

CSI - Ohio

The Common Sense Initiative

Business Regulation Impact Analysis

Agency Name: Ohio Casino Control Commission (“Commission”)

Regulation/Package Title: Skill-based amusement machine records and advertising

Rule Number(s): 3772-50-11, 3772-50-12, 3772-50-13, 3772-50-14, 3772-50-15

Date: September 28, 2016

Rule Type:

New

5-Year Review

Amended

Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Regulatory Intent

1. Please briefly describe the draft regulation in plain language.

Please include the key provisions of the regulation as well as any proposed amendments.

The proposed rules contained within this package relate to the regulation of skill-based amusement machine operators and vendors and encompass filing requirements, records retention, Commission inspections and audits, and skill-based amusement machine advertising in the State of Ohio. The rules are part of the development of the Commission’s oversight of skill-based amusement machine gaming.

In particular, the proposed rule package contains the following rules:

- **3772-50-11**, titled “Duty to update information.” This rule specifies the circumstances under which applicants and licensees must notify the Commission of a change in certain information, including changes in contact information, name changes, non-routine

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investigations by any gaming or State of Ohio agency, and administrative action taken by gaming or State of Ohio agencies against the applicant or licensee. These updates must be submitted to the Commission in writing within thirty calendar days after the change or occurrence of the event. The purpose of this rule is to ensure the continuing suitability of skill-based amusement game applicants or licensees.

- **3772-50-12**, titled “Filing requirements.” This rule outlines the items that type-B and type-C skill-based amusement machine operators must file with the Commission if they are found to be suitable for a new or renewal license. These requirements include the filing of a report containing a list of all skill-based amusement machine locations that the operator owns, leases, manages, or operates one or more type-B or C machines and a listing of all machine vendors that the operator conducts business with. Skill-based amusement machine vendors must also file a similar report with the Commission if found suitable for a new or renewal license. Each operator and vendor must file an annual report with the Commission and must provide notice to the Commission if they intend to cease business. The purpose of this rule is to ensure that the Commission has complete information with respect to the breadth of each applicant or licensee’s skill-based amusement machine operation in the State of Ohio.
- **3772-50-13**, titled “Record retention requirements.” This rule details the specific records that each skill-based amusement machine operator, vendor, or location is required to retain and maintain relating to the conduct of skill-based amusement machine operations in the State of Ohio. These records must be maintained in a manner that enables efficient review by the Commission, but may be retained at a location outside of the state so long as they are electronically transferable to the Commission within a reasonable amount of time. The rule also requires the records to be maintained for at least three years after creation and must be provided to the Commission upon request. The purpose of this rule is to ensure the proper storage and retention of information relating to skill-based amusement machines, allowing the Commission to perform audits and other necessary investigations to ensure the integrity of skill-based amusement machine gaming.
- **3772-50-14**, titled “Inspection and audits.” This rule provides that the Commission has access to any location that is related to skill-based amusement machine gaming, including the manufacturing, distribution, or testing of any supplies, devices, or equipment. The rule details the Commission’s inspection and audit authority, including the examination of machine locations, supplies, devices or equipment; inspecting and auditing persons that conduct or participate in skill-based amusement machine gaming; and requesting licensed persons to produce audits or other documents relating to the gaming. The rule further states that all applicants and licensees consent to the inspections and requests for disclosure of records by the Commission. The purpose of this rule is to allow the Commission access to the premises in order to inspect and ensure operators and vendors are complying with all laws pertaining to the operation of skill-based amusement machine operations.

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- **3772-50-15**, titled “Advertising.” This rule outlines the guidelines for skill-based amusement machine gaming-related advertisements in Ohio. The rule details prohibited methods of advertising and outlines the requirements that advertisements must comply with, including the advertisement of only state-approved machines and the requirement that the depiction of type-B machines only display those prizes that comply with rule 3772-50-01. The purpose of this rule is to protect Ohio patrons from deceptive and misleading advertisements.

2. Please list the Ohio statute authorizing the Agency to adopt this regulation.

R.C. 3772.03

3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?

If yes, please briefly explain the source and substance of the federal requirement.

Not applicable.

4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.

This question does not apply to these proposed rules because the federal government does not regulate skill-based amusement machines. Rather, skill-based amusement machines are governed under R.C. Chapters 2915. and 3772.

5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

The rules became necessary with the passage of H.B. 64 (131st General Assembly) wherein the General Assembly required the Commission to regulate skill-based amusement machines in a manner consistent with its ability to do the same with respect to casino gaming. The proposed rules will allow the Commission to fulfill its statutory obligation to regulate skill-based amusement machines and ensure the integrity of skill-based amusement machine gaming in Ohio.

6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

Overall, the Commission will measure the success of these proposed rules in terms of whether they help to ensure the integrity of skill-based amusement machine gaming. The Commission will consider the proposed regulation successful if the Commission is able to validate those persons who conduct skill-based amusement machine gaming in compliance with Ohio law (i.e. R.C. Chapters 2915. and 3772.) and eliminates illegal casinos (such as slot machine parlors that masquerade as skill-based amusement machine parlors). The Commission will review the information received under the proposed rules to fulfill its obligation to regulate skill-based amusement machine gaming in Ohio and eliminate illegal casinos. The Commission will also analyze the regulated community’s comments about requests for waivers or variances from these rules once they are implemented.

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Development of the Regulation

7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

If applicable, please include the date and medium by which the stakeholders were initially contacted.

With the passage of H.B. 64 (131st General Assembly), the Commission has taken several steps to engage the stakeholder community regarding the development of proposed regulation of skill-based amusement machines. Prior to drafting regulations, Commission staff engaged in numerous outreach activities with members of the regulated community including telephone conversations, e-mail communication, and in-person meetings. Since January 2016, Commission staff have held 18 individual meetings with members of the regulated community. Staff have also visited with stakeholders at their business locations in order to understand the business environment and how the skill-based amusement machine industry operates, as a whole.

Commission staff also met with representatives of several trade-based associations whose membership would be interested in or impacted by skill-based amusement machine gaming regulation, including, the Ohio Coin Machine Association, Bowling Centers Association of Ohio, and the Ohio Licensed Beverage Association. Additionally, the Director of Skill Games presented at the 1st Annual Gaming Law Symposium on March 4, 2016, highlighting the Commission's regulatory authority and outlining the Commission's efforts to promulgate administrative rules addressing skill-based amusement machines.

