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# Regulatory Analysis Form

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INDEPENDENT REGULATORY  
REVIEW COMMISSION

(1) Agency

Pennsylvania Gaming Control Board

(2) I.D. Number (Governor's Office Use)

125 - 89

IRRC Number:

2703

(3) Short Title

Amendments to Chapters 435a, 441a and 465a

(4) PA Code Cite

58 PA. Code  
Chapters 435a, 441a and 465a

(5) Agency Contacts & Telephone Numbers

Primary Contact: Richard Sandusky  
717-214-8111 / rsandusky@state.pa.us

(6) Type of Rulemaking (check one)

- Proposed Rulemaking  
 Final Order Adopting Regulation  
 Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- No  
 Yes: By the Attorney General  
 Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

These amendments: expand the list of offenses holders of a license, permit or registration must report to the Board; establish time periods for the submission of additional documents required when an application is being submitted under Slots Link; shift the issuance of temporary credentials for nongaming employees from the Casino Enforcement Agents at the licensed facilities to the Bureau of Licensing; and broaden the restriction on hiring off-duty law enforcement officers as security personnel.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

§ 1202(b)(30) of the Act (4 Pa.C.S. § 1202(b)(30)) provides the Board with general authority to promulgate regulations the Board deems necessary to carry out the policy and purposes of the Act.

§§ 1308, 1318 and 1331 (4 Pa.C.S. §§ 1308, 1318 and 1331) provide more specific authority for a number of the amendments.

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

Promulgation of the amendments to Chapter 435a are necessary to better insure continuing oversight of the character and suitability of individuals who hold a license, permit or registration and to reduce delays in the processing of applications submitted using Slots Link and the issuance of temporary credentials to nongaming employees.

The amendment to Chapters 465a will insure that any of a slot machine licensee's security personnel will be able to respond to any incident anywhere in the licensed facility.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

There are no public health, safety, environmental or general welfare risks associated with this regulation.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

Applicants submitting applications via Slots Link should see fewer delays in processing their applications. Over 7000 applications have been processed using Slots Link, but only a small percentage would have been affected by this amendment.

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

Law enforcement officers, who desire to seek part-time employment with a slot machine licensee, will have fewer options because of the broader prohibition against working in the slot machine licensee's security department. This situation is expected to occur rarely.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Slot machine licensees will be required to comply with the requirements contained in these amendments. Currently there are 11 slot machine licensees.

All individuals who hold a license, permit or registration will have to report violations listed in § 435a.1.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

No specific public input was solicited prior to the proposal of these amendments.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

Because the changes contained in these amendments generally reflect current practice for slot machine licensees, the Board does not anticipate any significant costs or savings for slot machine licensees.

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

The Board anticipates that there will be no costs or savings to local governments as a result of these amendments.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

The Board is the only state agency affected by the amendments. The Board estimates that there will be no significant costs or savings to the Board associated with these amendments.

## Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
<b>Regulated Community</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Local Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>State Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Savings</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>COSTS:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Regulated Community</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Local Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>State Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Costs</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>REVENUE LOSSES:</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Regulated Community</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Local Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>State Government</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Revenue Losses</b>	N/A	N/A	N/A	N/A	N/A	N/A

(20a) Explain how the cost estimates listed above were derived.

The Board does not believe there will be any significant costs or savings as a result of these amendments.

## Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Board Budget	\$2,900,000	\$13,200,000	\$26,400,000	\$29,984,000

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

As noted in the previous responses, some applicants submitting applications via Slots Link should see fewer delays in processing their applications.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

There were no alternatives considered because the current regulations could only be changed by amending the current regulations.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No other regulatory schemes were considered.

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

There are no corresponding Federal requirements.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

Nothing in these amendments will put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

These regulations will amend existing provisions in Chapters 435a, 441a and 465a in 58 PA. Code.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No additional hearings or meetings have been scheduled.

## Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

Because the list of violations in § 435a.1 has been increased, there may be an increase in the number of violations reported to the Board by individuals who hold a license, permit or registration.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

There are no special provisions to meet the needs of specific groups.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

These regulations will be effective upon publication as a final rule in the *Pennsylvania Bulletin*.

It is anticipated that final regulations will be adopted in the fourth quarter of 2008.

(31) Provide the schedule for continual review of the regulation.

No formal review schedule has been established. Instead, the Board will be constantly reviewing its regulations and proposing amendments as the need arises.



FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE  
BUREAU

(Pursuant to Commonwealth Documents Law)

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INDEPENDENT REGULATORY  
REVIEW COMMISSION

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality.  
Attorney General

*[Signature]*

By: \_\_\_\_\_  
(Deputy Attorney General)

**JUN 04 2008**  
DATE OF APPROVAL

Check if applicable  
Copy not approved. Objections attached.

