Regulatory Analysis Form

(Completed by Promulgating Agency)

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

INDEPENDENT REGULATORY REVIEW COMMISSION

(1) Agency

Pennsylvania Gaming Control Board

(2) Agency Number:

Identification Number: 125-169

IRRC Number**:**

(3) PA Code Cite:

58 PA.CODE CHS. 605a, 639a, 641a, 643a, 647a, 653a, 655a, and 657a.

(4) Short Title:

Electronic gaming tables and table game rules of play.

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

Primary Contact:
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Secondary Contact:

(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 will add requirements for progressive table game systems that are linked between multiple tables within the same licensed facility, will add the Progressive Payout Wager to Crazy 4 Poker, Caribbean Stud, Four Card Poker, Let it Ride and Texas Hold 'Em Bonus Poker and the Bad Beat Bonus Wager to Four Card Poker.

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

The Pennsylvania Gaming Control Board's general authority is in 4 Pa.C.S. § 1202(b)(30)(relating to general and specific powers) and the specific authority in 4 Pa.C.S. §§ 13A02(1) and (2).

(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 applicable federal or state statutes, regulations or court decisions that mandate adoption of these changes contained in this rulemaking.
(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 rulemaking will give certificate holders additional operational flexibility in the games that they provide to patrons and is needed to establish the rules of play for new side wagers. Patrons who play these games will benefit from the standardization of the rules of play.
(11) 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.
(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states? This rulemaking expands the compliment of table games and side wagers available for patron play and should therefore not negatively impact Pennsylvania's ability to compete with other states.
(13) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations. This regulation will not affect any other regulations of the PGCB nor any other state agency.
(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.) No other persons or groups were involved in the development and drafting of the regulation. However, several operators and table game manufacturers had requested the use of linked progressives as well as the side wagers contained in this rulemaking.
(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of

the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

There are currently eleven slot machine licensees that have a certificate to operate table games, all of which will be affected by the regulation in that they will have greater flexibility in the compliment of side wagers available for patron play. Casinos that operate in the Commonwealth of Pennsylvania are not small business as defined in the United States Small Business Administration's Small Business Size Regulations, under 13 CFR Ch. 1 Part 121.

(16) List the persons, groups or entities, including small businesses, that will be required to comply with the regulation. Approximate the number that will be required to comply.

Any of the eleven slot machine licensees that would like to offer linked progressives or the side wagers contained in this rulemaking will be required to comply with the requirements of the rulemaking.

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

It is not anticipated that this rulemaking will have a negative financial or economic impact on the regulated community. Slot machine licensees will be impacted by this rulemaking as they will have a greater number of side wagers to offer at their facilities.

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

This rulemaking will provide operators with more table game options to offer to patrons.

(19) 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.

Certificate holders that decide to offer the side wagers will be required to submit updated rules submission forms and internal controls to reflect any additions. The rules forms are simple checklists that take little time to complete, are available to the operators electronically and are also submitted electronically. Any costs incurred to purchase equipment and train employees should be offset by the proceeds of gaming.

(20) Provide a specific estimate of the costs and/or savings to the **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 fiscal impact on local governments. Host municipalities and counties will benefit from the local share funding that is mandated by Act 1.

(21) Provide a specific estimate of the costs and/or savings to the **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.

The Board does not expect that the previsions contained in this rulemaking will have any fiscal impact on the Board or any other Commonwealth agency. Internal control procedures, table games rules submissions and LAP controller technology will be reviewed by existing Board staff.

(22) For each of the groups and entities identified in items (19)-(21) above, 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.

As stated above, if an operator would like to offer any of the side wagers contained in this rulemaking, the operator will have to submit updated internal controls, rules submission forms, layout schematics, etc. for approval. The rules submission forms are straightforward checklists and are submitted electronically.

(23) 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

(23a) 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	$33,744,500	$35,800,000	$35,501,000	$36. 098,000

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

The eleven slot machine licensees that operate in the Commonwealth of Pennsylvania may be impacted by this rulemaking if they offer the side wagers specified in this rulemaking; however, in accordance with the United States Small Business Administration's Small Business Size Regulations, under 13 CFR Ch. 1 Part 121, none of the casinos qualify as a small business.

(a) An identification and estimate of the number of small businesses subject to the regulation.
N/A

(b) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation

of the report or record.
N/A

(c) A statement of probable effect on impacted small businesses.
N/A

(d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.
N/A

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

No special provisions have been added.

(26) 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 as this rulemaking contains the rules of play for table games..

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

As stated in (24), this rulemaking will impact slot machine licensees which are not small businesses under the United States Small Business Administration's Small Business Size Regulations.

a) The establishment of less stringent compliance or reporting requirements for small businesses;
N/A

b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
N/A

c) The consolidation or simplification of compliance or reporting requirements for small businesses;
N/A

d) The establishment of performing standards for small businesses to replace design or operational standards required in the regulation; and
N/A

e) The exemption of small businesses from all or any part of the requirements contained in the regulation.
N/A

(28) If data is the basis for this regulation, please provide a description of the data, explain <u>in detail</u> 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.

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

A. The date by which the agency must receive public comments:	30 days from publication
B. The date or dates on which public meetings or hearings will be held:	N/A
C. The expected date of promulgation of the proposed regulation as a final-form regulation:	3rd quarter 2013
D. The expected effective date of the final-form regulation:	Upon publication
E. The date by which compliance with the final-form regulation will be required:	Upon publication
F. The date by which required permits, licenses or other approvals must be obtained:	Ongoing

(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.

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