After several months of engagement by Commission staff, the Commission prepared draft rules for stakeholder review and comment. The draft rules were circulated to members of the stakeholder community by e-mail on August 15, 2016, with a requested comment period ending on August 29, 2016. A list of the stakeholders contacted by the Commission is included as Attachment A. All of the stakeholders contacted by the Commission have either met with Commission staff or otherwise engaged staff through telephone or e-mail.

8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

The initial draft of the regulations was a direct result of the significant effort spent by Commission staff to engage with the stakeholder community. The initial draft included many thoughts, comments, and ideas provided by stakeholders. In response to the Commission's August 15, 2016 e-mail, stakeholders provided comments that are incorporated as Attachment B. As a result of the stakeholder comments, the Commission made several changes to the draft rules, including:

- Under proposed rule 3772-50-11, limiting the requirement to update the Commission on civil actions that involve an applicant or licensee to those actions that involve gaming, fraud, deceptive trade practices, or are pending at a court in Ohio;
- Clarifying that the word "action" refers to regulatory action involving an applicant or licensee in proposed rule 3772-50-11;

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- Limiting the requirement to update the Commission on matters outside of Ohio to those that involve a gaming agency or skill-based amusement machine agency action in proposed rule 3772-50-11;
- Clarifying the applicant’s or licensee’s duty to update the Commission on regulatory matters in the State of Ohio in proposed rule 3772-50-11;
- Changing the word “of” to the word “after” in proposed rule 3772-50-11(B);
- Clarifying that the reporting information required under proposed rule 3772-50-12(A) and (C) is for Ohio business information of a licensee;
- Implemented an annual filing requirement instead of a bi-annual requirement for all licensees under proposed rule 3772-50-12;
- Clarifying the record retention period applies to Ohio business operations in proposed rule 3772-50-13;
- Specified that a skill-based amusement machine vendor must retain records for type-B and type-C machines, but not type-A, under proposed rule 3772-50-13;
- Removed a requirement that a type-B operator keep records of all prizes won and the date each prize was awarded;
- Removed a requirement that a type-B or type-C skill-based amusement machine operator keep records of damaged and defective merchandise prizes and replacements issued by the operator in proposed rule 3772-50-13;
- Removed a requirement for an operator to keep records of all complaints received by players of skill-based amusement machines under proposed rule 3772-50-13;
- Clarifying the information that must be maintained by a type-C skill-based amusement machine operator to the prizes available to be won by a player during a time period and the number of prizes awarded under proposed rule 3772-50-13;
- Added a provision that records may be maintained at a licensee’s principal place of business in proposed rule 3772-50-13;
- Added clarifying information on when the Commission may utilize its inspection authority under proposed rule 3772-50-14; and
- Added a provision allowing a licensee that conducts a national advertisement campaign to depict games not approved in Ohio as long as the licensee provides a disclaimer that the game is not available in Ohio.

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

This question does not apply to these proposed rules because no scientific data was necessary to develop or measure their outcomes, as these proposed rules pertain to annual filing requirements, record retention, inspections, audits, and advertisement of skill-based amusement machines.

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10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?

The Commission staff reviewed regulations in other jurisdictions, including skill-based video lottery terminals, carnival and amusement games, and boardwalk games. Some of the draft regulations are modeled on regulations in other jurisdictions; however, Ohio's definition of skill-based amusement machines is significantly different than other states' definitions. Further, other jurisdictions have not had success in eliminating illegal slot machine gambling. Moreover, the Commission's obligation is to amplify the requirements outlined in R.C. 2915.01(UU) through the draft regulations. After reviewing other jurisdictions' requirements and carefully considering the requirements in R.C. 2915.01(UU), the Commission concluded that the draft regulations were the most effective to achieve the Commission's mandate to regulate skill-based amusement machines.

11. Did the Agency specifically consider a performance-based regulation? Please explain.

Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.

Proposed rules 3772-50-11 and 3772-50-12 do not contemplate performance-based regulation because the rules concern duties to update specific information to the Commission and an annual filing requirement. The rules require the same information to be provided by each applicant or licensee and will ensure fair and consistent application of the proposed rules to the stakeholder community. Proposed rule 3772-50-14 does not contain performance-based regulation because it outlines the Commission's authority with respect to inspections and audits. Proposed rule 3772-50-13 does contemplate performance-based regulation as it highlights the information that must be retained for a three year period, but does not dictate the manner in which those records should be created or maintained, including the ability of stakeholders to maintain the records electronically. Finally, proposed rule 3772-50-15 also contemplates performance-based regulations, to an extent, as it prohibits certain types of deceptive advertising practices but does not mandate the process skill-based amusement machine licensees must utilize when advertising.

12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

As the General Assembly has tasked the Commission with the oversight and regulation of skill-based amusement machines in Ohio, there are no other regulations that govern filing requirements, inspection and audits, record retention, duties to update information, or advertisements as it pertains to skill-based amusement machine gaming.

13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The Commission provides notice to the stakeholder community through e-mail, phone calls, meetings, and presentations at legal and trade forums regarding proposed and final-filed rules and will engage in outreach with stakeholders when rules are filed or become effective. The

Commission will also provide notice and an opportunity to provide feedback on the annual report language used in the state's eLicense website before annual reporting is required. Finally, the Commission's Division of Skill Games, under the direction and supervision of the Executive Director, will be responsible for the consistent and predictable implementation of the proposed regulation. Any issues that arise in the licensing and waiver process will be reviewed by Commission staff to coordinate a consistent response and conduct outreach to the regulated community.

Adverse Impact to Business

14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community;

Skill-based amusement machine vendors (manufacturers and distributors), skill-based amusement machine operators, skill-based amusement machine key employees, and skill-based amusement machine locations.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

The nature of the potential adverse impact from the proposed rules includes costs for employer time and payroll. In addition, failure to comply with the proposed rules may result in administrative action by the Commission including the denial, suspension, or revocation of a license or a monetary civil penalty.

c. Quantify the expected adverse impact from the regulation.

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a "representative business." Please include the source for your information/estimated impact.