Copy below is hereby certified to be true and correct  
copy of a document issued, prescribed or promulgated  
by:

Pennsylvania Gaming  
Control Board

FISCAL NOTE NO. : 125- 89

DATE OF ADOPTION: 5-15-08

BY: *[Signature]*  
Mary DiGiorgio Collins, CHAIRMAN

Copy below is hereby approved as to form and legality  
Executive or Independent Agencies

BY: *[Signature]*  
Frank Donoghue, Chief Counsel

5-15-08  
DATE OF APPROVAL

(Deputy General Counsel)  
(Chief Counsel - Independent Agency)  
(Strike inapplicable title)

Check if applicable. No Attorney General Approval or  
objection within 30 days after submission.

PROPOSED RULEMAKING  
COMMONWEALTH OF PENNSYLVANIA

58 PA. CODE, SUBPARTS B, C & E  
CHAPTERS 435a, 441a and 465a

**PROPOSED RULEMAKING**

**PENNSYLVANIA GAMING CONTROL BOARD**

**[58 PA.CODE CHAPTERS 435a, 441a AND 465a]**

**Employees; Slot Machine Licenses; and Accounting and Internal Controls**

The Pennsylvania Gaming Control Board (Board), under its general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers) and the specific authority in 4 Pa.C.S. §§ 1308, 1318, and 1331 (relating to applications for license or permit; occupation permit application; and duty of licensees, key employees and gaming employees), proposes to amend Chapters 435a, 441a and 465a (relating to employees; slot machine licenses; and accounting and internal controls) to read as set forth in Annex A.

***Purpose of the Proposed Rulemaking***

This proposed rulemaking is intended to: expand the list of offenses holders of a license, permit or registration must report to the Board; establish time periods for the submission of additional documents required when an application is being submitted under Slots Link; shift the issuance of temporary credentials for nongaming employees from the Casino Enforcement Agents at the licensed facilities to the Bureau of Licensing; and broaden the restriction on hiring off-duty law enforcement officers as security personnel.

***Explanation of Amendments to Chapters 435a, 441a and 465a***

Currently, § 435a.1(c) (relating to general provisions) only requires reporting of offenses under 18 Pa.C.S. (relating to crimes and offenses) or 75 Pa.C.S. § 3802 (relating to driving under influence of alcohol or controlled substance). To better insure continuing oversight of the character and suitability of individuals who hold a license, permit or registration, offenses involving moral turpitude, offenses under 75 Pa.C.S. which are punishable by 1 year or more and offenses under 35 P.S. § 780-113(a) (relating to prohibited acts; penalties) are being added to this subsection.

Under § 435a.3 (relating to occupation permit) an applicant may submit an application electronically using Slots Link. However, when an application is made using Slots Link, there are

additional release forms that must be submitted on paper. In many cases, licensees have not been submitting this paperwork in a timely manner which has resulted in delays in the processing of these applications. To reduce these delays, the Board is proposing that slot machine licensees be required to submit this paperwork within 5 days of the filing of an application using Slots Link. For all other licensees, a 10-day filing period is being established.

In § 435a.9(b) (relating to temporary credentials for nongaming employees) issuance of temporary credentials for nongaming employees will now be done by the Bureau of Licensing instead of the Casino Enforcement Agents at the licensed facilities. Improvements in administrative procedures within the Bureau of Licensing make it more efficient for the Board and the licensed facilities to have the Bureau of Licensing issue the temporary credentials as well as the permanent credentials for nongaming employees.

In § 441a.14 (relating to master purchasing and disbursement report), subsection (b) is being revised to reflect current practice. Slot machine licensees electronically transmit the data required by subsection (a) in a format that the Board has prescribed. Therefore, the language related to the signature no longer applies.

In § 465a.14 (relating to security department minimum staffing) the restriction on hiring off-duty law enforcement officers to provide security in restricted areas or on the gaming floor has been extended to apply to the entire licensed facility. Because incidents that may require investigation by law enforcement officers could occur anywhere in the licensed facility, this revision will help to avoid any actual or appearance of a conflict of interest. Additionally, this will insure that any of a slot machine licensee's security personnel will be able to respond to any incident anywhere in the licensed facility.

#### ***Affected Parties***

This proposed rulemaking will affect: all employers of gaming and nongaming employees who submit applications via Slots Link; all individuals who hold a license, permit or registration; and law enforcement officers who desire to seek part-time employment with a slot machine licensee's security department.

***Fiscal Impact***

***Commonwealth***

These amendments will have no fiscal impact on the Board or other agencies of the Commonwealth.

***Political Subdivisions***

This proposed rulemaking will have no fiscal impact on political subdivisions of the Commonwealth.

***Private Sector***

Law enforcement officers, who desire to seek part-time employment with a slot machine licensee, will have fewer options because of the prohibition against working in the slot machine licensee's security department.

***General Public***

This proposed rulemaking will have no fiscal impact on the general public.

***Paperwork requirements***

No new reporting or paperwork requirements are created by this rulemaking.

***Effective Date***

The proposed rulemaking will become effective upon final-form publication in the *Pennsylvania Bulletin*.

***Public Comments***

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed rulemaking, within 30 days after the date of publication in the *Pennsylvania Bulletin* to Paul Resch, Secretary, Pennsylvania Gaming Control Board, P.O. Box 69060, Harrisburg, PA 17106-9060, Attention: Public Comment on Regulation #125-89.

