



## MEMORANDUM

**TO:** Michelle Siba, Deputy General Counsel, Ohio Casino Control Commission

**FROM:** Tess Eckstein, Regulatory Policy Advocate

**DATE:** January 17, 2017

**RE:** **CSI Review – Five-Year Review Batch Six (OAC 3772-11-01 through 3772-11-13, 3772-11-15, 3772-11-16, 3772-11-20 through 3772-11-30, 3772-11-32, 3772-11-35, 3772-11-36, 3772-11-38, 3772-11-40 through 3772-11-42, 3772-20-01 through 3772-20-08)**

---

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

### Analysis

This rule package consists of 41 rules—32 amended,<sup>1</sup> four no-change, and five rescinded—being proposed by the Ohio Casino Control Commission for review under the statutory five-year rule review requirement. The rule package was submitted to the CSI Office on November 21, 2016, and the comment period remained open until December 5, 2016. A revised BIA was submitted on December 27, 2016, and a revision to rule 3772-11-25 was submitted on January 4, 2017.

The rules pertain to table games and security in Ohio's casinos. Many amendments are being proposed to clarify and streamline rule language. Other amendments include, but are not limited to, removing an unnecessary approval requirement for each time a casino operator purchases or leases table game equipment; clarifying exactly when chip movements must be included on an inventory ledger; removing a requirement for casino operators to provide a daily list of table games not open for play; and requiring notification by the security department to the Commission at the time of

---

<sup>1</sup> OAC 3772-11-05, -09, -15, -20, -21, -22, -23, -32, -35, and -42 are being amended by more than 50 percent. The Legislative Services Commission requires that the rules be rescinded and replaced with new rules with the same numbers.

detection of any suspected or known illegal activity, instead of notice being required within 24 hours of detection. Finally, five rules were rescinded in order to remove duplicate provisions and to give the Commission and casino operators more discretion in adapting to changing industry practices. In some cases, language from the rescinded rules was moved to other existing rules in order to streamline and better organize requirements.

The proposed rules impact casino operators, management companies, and gaming-related vendors. Potential adverse impacts of the rules include costs for employer time and payroll, for things such as training or sending notifications and reports, as well as fines for noncompliance. In addition, there are adverse impacts such as requirements for casino operators to report any suspected defect or malfunction at the time of detection. The BIA explains that the proposed amendments and rules are necessary to establish minimum table games standards and safety protocols, in order to protect casino patrons and maintain the integrity of casino gaming. For example, the rules eliminate any appearance of impropriety; ensure the use of only permitted gaming supplies and devices; prescribe security requirements; ensure the proper handling and accounting of all cash and cash equivalents; allow patrons and the Commission to monitor cash conversions; and ensure that all table game pit areas are appropriately secured, staffed, and supervised.

The Commission contacted casino operators in the state regarding the proposed rules. Stakeholders were provided an opportunity to comment on the rules via email in September 2016, as well as during the Commission's public meeting in October 2016. From these distributions and the meeting, the Commission received feedback from two stakeholders, each of whom asked questions or suggested revisions for a handful of rules. As a result, the Commission revised rule 3772-11-22 to allow casinos to use automatic shufflers to verify the contents of a deck of cards. All other concerns were addressed by the Commission in individual stakeholder meetings. These stakeholders made no additional comments during the October public meeting. No comments were submitted during the CSI public comment period; however, one stakeholder did call in with a concern after the public comment period had ended. Subsequently, rule 3772-11-25 was revised to account for the fact that casinos do not have poker drop boxes. Instead, each poker table has a poker table float, which is where a dealer or boxperson would be required to deposit cash from the top of a gaming table. As all stakeholder concerns have been satisfactorily addressed, the CSI Office determines the purpose of the rules to be justified.

### **Recommendations**

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

### **Conclusion**

Based on the above comments, the CSI Office concludes that the Ohio Casino Control Commission should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Lt. Governor's Office