Proposed Rule 3772-50-11, "Duty to update information."

Proposed rule 3772-50-11 requires licensees and applicants to update the Commission regarding certain information that may affect an applicant's or licensee's suitability to obtain or maintain a license along with basic contact and demographic information. The potential adverse impact is the time and payroll necessary to submit the required information and sanctions for non-compliance. The potential adverse impact will be realized only when an applicant or licensee has a change in information that would require the applicant or licensee to provide an update to the Commission. The Commission estimates that, if required, it would take approximately one hour for an applicant or licensee to submit the required information to the Commission; however, knowledge of the eLicense website, familiarity with technology, and accessibility of business records could impact this estimate. Should an applicant or licensee fail to update the Commission, the Commission may take administrative action against the

applicant or licensee including the denial, suspension, or revocation of a license or a monetary civil penalty.

Proposed Rule 3772-50-12, “Filing requirements.”

The proposed rule requires skill-based amusement machine operators and vendors to submit an annual report to the Commission and provide notice to the Commission if a skill-based amusement machine operator or vendor intends to cease doing business as a skill-based amusement machine operator or vendor. The potential adverse impact is the time and payroll necessary to complete the report and possible sanctions for non-compliance. The Commission estimates that the report will be approximately four to five pages in length, excluding instructions and definitions. The Commission estimates that it would take an operator or vendor approximately four to five hours to complete the report; however, knowledge of the eLicense website, familiarity with technology, and accessibility of business records could impact this estimate. Should an applicant or licensee fail to update the Commission, the Commission may take administrative action against the applicant or licensee including the denial, suspension, or revocation of a license or a monetary civil penalty.

Proposed Rule 3772-50-13, “Record retention requirements.”

This rule establishes the minimum records that must be retained by licensee for a period of three years and, upon request, provide those records to the Commission. The potential adverse impact is the time and payroll necessary to keep and index the required records, storage solutions for the required records, the time and payroll necessary to respond to a request from the Commission to provide records, and possible sanctions for non-compliance. The Commission believes that many of the records are already maintained by the stakeholder community, thus the potential impact should be minimized as stakeholders already engage in record-keeping as part of their business practice. To the extent that records are requested by the Commission, the Commission estimates that it will take a licensee three to four hours to compile the response; however, the accessibility of business records maintained under the rule could impact this estimate. To the extent a licensee will be maintaining records for longer than their current business practice, a licensee may need additional physical storage or media storage to accommodate the records being retained. Should an applicant or licensee fail to comply with the proposed rule, the Commission may take administrative action against the applicant or licensee including the denial, suspension, or revocation of a license or a monetary civil penalty.

Proposed Rule 3772-50-14, “Inspection and audits”

This rule outlines the Commission’s authority with respect to inspections and audits. The potential business impact includes the time and payroll necessary to respond to an inspection or audit, the removal of machines, supplies, devices or equipment for the purpose of an inspection, and possible sanctions for non-compliance. Although the Commission seeks to inspect locations and facilities in as unobtrusive manner as possible, the presence of Commission staff may impact a business, especially when an inspection would warrant the production of additional records or information. The

Commission estimates that an in-person inspection would take approximately two hours. In the event that the Commission requests a person to produce documents related to skill-based amusement machine gaming in Ohio (outside of an in-person inspection), the Commission estimates that it would take approximately three to four hours to compile the response; however, the accessibility of business records may impact this estimate. In the event that the Commission would remove skill-based amusement machines, supplies, devices, or equipment, such machine, supply, device or equipment would be returned upon the Commission's completion of the examination or inspection. Should an applicant or licensee fail to comply with the proposed rule, the Commission may take administrative action against the applicant or licensee including the denial, suspension, or revocation of a license or a monetary civil penalty.

Proposed Rule 3772-50-15, "Advertising."

This rule establishes prohibitions on certain misleading or deceptive advertisements. The potential business impact is the requirement for the display of a disclaimer for national campaigns that may depict skill-based amusement machines that are not permitted in Ohio and possible sanctions for non-compliance. Although the rule prohibits certain advertising practices, the Commission does not believe the proposed rule will impact business as businesses will craft future advertising campaigns to comply with the rule. The rule should not cause stakeholders to expend more cost on advertising campaigns, with the exception of national advertising campaigns. In the event that a stakeholder conducts a national advertising campaign that may not comply with the requirement that the advertisement only depict approved games, the rule allows the advertisement provided it contains a disclaimer. A stakeholder wishing to depict unapproved games in a national campaign will have to ensure the advertisements contain the disclaimer language. Should an applicant or licensee fail to comply with the proposed rule, the Commission may take administrative action against the applicant or licensee including the denial, suspension, or revocation of a license or a monetary civil penalty.

15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

For many years, the state, along with local governments and law enforcement officials have worked to eliminate illegal gaming in this state, largely through criminal enforcement of R.C. Chapter 2915. Since 2006, significant efforts have been made to prohibit illegal gambling without jeopardizing legitimate businesses, such as limiting winnings to merchandise prizes with a wholesale value of ten dollars or less and specifically prohibiting cash and gift card prizes. Despite these efforts, illegal gambling has proliferated across the state, under the guise of legal skill-based gaming. Unregulated gaming poses a threat to the public welfare and raises the potential for operators and others to perpetrate fraud and abuse on Ohio consumers, particularly some of Ohio's most vulnerable citizens.

To mitigate these threats, H.B. 64 (131st General Assembly) mandated the Commission to regulate skill-based amusement machines in a manner consistent with respect to the Commission's authority to regulate casino gaming. The Commission developed these

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proposed rules in order to meet the obligation under R.C. 3772.03 to regulate skill-based amusement machine gaming.

In order to evaluate an applicant's or licensee's continuing suitability to obtain or maintain a license, the Commission needs up-to-date information. Without a requirement to update information, the Commission could be making licensing determinations or permitting licensure based on inaccurate or out-of-date information. Further, licensee's submission of annual information in the form of a report will assist the Commission in determining whether licensed entities are complying with the requirements of R.C. Chapters 2915. and 3772. and the rules adopted thereunder. The report will allow the Commission to more effectively fulfill its statutory mandate to regulate skill-based gaming in Ohio. Similarly, access to records as well as inspection and audit authority will allow the Commission to fulfill its obligation to regulate skill-based amusement machine gaming in the same manner in which it regulates casino gaming. Finally, prohibiting certain deceptive or misleading advertising practices will ensure the integrity of skill-based amusement machine gaming in this state and provide consumer protection. As the proposed rules allow the Commission to fulfill its statutory mandate in an efficient and effective manner, the Commission concluded that the regulatory purpose of the proposed rules justified the potential adverse business impact.