***Contact Person***

The contact person for questions about this proposed rulemaking is Richard Sandusky, Director of Regulatory Review, at (717) 214-8111.

***Regulatory Review***

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on June 12, 2008, the Board submitted a copy of this proposed rulemaking and a copy of the Regulatory Analysis Form to the Independent Regulatory Review Commission (Commission) and to the Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, the Commission may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly and the Governor of comments, recommendations or objections raised.

MARY DIGIACOMO COLINS,  
Chairman

ANNEX A

TITLE. 58. RECREATION

PART VII. GAMING CONTROL BOARD

SUBPART B. LICENSING, PERMITTING, CERTIFICATION AND REGISTRATION

\* \* \* \* \*

CHAPTER 435a. EMPLOYEES

\* \* \* \* \*

§ 435a.1. General provisions.

\* \* \* \* \*

(c) An individual who receives a license, permit or registration under this part shall have the continuing duty to report to the Board an arrest, charge, indictment or conviction for:

(1) [a]An offense involving moral turpitude.

(2) An offense under 18 Pa.C.S. (relating to crimes and offenses) [, or].

(3) [a] An offense under 75 Pa.C.S. [§ 3802 (relating to driving under influence of alcohol or controlled substance) or of] (relating to vehicles) which is punishable by 1 year or more.

(4) An offense under 35 P.S. § 780-113(a) (relating to prohibited acts; penalties).

(5) [c]Comparable offenses in other states or foreign jurisdictions.

\* \* \* \* \*

§ 435a.3. Occupation permit.

(a) An applicant for an occupation permit shall submit:

(1) An original and three copies of the Gaming Employee Application and Disclosure Information Form or an electronic application using the SLOTS Link system. When an application for an occupational permit is filed using Slots Link, the additional documents required, including releases, shall be submitted to the Board:

(i) Within 5 days of the submission of the Slots Link application by an applicant for or holder of a slot machine license.

(ii) Within 10 days of the submission of the Slots Link application by an applicant for or holder of a manufacturer, manufacturer designee, or supplier license or an applicant for or holder of a vendor certification.

\* \* \* \* \*

§ 435a.5. Nongaming employee registration.

(a) An applicant for a nongaming employee registration shall submit:

(1) An original and three copies of the Nongaming Employee Registration Form or an electronic application using the SLOTS Link system. When an application for a nongaming employee registration is filed using Slots Link, the additional

documents required, including releases, shall be submitted to the Board:

(i) Within 5 days of the submission of the Slots Link application by an applicant for or holder of a slot machine license.

(ii) Within 10 days of the submission of the Slots Link application by an applicant for or holder of a manufacturer, manufacturer designee, or supplier license or an applicant for or holder of a vendor certification.

\* \* \* \* \*

§ 435a.9. Temporary credentials for nongaming employees.

\* \* \* \* \*

(b) Temporary credentials for nongaming employees will be issued by the Bureau of Licensing.

\* \* \* \* \*

SUBPART C. SLOT MACHINE LICENSING

\* \* \* \* \*

CHAPTER 441a. SLOT MACHINE LICENSES

\* \* \* \* \*

§ 441a.14. Master purchasing and disbursement report.

\* \* \* \* \*

(b) The reports shall be [signed by the slot machine applicant or licensee and] transmitted to the Bureau of



Licensing by means of electronic data transmission [or] in a  
[form] format prescribed by the Board.

\* \* \* \* \*

SUBPART E. SLOT MACHINES AND ASSOCIATED EQUIPMENT

\* \* \* \* \*

CHAPTER 465a. ACCOUNTING AND INTERNAL CONTROLS

\* \* \* \* \*

§ 465.14. Security department minimum staffing.

\* \* \* \* \*

(b) A slot machine licensee may not employ off-duty law enforcement officers to provide security related services [on the gaming floor, in restricted areas within] in the licensed facility or in any manner in connection with the conduct of slot machine operations.

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

**RECEIVED**

2008 JUN 12 PM 12: 19

I.D. NUMBER: 125-89

DATE: 6-12-08

INDEPENDENT REGULATORY  
REVIEW COMMISSION

SUBJECT: Subparts A, B, C & E. Chapters 435a, 441a & 465a

AGENCY: Pennsylvania Gaming Control Board

**TYPE OF REGULATION**

- Proposed Regulation
- Final-Form Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
  - a. With Revisions
  - b. Without Revisions

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
1. <u>6/12/08</u>	<u>[Signature]</u> (Rep. James)	House Gaming Oversight Committee
2. <u>6/12/08</u>	<u>[Signature]</u> (Rep. Clymer)	
3. <u>6/12/08</u>	<u>[Signature]</u> (Senator LaValle)	Senate Community, Economic & Recreational Committee
4. <u>6-12-08</u>	<u>[Signature]</u> (Senator Earll)	
5. <u>6/12/08</u>	<u>[Signature]</u>	Independent Regulatory Review Commission
6. <u>6/12/08</u>	<u>[Signature]</u>	Legislative Reference Bureau