid to the Commonwealth, similar to the requirement in both Horse Racing Commission and Harness Racing Commission regulations.<sup>1</sup> The legal result of such a regulation is that following expiration, the gaming voucher no longer has value and the recipient may no longer redeem the voucher. Accordingly, an expired voucher

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<sup>1</sup> Section 165.113(n) of the Horse Racing Commission Regulations, 58 Pa. Code §165.113(n), specifically provides:

(n) All winning pari-mutuel tickets must be presented for payment before April 1st of the year following the year of their purchase and failure to present any such ticket within the prescribed period of time shall constitute a waiver of the right to participate in the award or dividend. After April 1st of the year following the year of their purchase, all licensees shall forward to the State Treasurer all funds so held for such uncashed tickets. The Commission shall be notified by the licensee of the amounts so forwarded.


The regulations for the Harness Racing Commission contain an identical provision. See 58 Pa. Code §185.164(n). See also 4 P.S. §325.202(b) (3).

is no longer unclaimed property subject to the five year holding period requirement of the Disposition of Unclaimed and Abandoned Property Act.

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For the foregoing reasons, GGE recommends that the Board decline to adopt the regulation as proposed or, in the alternative, that the Board adopt a regulation in the limited form proposed in these comments.

Respectfully submitted,

  
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Thomas C. Bonner