Finally, the Commission consulted members of the regulated community to consider potential adverse impacts on the regulated community. Several stakeholders have commented that the rules will have the positive impact of providing greater certainty in the industry of enforcement and regulation. The proposed rules are the result of the Commission's effort to balance its obligation under R.C. 3772.03 and the potential adverse business impact while still providing the certainty that will benefit the industry.

Regulatory Flexibility

16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

Yes (indirectly). The proposed rules indirectly provide exemption or alternative means of compliance through proposed rule 3772-50-10 (pending), which permits the Commission, upon written request, to grant waivers and variances, from the rules adopted under R.C. Chapter 3772-50, including these rules, if doing so is in the best interest of the public and will maintain the integrity of skill-based amusement machine gaming in the State of Ohio.

17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

To the extent R.C. 119.14 would apply to a violation of the proposed rules, the Commission will provide verbal and written notification to the small business in an attempt to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable time to correct the violation. The Commission and its staff would also offer any additional assistance necessary to aid in remediation of the violation. No further action would be taken unless the small business fails to remedy the violation within the reasonable time allotted by the Commission.

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18. What resources are available to assist small businesses with compliance of the regulation?

The Commission and its staff are dedicated to working with members of the regulated community and the public to effectively and efficiently regulate skill-based amusement machine gaming in this state. As a result, the following resources are available:

- Commission's mailing address:
10 W. Broad Street, 6th Floor
Columbus, Ohio 43215
- Commission's toll free telephone number: (855) 800-0058
- Commission's fax number: (614) 485-1007
- Commission's website: <http://www.casinocontrol.ohio.gov/>
- Commission's email: info@casinocontrol.ohio.gov

Also, all members of the regulated community may, in accordance with rule 3772-2-04, request to address the Commission during a public meeting. Finally, all members of the regulated community may, pursuant to rule 3772-50-10 (pending), request waivers and variances from Commission regulations.

ATTACHMENT A

First Name	Last Name
Tom	Pappas
Emily	Mattisone
Chad	Belter
Nick	Farley
Al	Kress
Kevin	Bachus
Josh	Bolton
Karen	Cincione
David	Corey
Phil	Craig
Bob	Davis
Kevin	Futryk
Kurt	Gearhiser
David	George
Bruce	Hales
Bill	Kraft
Luther	Liggett
Kevin	McHenry
Lawrence	Miltner, Esq
Kevin	Morse
Thomas	Niehaus
Lloyd	Pierre-Louis
Scott	Shaffer
Amanda	Sines
John	Singleton
Johnathan	Smith
Jay	Tobin
Steve	Tugend
Madge	Vail
Anne	Vitale
Jon	Oberle
Lora	Miller
Dan	Reinhard
Elise	Spriggs
Leah	Pappas Porner
Pete	Thomas
Paul	Kulwinski
Charles	Febus
Rich	Labrocca
Kevin	Mullally

ATTACHMENT B

From: [Morrison, Andromeda](#)
To: [Seifert, Berena](#)
Subject: FW: More Comments
Date: Friday, August 26, 2016 10:29:10 AM

From: David P. Corey [mailto:dpc@pacainc.com]
Sent: Thursday, August 25, 2016 4:00 PM
To: Morrison, Andromeda <Andromeda.Morrison@casinocontrol.ohio.gov>
Subject: More Comments

Our folks have been reviewing the Record keeping requirements and are floored by the requirements to document EACH prize won. That's an unbelievable burden not just on the vending machine companies but also the locations. We've already been informed by some location owners to, "just take the machine out, I don't want this record-keeping nightmare." And these are for Type B machines! Many of the vending companies have already told me they will have to hire a dedicated individual to comply with all the paperwork. Why is this being implemented? I would think it's going to be difficult to get that through the next phase. It's going to increase the cost of doing business in Ohio By a quite a bit. If that is deleted, what would the fallout be since you're requiring invoices to be kept. Finally, I'm finally getting some pushback on the huge fee disparity from Type B and C. "The reference to casino games is unusual. Type C machines are nothing like casino games. They don't earn much more than Type B machines, but everyone seems to think they do. Why does the CCC seem to think they earn like a casino game". That's a quote from a member. "These regulations are going to drive people away from Ohio, affect the bottom line and negatively impact income tax receipts from our sector", was another comment.

Please don't shoot the messenger, but people are really disappointed on how onerous these regulations are. Thanks. DPC

David P. Corey
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Seifert, Berena

From: Morrison, Andromeda
Sent: Friday, August 26, 2016 10:29 AM
To: Seifert, Berena
Subject: FW: Skill Game Rules

From: David A George [mailto:dageorge@bellmusicco.com]
Sent: Friday, August 19, 2016 10:41 AM
To: Morrison, Andromeda <Andromeda.Morrison@casinocontrol.ohio.gov>
Subject: Skill Game Rules

Andromeda,

I wanted to thank you for making a few adjustments to the skill game rules that I had discussed with you. I always appreciate the transparency of your agency and your hard work. The addition of the waiver process was genius on the part of the OCC.

I have a few questions

1. Do you have an electronic copy of the rules that the commission approved on Wednesday?
2. Could you describe how the waiver process will work. If I have a bowling alley that has no Class C skill and only class B, would that be a location to apply for a waiver? Could a crane machine company apply for a waiver on their machine?
3. In the new draft of rules you were kind enough to send out to me this week. They are well written, some people will think they are over the top and require too much record keeping. Tough crap will be my message to them. Proper record keeping is important.

I have one question---It asks for there to be a record kept of all prizes won and the date they were won. The Class C games have that capability in their record keeping and the bartenders will also keep a record as they are the ones that dispense the gas vouchers so that will be able to be achieved. My concern is on a class B game. If someone wins a teddy bear in a crane it is all but impossible for us to have the date it was won documented. My one recommendation for the new rules would be that only class C games need to keep records of when a prize was won.

