

Regulatory Analysis Form

(Completed by Promulgating Agency)

**INDEPENDENT REGULATORY
REVIEW COMMISSION**

(All Comments submitted on this regulation will appear on IRRC's website)

(1) Agency:

Pennsylvania Gaming Control Board

(2) Agency Number:

Identification Number: 125-144

IRRC Number:

(3) PA Code Cite:

58 Pa.Code CH. 401a, 423a, 427a, 433a, 435a, 436a and 513a.

(4) Short Title:

Employee and Horsemen's Organization Revisions

(5) Agency Contacts (List Telephone Number and Email Address):

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(6) Type of Rulemaking (check applicable box):

Proposed Regulation

Final Regulation

Final Omitted Regulation

Emergency Certification Regulation;

Certification by the Governor

Certification by the Attorney General

(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

This rulemaking amends the procedure for administratively closing stale applications; updates the definition of publicly traded to treat foreign stock exchanges that have similar listing and reporting requirements the same as exchanges regulated under the Securities Exchange Act; updates the wagering restrictions for all classes of individuals who hold a license, permit or registration with the Board; reduces the number of copies of applications applicants are required to submit from three to one; allows for the issuance of emergency credentials to not only employees of the slot machine licensee but also manufacturers, suppliers, gaming services providers, etc; and amends the chapter on Horsemen's Organizations.

(8) State the statutory authority for the regulation. Include specific statutory citation.

The Pennsylvania Gaming Control Board's authority is contained in 4 Pa.C.S. § 1202(b)(14) and (30) (relating to general and specific powers) and specific authority contained in 4 Pa.C.S. §§ 1308, 1311, 1311.1, 1311.2, 1317.2, 1321, 1406 and 1518(a)(13).

(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

There are no other other applicable federal or state statutes, regulations or court decisions that mandate the adoption of the changes contained in this rulemaking; however, the cross-reference to amendments that were made to Pennsylvania's Fiscal Code, found in Article XVII-O (relating to audits of race horse development funds), were added to Chapter 436a (relating to Horsemen's Organizations).

(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

This regulation packages is needed to address inconsistencies, codify an existing PGCB Statement of Policy, and provide clarity to the Board's existing regulations as well as reduce the number of application copies filed with the Board.

Slot machine licensees, manufacturers, suppliers, principals, key employees, permittees, registrants and Horsemen's Organizations will benefit from the amendments in this rulemaking.

Principals of manufacturers and suppliers will not be required to complete an initial one year renewal application unless the manufacturer or supplier is also required to complete that initial annual renewal.

All classes of individuals under the jurisdiction of the Board may benefit from the amendments to the wagering restrictions.

(11) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

There is no data, as defined under section (3) of the Regulatory Review Act (71 P.S. § 745.3), upon which this rulemaking is based.

(12) Describe who and how many people will be adversely affected by the regulation. How are they affected?

The Board does not anticipate that anyone will be adversely affected by this regulation.

(13) 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.

Principals, key employees, permittees, registrants, qualifiers, horsemen's organizations as well as slot machine licensees, manufacturers, suppliers, gaming service providers and gaming related gaming service providers that file applications on behalf of their principals, key employees, permittees and registrants will be required to comply with this regulation. To date, the Board has processed over 44,000 principal, key employee, permittee, registrant, qualifier, horsemen's organization, slot machine licensee, manufacturer, supplier, gaming service provider and gaming related gaming service provider applications.

(14) 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. Explain how the dollar estimates were derived.

As this regulation will require only one copy of an application instead of three, there may be a slight cost and time savings to key employees, registrants and permittees and to the slot machine, manufacturer and supplier licensees that submit applications on behalf of their employees.

As discussed above, the Board has eliminated the \$2,000 every 4 years for horsemen's organizations to file a notification forms.

There are no expected costs to the regulated community associated with this regulation.

(15) 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. Explain how the dollar estimates were derived.

This rulemaking will have no direct fiscal impact on local governments in this Commonwealth.

(16) 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. Explain how the dollar estimates were derived.

This rulemaking is not expected to generate any significant savings for or impose any significant new costs on the Board or other state agencies.

(17) 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:						
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:						
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

(17a) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
PGCB Overall Budget	\$33,310,000	\$33,744,500	\$35,800,000	\$35,501,000

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

There are no new costs associated with this rulemaking and most affected individuals and entities will benefit from clearer regulations and the slight reduction in the number of copies of applications that are required to be filed.

(19) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

No formal meetings were held on these proposed revisions. However, many of the changes are based on feedback from the industry as well as the Board's experience to date.

(20) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

No alternative regulatory approaches were considered. To make these changes, the regulations had to be amended.

(21) 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 regulations.

There are no corresponding federal standards for any of these provisions in this rulemaking.

(22) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

This rulemaking will have no impact on Pennsylvania's ability to compete with other states.

With respect to wagering restrictions: Board staff reviewed the restrictions currently in place in Pennsylvania and did a comparison with eight other gaming jurisdictions. Based on that review, the comments received during the comment period, the consistent feedback from the operators, and the Board's experience to date, the Board amended the wagering restrictions.

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

No, this rulemaking will not affect any other regulations of the PGCB or any other state agency.

(24) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

This rulemaking will reduce the number of copies of applications filed for key employees, permittees and registrants.

(25) 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 included in this rulemaking for any particular group.

(26) Include a schedule for review of the regulation including:

- | | |
|---|-------------------------|
| A. The date by which the agency must receive public comments: | <u>Final-form – N/A</u> |
| B. The date or dates on which public meetings or hearings will be held: | <u>N/A</u> |
| C. The expected date of promulgation of the proposed regulation as a final-form regulation: | <u>N/A</u> |
| D. The expected effective date of the final-form regulation: | <u>Upon publication</u> |
| E. The date by which compliance with the final-form regulation will be required: | <u>Upon publication</u> |
| F. The date by which required permits, licenses or other approvals must be obtained: | <u>Ongoing</u> |

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

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