

Comments of the Independent Regulatory Review Commission



Pennsylvania Gaming Control Board #125-79 (IRRC #2677)

Preliminary Provisions; Employees; Junket Enterprises; Slot Machine Licenses; Slot Machine Testing and Control; Possession of Slot Machines; and Accounting and Internal Controls

May 7, 2008

We submit for your consideration the following comments on the proposed rulemaking published in the March 8, 2008 *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. Section 441a.19. Notice of employee misconduct and offenses and employee resignations. – Reasonableness; Clarity.

Subsection (d) requires the licensee to notify the Board within five days of the receipt of a resignation of any “key employee.” A commentator asserts that it currently has an internal policy, which was approved by the Board, that the Board will be notified within 15 days of the resignation of a “key employee.” Will the Board-approved internal policy be grandfathered from this new requirement? If so, language should be added to the final-form regulation that clearly states the Board’s intent regarding the applicability of this new provision on existing, Board-approved internal policies.

2. Section 461a.7. Slot machine minimum design standards. – Reasonableness; Clarity.

Service buttons

Subsection (x) requires the slot machine to be equipped with a service button designed to allow the player to request assistance. A commentator states that some of their electronic games do not have a service button because they are designed to be played only with an attendant present. The Board should explain why a service button is required for all machines or consider exempting the machines that fall into the category described by the commentator.

Other color combination approved by the Office of Gaming Operations

Under Subsection (y)(3), a licensee can use a label with “other color combination approved by the Office of Gaming Operations.” We have three questions.

First, what process is required to get another color combination approved?

Second, commentators have indicated that they currently have signage on their machines that may not meet these standards. Will the Board require these licensees to change the existing signs or apply for approval of their current labels?

The two questions directly above also apply to Sections 461a.10 (b), 461a.22(b) and 465a.28(l).

Finally, why doesn't the labeling provision in Section 465a.29(b) also include “other color combination approved by the Office of Gaming Operations”?

Label that may not be easily removed

Subsection (y)(3), as well as Subsections 461a.10(b), 461a.22(b) and 465a.29(b), requires labels that “may not be easily removed.” This requirement is subjective and it is not clear how to comply. We recommend rewriting this provision so that licensees will know how to label machines to comply with the regulation.

3. Section 463a.7. Off premises storage of slot machines. - Need; Fiscal impact; Reasonableness.

A commentator believes the change from written requests for off premise storage to a petition to the Board is burdensome and that the current process is adequate. The Board should explain why this change to a petition process is needed. The Board should also explain the time difference between getting approval under the petition process compared to the written requests and the change in cost to the licensee to file a petition rather than a written request.

4. Section 465a.2. Internal control systems and audit protocols. - Reasonableness; Clarity.

Subsection (j) requires a paper copy of the two attestations to be maintained for at least five years. Has the Board considered allowing licensees to electronically save these documents?

5. Section 465a.13. Possession of weapons within a licensed facility. - Reasonableness, Clarity.

Several sentences in this section contain the phrase “or other device that could injure or incapacitate a person.” This is a vague phrase because many common items such as an ink pen could be used to injure or incapacitate a person. What specifically is the Board trying to prohibit?

6. Section 465a.26. Jackpot payouts. – Reasonableness; Clarity.

Lead slot attendants

Various provisions in Subsection (b) refer to “lead slot attendants.” However, a commentator states that it does not have such a job classification. Does the Board intend to require the licensee to establish this classification?

Two-part manual jackpot receipt and a two-part electronically generated jackpot payout slip

Subsection (b) sets forth provisions requiring a “two-part manual jackpot payout receipt and a two-part electronically generated jackpot payout slip.” The Board should explain the need for “two-part manual jackpot payout receipt and a two-part electronically generated jackpot payout slip.”

Jackpot amount

For clarity, the Board should review the language of Paragraph (b)(4) which states “...if the jackpot is between \$10,000 or more but less than \$25,000....”