If I think of anything else I will pass it on to you.

Let me know if I can help you on anything.

Thanks again and have a great weekend

David A. George
President,
Bell Music Company

I am using the Free version of [SPAMfighter](#).
SPAMfighter has removed 6073 of my spam emails to date.

Do you have a [slow PC?](#) Try a free scan!

August 29, 2016

Via First Class Mail and Electronic Mail

Andromeda Morrison
Ohio Casino Control Commission
10 West Broad Street, 6th Floor
Columbus, Ohio 43215
andromeda.morrison@casinocontrol.ohio.gov

Re: CEC Entertainment, Inc. dba Chuck E. Cheese's Comments to Skill-Based Amusement
Machines Rules numbered 3772-50-11 through 3772-50-15

Dear Ms. Morrison:

Thank you for the opportunity to provide comments to the Ohio Casino Control Commission in connection with the draft rules numbered 3772-50-11 through 3772-50-15 regarding skill-based amusement machine ("SBAM") gaming. Please accept this letter as the comments of CEC Entertainment, Inc. ("CEC"), which operates and franchises approximately 580 Chuck E. Cheese's family entertainment centers located within nearly every state in the United States; twenty-one Chuck E. Cheese's are located within Ohio. CEC is a business that offers ticket redemption games among other fun and entertaining experiences for families with children between the ages of 2 and 12.

General Comment

CEC reiterates its previous suggestion set forth in the June 10, 2016 letter regarding a proposed alternative regulatory framework. Given the wide and varied market of SBAMs in Ohio, CEC would urge the Commission to initially require notification to the Commission of all locations where SBAMs are available to the public. After the notification phase, the Commission could require licensure of and target investigation efforts upon operators where the notification information and other factors indicate that greater scrutiny is advisable. The Commission could also target entities that did not comply with the notification phase. The purpose of the notification phase would be to quickly eliminate operators who do not offer adult-oriented SBAMs from further compliance burden and also reduce the review and licensure burden on the Commission.

Draft Rule 3772-50-11

Section (A)(4) of Draft Rule 3772-50-11 would require notification to the Commission of "[a]ny civil action to which the applicant or licensee is a party." As drafted, this would include a multitude of notifications regarding civil actions that are entirely irrelevant to suitability, such as worker's compensation, personal injury matters, intellectual property disputes, among many others. CEC recommends revising

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Section (A)(4) to state, "Any civil action against the applicant or licensee concerning allegations of fraud or deceptive trade practices to which the applicant or licensee is a party."

Section (A)(6) of Draft Rule 3772-50-11 would require notification to the Commission of "[a]ny inquiry into, investigation of, or action involving the applicant or licensee by any gaming regulatory agency or any other governmental authority, except for routine renewal application submissions." As drafted, this would capture investigations by non-gaming authorities including routine Fair Labor Standards Act reviews, tax audits, food service checks, and other matters that are not germane to gaming suitability. CEC recommends narrowing the scope of Section (A)(6) while maintaining the focus on gaming suitability by revising the Section to state, "Any inquiry into, investigation of, or action involving the applicant or licensee by any gaming regulatory agency ~~or any other governmental authority~~, except for new or routine renewal application submissions."

Section (A)(7) of Draft Rule 3772-50-11 would require notification to the Commission of "[a]ny rejection, denial, suspension, or revocation of any application or license, and any fine, penalty, or settled amount relating to any application or license that has been imposed upon or agreed to by the applicant or licensee in any jurisdiction." As drafted, this would capture license compliance issues for all issues in all states, including minor fines for items such as out-of-date fire extinguishers or improper temperature of a salad bar, which are not germane to gaming suitability. CEC recommends revising the Section to state, "[a]ny rejection, denial, suspension, or revocation of any gaming application or license, and any fine, penalty, or settled amount relating to any gaming application or license that has been imposed upon or agreed to by the applicant or licensee in any jurisdiction."

Draft Rule 3772-50-12

Sections (A)(1), (A)(2), (C)(1), and (C)(2) of Draft Rule 3772-50-12 require disclosure of all SBAM locations that an operator owns, leases, or manages, wherever located. CEC recommends revising these Sections to limit the disclosure to SBAM locations that are within the State of Ohio.

Sections (B) and (D) of Draft Rule 3772-50-12 calls for updated reports on every SBAM in every location owned, leased, or managed by an SBAM operator every six months. Section (F) of the Draft Rule calls for updated reports of all SBAM operators with which an SBAM vendor does business every six months. CEC believes the twice-annual frequency is too onerous a burden for operators and vendors in light of the limited additional information that it provides to the Commission as compared to an annual or upon-renewal-only frequency.

CEC suggests add clarification to Draft Rule 3772-50-12 to indicate that the reports to the Commission may be confidential and are not subject to public records requests in light of the trade secrets or other protected information contained within the reports.

Draft Rule 3772-50-13

Section (A) of Draft Rule 3772-50-13 as presently drafted applies to all records for all SBAM gaming regardless where located. CEC recommends revising this Section to limit the record retention policy to SBAM gaming within the State of Ohio.

Sections (C)(1) and (C)(2) of Draft Rule 3772-50-13 as presently drafted applies to all SBAMs and all merchandise prizes regardless where located. CEC recommends revising these Section to limit the record retention policy to SBAMs and merchandise prizes offered within the State of Ohio.

Sections (C)(3) and (D)(3) of Draft Rule 3772-50-13 are not feasible. These Sections call for retention of "[a] list of all prizes available to be awarded to a player, the dates the listed prizes were available to be awarded to a player, the number of prizes awarded, and the date each prize was awarded to a player...." CEC's prizes are children's toys and candy, generally of nominal value. Hundreds of prizes are awarded in exchange for tickets each day, and no records are presently maintained of the number of prizes awarded or date that prizes are awarded. CEC does maintain records of the prizes available for award and dates when those prizes are available, but requiring creation and retention of records of each prize distributed to a player on each date is unduly burdensome and unlikely to produce valuable information in the context of the integrity of SBAM gaming. CEC therefore suggests revising Sections (C)(3) and (D)(3) to state, "[a] list of all prizes available to be awarded to a player, and the dates the listed prizes were available to be awarded to a player, ~~the number of prizes awarded, and the date each prize was awarded to a player,....~~"

Section (C)(4) of Draft Rule 3772-50-13 is unworkable. The Section calls for retention of "[r]ecords of all damaged or defective merchandise prizes, including subsequent replacements issued to players." CEC employees replace toys and candy that appear to be damaged or defective without maintaining records of the replacements. No records are presently maintained regarding defective prizes given the nominal value of the prizes. What is more, requiring CEC to maintain such records would be unduly burdensome and would not further the integrity of SBAM gaming, and CEC recommends deletion of Section (C)(4).

