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INDEPENDENT REGULATORY
REVIEW COMMISSION

Regulatory Analysis Form

(1) Agency

Pennsylvania Gaming Control Board

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

125 - 81

IRRC Number:

2675

(3) Short Title

Slot Machine License Renewal

(4) PA Code Cite

58 PA. Code § 441a.16

(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.

This proposal amends the provision for renewal of slot machine licenses.

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

§§ 1202(b)(12) and (30) and 1326 of the Pennsylvania Race Horse Development and Gaming Act (4 Pa.C.S. §§ 1202(b)(12) and (30) and 1326) provide the Board with the authority to renew slot machine licenses.

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?

The change of the renewal date from the date a slot machine license is issued to the date that it is approved will allow the Board to continue to stagger the renewal dates of slot machine licenses and to coordinate the renewals of slot machine licenses with the renewals of related principal and key employee licenses.

(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 affected by these amendments.

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

The eleven slot machine licenses will benefit from being able to coordinate their license renewals with the license renewals of their principals and key employees.

The Board will benefit by being able to better allocate staff resources because of the staggered renewal dates.

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.)

There will be no costs imposed on a slot machine licensee as a result of this regulation, so no one will be adversely affected.

(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.)

All eleven of the current slot machine licensees will be affected by the change in how the license renewal date is determined, but the renewal requirements themselves will remain unchanged.

(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 this amendment.

(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.

There will be no costs or savings for slot machine licensees as a result of this regulation.

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 this amendment.

(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.

There will be no costs or savings to the Board or other agencies in state government as a result of this amendment.

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
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Savings	N/A	N/A	N/A	N/A	N/A	N/A
COSTS:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Costs	N/A	N/A	N/A	N/A	N/A	N/A
REVENUE LOSSES:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Revenue Losses	N/A	N/A	N/A	N/A	N/A	N/A

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

Because the actual renewal requirements are not changing, there will be no new costs or savings associated with changing the renewal date.

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.

Changing the renewal date to the date of Board approval will allow the Board to continue to stagger renewals of slot machine licenses and to coordinate the renewal of the slot machine licenses with the license renewals of the slot machine licensees' principals and key employees.

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

No nonregulatory alternatives were considered because the renewal dates are specified in the 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 this amendment 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.

This regulation will amend § 441a.16 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.

There are no changes in paperwork or reporting requirements associated with this rulemaking.

(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 none.

(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 third 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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REVIEW COMMISSION

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

By: *Amy M. Elliott*
(Deputy Attorney General)
FEB 14 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.: 125-81

DATE OF ADOPTION: 1/24/2008

BY: *Mary DiGirolamo*

Mary DiGirolamo Collins, CHAIRMAN

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

BY: *Frank Donoghue*

Frank Donoghue, Chief Counsel

1/24/2008
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, SUBPART C
SECTION 441a.16

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA.CODE CHAPTER 441a]

SLOT MACHINE LICENSING

The Pennsylvania Gaming Control Board (Board), under the 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. §§ 1202(b)(12) and 1326 (relating to license renewals) proposes to amend Chapter 441a (relating to slot machine licensing) to read as set forth in Annex A.

Purpose of the Proposed Rulemaking

This proposal amends the provisions related to renewal of slot machine licenses.

Explanation of Amendments to Chapter 441a

Section 1301 of the Pennsylvania Race Horse Development and Gaming Act (4 Pa.C.S. §§ 1301) required the Board to consider the initial applications for slot machine licenses collectively and together. Accordingly the Board approved the initial slot machine licenses on December 20, 2006.

Most licenses issued by the Board expire one year from the date that the license application is approved by the Board. However, for slot machine licenses, the Board tied the term of the initial licenses to the date that the licenses were issued. This was done for two reasons. First, because the statements of conditions for each of the successful applicants are unique and licenses are not issued until all of the conditions are met, the term of the initial licenses would have been for much less than 12 months. For example, Pocono Downs, which was the first licensed facility to open, did not receive its permanent license until October of 2007. If the December 20, 2006 approval date had been used for the starting date for the term of its license, Pocono Downs would have had to file its renewal application in the same month it received its license. This would have placed an unreasonable administrative burden on Pocono Downs and the rest of the slot machine licensees.

The second reason the Board elected to use the issuance date instead of the approval date was to stagger the due dates of the slot machine license renewals. This allows the Board to

more effectively allocate the staff that are needed to conduct the comprehensive renewal application reviews.

Now that the renewal dates have been staggered, the Board is proposing to tie the 12 month term of slot machine licenses that are renewed to the date that the Board approves the renewal application. This will allow the Board to continue take advantage of the staggered renewal dates and to coordinate the renewal date of a slot machine licensee with the renewal dates of its principals and key employees. Additionally, the Board does not anticipate that there will be major changes in the statements of conditions for the renewals, so the time period between approval and issuance should be much shorter.

Affected Parties

The renewal dates for all slot machine licenses will be affected by this regulation.

Fiscal Impact

Commonwealth

There will be no new costs or savings to the Board or other Commonwealth agencies as a result of this regulation.

Political Subdivisions

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

Private Sector

The due dates for renewals of slot machine licenses will change but the costs associated with completing a renewal application will not change.

General Public

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

Paperwork requirements

There are no new paperwork or reporting requirements associated with this proposed 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 #125-81.

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 February 15, 2008, the Board submitted a copy of this proposed rulemaking and a copy of the Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) 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, IRRC 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 C. SLOT MACHINE LICENSING

CHAPTER 441a. SLOT MACHINE LICENSES

* * * * *

§ 441a.16. Slot machine license term and renewal.

(a) [A] The initial slot machine license issued to a slot machine licensee under this chapter will be valid for 1 year from the date of the issuance of the license by the Board. Renewals of a slot machine licensee's license will be valid for 1 year from the date of the approval of the renewal of the license by the Board.

* * * * *

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

I.D. NUMBER: 125-81

DATE: 2/15/08

SUBJECT: Subpart C, Section 441a.16

AGENCY: Pennsylvania Gaming Control Board

TYPE OF REGULATION

X

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

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FILING OF REGULATION

DATE

SIGNATURE

DESIGNATION

1. 2/15/08

[Signature]

House Gaming Oversight
Committee

2. 2/15/08

[Signature]

3. 2/15/08

[Signature]

Senate Community, Economic
& Recreational Committee

4. ~~2/15/08~~
2/15/08

~~[Signature]~~
[Signature]

5. 2/15/08

[Signature]

Independent Regulatory Review
Commission

6. 2/15/08

[Signature]

Legislative Reference Bureau