



Bonanza Press, Inc.
19860 141st Place NE
Woodinville, WA 98072

info@bonanzapress.com
www.bonanzapress.com

Direct (425) 486-3399
Toll Free (800) 233-0008
Fax (425) 485-1047

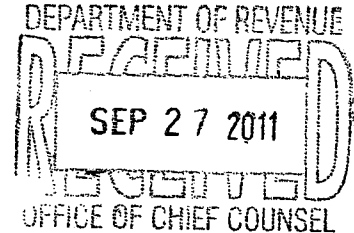
2905

RECEIVED
IRRC

2011 SEP 30 A 9 06

September 26, 2011

Department of Revenue
Office of Chief Counsel,
Attn: Mary R. Sprunk
P.O. Box 281061
Harrisburg, PA 17128-1061



RE: Proposed Rulemakings, Local Option Games of Chance

Dear Ms. Sprunk,

I am writing on behalf of Bonanza Press, Inc. We are a licensed, Small Games of Chance Manufacturer serving the distributors in the State of Pennsylvania. We currently manufacture products for more than 30 distributors and countless Charitable Organizations through those distributors.

We received notice of the proposed changes in the Local Option Small Games of Chance rules through the PA Bulletin. While I applaud the need to clarify some rules, we are concerned that some of the proposed changes will present a hardship for organizations and additional work for the Commonwealth.

Pennsylvania has a wide variety of both distributors and operators. While some are large, the majority are small. Several of the proposed rules will add labor for the small distributors and reduce the choices available to Charitable Organizations.

Fiscal Impact and Paperwork

The rules proposal states that the Commonwealth will have minimal fiscal impact and will not generate additional paperwork for the public or Commonwealth. I would challenge that assumption.

We submit many games per month to the Small Games of Chance office for approval. If one of those rules as proposed is approved, (901.632(b)),(no option on seal cards) the number of submissions per month could more than double, or even triple.

As for the public, requiring distributors and manufacturers to list every merchandise item on an invoice (902.425(1)(vi)) will create the need for all those items to have an SKU. This requires data entry for inventory. You will then need to enter it separately on orders and then produce pages upon pages of additional invoices. This would add up to more labor and cost.

One issue not addressed; If we purchase a basket of items from a wholesaler, they were purchased as a unit. If the basket contains 10 items, how do I report the cost for each item?

General Manufacturing Standards

We produce the options on seal cards to reduce inventory for individual distributors and provide organizations the option to payout a game depending on the crowd in attendance. If this rule is approved,



Bonanza Press, Inc.
19860 141st Place NE
Woodinville, WA 98072

info@bonanzapress.com
www.bonanzapress.com

Direct (425) 486-3399
Toll Free (800) 233-0008
Fax (425) 485-1047

(901.632(b)), (no option on seal cards) most games will now be produced as two or three form numbers to give organizations the payout that they require.

Some organizations may have to purchase more than one form number of a game to keep the variety they need to satisfy player demand. This increases the organizations inventory. Adding all of these additional forms would have a huge impact on the Small Games of Chance office in both cost and paperwork. These options on a seal card have no effect on the payout and profit of a game. Having 1 @ \$500 or 2 @ \$250 or 5 @ \$100 still pays the same payout. Only the number of registered hold tickets that receive a part of the prize amount would change.

As an alternate to the proposed rule please consider changing 901.634 (b) (5) & (6) to:

(5) The total prize payout structure including seal options

(6) The exact prize payout for each winning chance including seal options

The Example is clear that Instant winners may not change. It says nothing about optional seals. One other alternative would be to require operators to announce which seal is in play prior to selling the tickets.

The Proposed Rules will Increase Ticket Cost

With the increased paperwork and labor at both the distributor and manufacturer level, this will lead to both distributors and manufacturers to increase the cost per ticket. This will only affect the Charity and reduce the amount per game they ultimately contribute to their charitable needs.

General Applicability

As a manufacturer, we have products for several states. Our distributors also sell in several states. We often sell games that are destined for sales outside PA to distributors located and licensed in PA. Adding additional verbiage to a sales invoice to note approval or not by the Small Games of Chance Office is not an issue. However, the language in 901.23 (a)(2) seems to suggest that we will not be able to sell any products in PA even through they will not be sold within PA.

We encourage further review and public comment before these proposed rules go into effect. We would like to be a part of that public process and would encourage the Small Games of Chance Office to enlist comment directly from the organizations that use these products.

Sincerely,

Richard Norris
President
Bonanza Press, Inc.