Section (C)(6) of Draft Rule 3772-50-13 is overbroad. The Section calls for retention of "[r]ecords of all complaints received from players or the general public including how the skill-based amusement machine operator responded to the complaint and any corrective action taken in response to the complaint." As drafted this Section would require creation and retention of records for any complaints, up

to and including complaints concerning food items, salad bar items running out, or token jams. Thus, CEC recommends deletion of Section (C)(6).

Section (E) guides the organization and indexing of the records retained by the SBAM operator or vendor. CEC suggests amending this Section to indicate that (1) the records may be retained at the licensee's principal place of business, and (2) the records be held as confidential and not subject to public records requests as they contain trade secrets and other protected information.

Draft Rule 3772-50-14

Section (B)(3) of Draft Rule 3772-50-14 gives the Commission the authority to "[s]ummarily impound, seize, and remove from a skill-based amusement machine location any skill-based amusement machine supplies, devices, and equipment for the purpose of examination and inspection." This Section as drafted is unnecessarily broad and does not provide guidance on when the Commission is to use its discretion. CEC recommends revising this Section provide additional guidance and restriction on the impoundment, seizure, and removal of SBAM items.

Draft Rule 3772-50-15

Section (D) of Draft Rule 3772-50-15 indicates that only SBAM machines which are approved for use in Ohio can be depicted in advertisements. Because it is unclear at present how individual SBAMs will be approved, we reserve the right to object and to offer comments on this provision after the approval process is delineated.

Conclusion

CEC looks forward to continuing to work with the Ohio Casino Control Commission to reach a resolution that ensures the integrity of SBAM gaming and protects Ohio residents without inhibiting the operation and growth of the family recreation industry. Please contact me if we can be of assistance.

Very truly yours,

Christy A. Prince

cc: David Deck
Steve Tugend
Michael E. Zatezalo



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August 29, 2016

Via First Class Mail and Electronic Mail

Andromeda Morrison
Ohio Casino Control Commission
10 West Broad Street, 6th Floor
Columbus, Ohio 43215
andromeda.morrison@casinocontrol.ohio.gov

Re: Shaffer Distributing, Inc.'s Comments to Skill-Based Amusement Machines Rules numbered 3772-50-11 through 3772-50-15

Dear Ms. Morrison:

Thank you for the opportunity to provide comments to the Ohio Casino Control Commission in connection with the draft rules numbered 3772-50-11 through 3772-50-15 regarding skill-based amusement machine ("SBAM") gaming. Please accept this letter as the comments of Shaffer Distributing, Inc. ("Shaffer").

Rule 3772-50-11

Section (A)(6) ("Any inquiry into, investigation of, or action involving the applicant or licensee by any gaming regulatory agency or any other governmental authority, except for routing renewal application submissions") would create a vague and overbroad duty to update the Commission regarding any action by any government authority. A county auditor's office sending a property tax bill to a licensee could be considered a governmental authority taking an "action" involving a licensee. Shaffer therefore recommends narrowing the scope of the duty to update the Commission described in Section (A)(6) to apply only to gaming regulatory agencies and to clarify the meaning of the word "action."

Section (A)(7) ("Any rejection, denial, suspension, or revocation of any application or license, and any fine, penalty, or settled amount relating to any application or license that has been imposed upon or agreed to by the applicant or licensee in any jurisdiction") would create an overbroad duty to update the Commission regarding matters that are not relevant to gaming suitability, up to and including a speeding ticket that impacted a key employee's driver's license. Shaffer therefore recommends narrowing the scope of the duty to update the Commission described in section (A)(7) to apply only to gaming applications and licenses.

Section (B) requires the applicant or licensee to update the Commission "within thirty calendar days of the change or occurrence of the event." Shaffer recommends clarifying that the update must take place "within thirty calendar days of after the change or occurrence of the event."

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Rule 3772-50-12

Section (E)(2) requires vendors to file reports with the Commission as to all Type-B SBAMs and Type-C SBAMs provided for use in Ohio. This is an extremely significant requirement because there are generally multiple versions of the same SBAM. Shaffer offers approximate six hundred different Type-B SBAMs and Type-C SBAMs, each of which has a number of variations in its features. This requirement as drafted would require reports on thousands of different SBAMs from Shaffer alone. In light of the volume of reports contemplated by the draft rule, Shaffer recommends making this information available upon request by the Commission rather than generating all the information.

Section (F) requires vendors to file twice-yearly reports with the Commission. A requirement of twice-annual reports is unduly burdensome. Shaffer's position is that an annual reporting requirement is sufficient to protect the integrity of SBAM gaming in Ohio.

Rule 3772-50-13

Section (B)(2) requires vendors to retain records for each SBAM provided for use in Ohio. Shaffer recommends limiting this requirement to retention of records for Type-B SBAMs and Type-C SBAMs only given that the sale and operation of Type-A SBAMs is not otherwise regulated.

Rule 3772-50-14

Section (B)(3) grants the Commission the authority to "[s]ummarily impound, seize, and remove from a skill-based amusement machine location any skill-based amusement machine supplies, devices, and equipment for the purpose of examination and inspection." This language is unnecessarily broad and does not provide guidance on when the Commission is to use its discretion. Shaffer recommends removing this section or adding clarification on under what circumstances this authority would be employed.

Conclusion

Shaffer looks forward to continuing to work with the Ohio Casino Control Commission to reach a resolution that ensures the integrity of SBAM gaming and protects Ohio residents without inhibiting the operation and growth of the family recreation industry. Please contact me if we can be of assistance.

Very truly yours,



Christy A. Prince

cc: Scott Shaffer
Steve Tugend
Michael E. Zatezalo

DAVE & BUSTER'S

Comments to Draft Licensing Rules for the Skill-Based Amusement Industry Proposed by the Ohio Casino Control Commission

Draft OAC 3772-50-11 through OAC 3772-50-15

Dave & Buster's is pleased to have the opportunity to offer comments to the Ohio Casino Control Commission's second set of proposed skill game rules. As a preliminary matter, Dave & Buster's notes its continuing concerns regarding the Commission's approach, which seems to be creating the most comprehensive and detailed regulatory scheme in the country. Dave & Buster's is concerned that this approach will add significant administrative burdens and costs to doing business in Ohio, although the full impact of what Ohio is proposing cannot be evaluated until all of the proposed rules have been drafted.

Dave & Buster's appreciates the Commission's assurance that we will have a continuing ability to comment upon rules, even after they are approved by the Commission, if we identify issues created by future rules and forms developed by the Commission.

Dave & Buster's comments are based upon observations and lessons learned from operating as a national company doing business in 33 different states. Our suggestions regarding this second set of rules are intended to improve the draft rules in ways that are consistent with the Commission's approach and which will permit Dave & Buster's to operate in an effective manner in Ohio.

OAC 3772-50-11 Duty to Update Information.

This draft rule would require all applicants and licensees to provide extensive business information to the Casino Control Commission on an on-going basis. As written, this requirement would impose a significant administrative burden upon Dave & Buster's. Further, Dave & Buster's suggests that it may not be helpful, as a practical matter, for the Ohio Casino Commission to receive such a broadly defined array of information generated by Dave & Buster's operations in 33 different states. We suggest that these requirements could be tailored more narrowly and still provide the Ohio Casino Control Commission with information necessary for its regulation of skill gaming in Ohio. To that end, Dave & Buster's offers the following suggestions:

- Limit OAC 3772-50-11(A)(4) to any civil judgments against applicants or licensees related to skill gaming. Unfortunately, Dave & Buster's and its corporate subsidiaries may be parties to civil lawsuits of various types in every state and jurisdiction in which Dave & Buster's operates. Often, Dave & Buster's is a defendant but sometimes it is a plaintiff. The vast majority of these suits have nothing to do with skill gaming. Suits may relate to employment issues, tax issues, construction issues, other property-related issues, slip & fall cases, contract issues, insurance issues and any other imaginable issue.

- Limit OAC 3772-50-11(A)(5) to felony convictions. This type of limitation focuses on more serious issues of concern as opposed to a broader array of legal infractions that are not as likely to raise concerns related to gaming. This type of limitation is also more consistent with how Dave & Buster's handles its own human resources function regarding applicants and employees.
- Limit OAC 3772-50-11(A)(6) to formal legal action filed by a state-level regulatory agency responsible for gaming. As the Commission might imagine, Dave & Buster's is subject to an incalculable number of "inquiries, investigations, or other actions" by many different types of federal, state and local agencies, such as agencies responsible for liquor permits, zoning authorities, health departments for various issues, taxing jurisdictions, OSHA and other agencies that perform compliance functions regarding employment, safety, environmental and property issues, just to name a few examples.
- Limit OAC 3772-50-11(A)(7) to official legal action by a state level regulatory agency that results in a fine or the denial, suspension or revocation of an application or license related to gaming. This limitation focuses on final actions which are relevant to gaming as opposed to the multitude of actions that relate to local health, zoning or liquor issues or other types of applications that are required for innumerable issues in the 33 states within which Dave & Buster's operates.

OAC 3772-50-12 Filing Requirements.

Dave & Buster's understands that the forms mentioned in this rule (and other rules) have not been developed yet and understands that interested parties will have an opportunity to be involved in the process for developing the forms that may include more specific requirements. In the meantime, Dave & Buster's offers a few suggestions for modifications to this rule.

Dave & Buster's agrees that it is appropriate for an operator/vendor file some initial information with the Commission upon determination that an applicant meets the requirements for licensure. However:

- With respect to the items required by section (A), (C) and (E), Dave & Buster's requests that the rule limit the required information to operators, locations and machines located in Ohio;
- Dave & Buster's requests that the vendor information required by section (A)(4) be limited to those vendors who manufacture machines identified in (A)(3) which are located at Dave & Buster's Ohio locations; and,
- If the Commission requires a licensee to provide proprietary and confidential business information, this rule (or some other rule) should also include confidentiality protections. Dave & Buster's does not object to sharing information with the Commission in order to obtain and maintain any required licenses or, as requested by the Commission, to demonstrate compliance with Ohio skill game rules. However, Dave & Buster's is extremely concerned that much of the information it will need to disclose to the

Commission will be highly sensitive, proprietary and confidential business information that would cause it significant harm if made available to the public or in any way accessible to its competitors.

Instead of a required biannual report, Dave & Buster's recommends that a licensed operator/vendor be required to make an annual filing and, on an ongoing basis through the year, be required to provide the Commission advance notice of additional locations, machines and vendors (similar to what is envisioned in the Commission's draft Registration rule.)

OAC 3772-50-13 Record Retention Requirements.

Prize information specified in section (C)(2) (3) and (4) and section (D)(3)

Dave & Buster's is very concerned about some of the record-keeping requirements proposed in this rule. In particular, the proposed requirements contained in section (C)(2), (3) and (4) [and (D)(3) to the extent that a Dave & Buster's store would ever be considered a "location"] would be extremely burdensome and, in some cases, are unworkable for Dave & Buster's as a practical matter:

- Dave & Buster's buys a huge volume of prizes and awards hundreds if not thousands of prizes per store per day and prize returns/exchanges are not uncommon. However, Dave & Buster's never, under any circumstances, awards cash prizes or permits any type of return or exchange for cash, cash equivalents or game credits.
- As an alternative, Dave & Buster's recommends that an operator be required to keep a record of prize items and the purchase price. Further, we understand that returns and exchanges provide fertile ground for illegal operators to skirt cash payout rules. Therefore, we recommend that the Commission include an absolute prohibition on returns or exchanges for cash, cash equivalents or additional game credits as a more direct approach to this issue.

Testing information referred to in section (B)(3) and section (C)(5)

Dave & Buster's is concerned about the requirement regarding testing records in section (B)(3) and section (C)(5) for two reasons. First, these provisions suggest that the Commission, through a future rule, will require machine testing. At this point, Dave & Buster's simply notes its concern, subject to receiving further information how the Commission intends to address testing. Second, it is difficult to evaluate a record-keeping requirement related to testing without knowing what kind of testing requirements the Commission intends to propose.

Complaint information specified in section (C)(6):

The proposed record-keeping requirements regarding complaints in section (C)(6) are extremely burdensome and logistically unworkable. Dave & Buster's receives many complaints about a variety of issues that are too wide-ranging to name. Most complaints have nothing to do with games, although the stores get all sorts of complaints related to games that do not have anything to do with the issues that the Commission is concerned about regulating. Store managers address guest concerns every day and resolve them on the spot and it would be very difficult, if not impossible, to document each situation.

As an alternative, Dave & Buster's suggests that licensees should be required to cooperate with any investigation undertaken by the Commission in response to a complaint that the Commission receives from a guest.

Contracts or revenue-sharing agreements specified in section (C)(7) and (8) and section (D)(1) and (2)

Dave & Buster's recommends that section (C)(7) and (8) and (D)(1) and (2) be limited to contracts or revenue-sharing agreements impacting skilled-based amusement locations in Ohio and only if there is a 25% or more revenue-sharing arrangement. We further request that the existence of any such contracts or agreements and their terms be kept confidential.

Organization of Records specified in section (E)

Dave & Buster's does not have any objection to the Commission establishing the ability to inspect its records that are related to compliance with Ohio skill game rules. However, we are concerned that requiring a licensee to "organize and index all required records in a manner that enables the commission to locate, inspect, review and analyze the records with reasonable ease and efficiency" is vague and potentially burdensome.

Further, Dave & Buster's keeps most of its records electronically and requests confirmation that this approach is permitted by section (E). Depending upon the information sought by the Commission in a particular circumstance, a Dave & Buster's store in Ohio or its national headquarters may need to generate reports from information it maintains electronically in order to provide information requested by the Commission.

Attorney-Client Privilege information specified in section (F)

Dave & Buster's appreciates that in section (F), the Commission acknowledges that there may be times when it asks for information subject to the attorney-client privilege and that it is not attempting to require a licensee to waive the privilege. In order to preserve the privilege, we suggest that the Commission replace the last of section (F) with a requirement to inform the Commission when a party is not disclosing responsive records due to the privilege.

Rules need Confidentiality Protections for Licensees' Proprietary Business Information

Although the purpose of this rule is to specify record-keeping and retention requirements for licensees, it also raises a major concern regarding a licensee's ability to maintain the confidentiality of extremely sensitive and proprietary business information. Dave & Buster's does not object to sharing information with the Commission in order to obtain and maintain any required licenses or, as requested by the Commission, to demonstrate compliance with Ohio skill game rules. However, Dave & Buster's is extremely concerned that much of the information it will need to disclose to the Commission will be highly sensitive, proprietary and confidential business information that would cause it significant harm if made available to the public or in any way accessible to its competitors. Accordingly, we recommend that the Commission clearly provide confidentiality protection either in this rule or in another rule.

OAC 3772-50-14 Inspection and Audits.

It is our understanding that the Commission intends for this rule to apply to operators only. Therefore, we suggest that this be specified in the rule. We also suggest that the rule expressly limit inspections and audits to an operator's Ohio locations.

Dave & Buster's suggests that section (B)(4) audits be limited to audits for the purpose of determining compliance with Ohio skill game rules. Similarly, we suggest that the production of documents pursuant to section (C) be limited to such documents necessary for the purpose of determining compliance with Ohio skill game rules.

In order to provide due process prior to a taking of property, Dave & Buster's requests that the Commission provide notice and an opportunity for a hearing before the Commission takes a licensee's property under this rule. Dave & Buster's also requests that, in the event that the Commission determines that a machine does not meet Ohio requirements, the Commission will provide an operator the opportunity to remove the machine from the state within a reasonably short time frame.

Finally, Dave & Buster's requests that the Commission add confidentiality protections, in this rule or another rule, so that confidential or proprietary information disclosed to the Commission pursuant to this rule will not become a matter of public record or otherwise accessible to competitors or others.

OAC 3772-50-15 Advertising.

Dave & Buster's is concerned that this proposed rule, and in particular section (D), would significantly restrict and impair its national advertising campaigns. Accordingly, Dave & Buster's requests that the Commission create an exception to section (D) for an operator participating in a national advertising campaign. As part of such as exception, the operator might be required to include a disclaimer to the effect that game machines shown in an ad may not be available in all states or that game machines shown may not be approved for use in all states.

Although not directly at issue in this advertising rule, the rule suggests that the Commission, through a future rule, will approve machines. At this point, Dave & Buster's wants to note its concern regarding such a requirement, subject to receiving further information about the Commission's plans for some sort of approval process.



Ohio Coin Machine Association

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August 29, 2016

Ms. Andromeda Morrison
Director of Skill Games
Ohio Casino Control Commission
10 W. Broad St.
Columbus, OH 43215

Dear Ms. Morrison,

On behalf of the members of the Ohio Coin Machine Association (OCMA), we want to thank you for the opportunity to comment on the initial draft of administrative rules 3772-50-11 through 3772-50-15.

Comments:

3772-50-12 (B), (D) & (F) – Filing biannual reports is an overwhelming burden on Ohio's small family owned businesses and will require an extra administrative expense on an already stressed industry (e.g., new federal overtime rules). We believe annual reporting, while still burdensome, will be more than adequate for the CCC to fulfill its mission.

3772-50-13 (C) (3) (4) & (D) (3) – Creating lists of all prizes for both Type B and C is once again an overwhelming burden on Ohio's small family owned businesses and will require an extra administrative expense. It will be virtually impossible to provide all the information required as location owners already have a difficult time completing all the necessary paperwork for their liquor license, etc.

3772-50-14 (B) (1) – Since Type B locations are not licensed, does this section pertain to both Type B & C locations? It seems unclear.

Once again, thank you for the opportunity to comment on this first draft. We look forward to continuing our good working relationship in the future. Please let us know if you have questions.

Sincerely,

David P. Corey
Executive VP