

To Limit Or Unlimit Skins Remains The Question In Pennsylvania

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Confusion reigns over temporary regulations on internet gambling skins in Pennsylvania but gaming operators and lawmakers might be well advised to think long and hard before seeking clarifications.

The Pennsylvania Gaming Control Board (PGCB) released 114 pages of temporary regulations last week allowing an unlimited number of skins, which are websites controlled by online gambling operators.

However, the regulations appear to have raised more questions than answers about how the skins will be launched and already there are rumblings in the Pennsylvania legislature that changes must be made.

"They have some language in the regulations that is confusing as to whether all applications have to be downloaded from a single website or if they can be multiple applications that you're able to download off of something like the iTunes Store," said a source in the Pennsylvania legislature who requested anonymity.

It is also unclear if all skins must include the logo of a bricks and mortar casino.

"We're optimistic that the board will give clarification in the coming weeks with policy documents as to how multiple skins will be accomplished through independent operators that contract with our casinos," the legislative source said.

The board's next meeting is scheduled for April 18.

"I do not have any additional info at this time," Douglas Harbach, communications director for the PGCB, told Gambling Compliance in an email.

Gaming attorney Jeremy Kleiman has described the temporary regulations as "cumbersome," but he said asking for changes could make matters worse.

"The problem with seeking clarification when the rules are unclear is that the gaming control board may clarify by further restricting the skins in some way," Kleiman said.

"Sometimes, it's better to leave it be rather than be stuck with a clarification you don't want."

Whether there are clarifications or not, the Pennsylvania legislature seems determined to generate as much revenue as it can from the mammoth gaming expansion bill which was signed into law last October by Democratic Governor Tom Wolf.

"I don't feel that there is much we can do as a state as far as additional revenue from gaming after this bill," the legislative source said.

The legislature is closely monitoring the PGCB to make sure online gaming regulations do not interfere with payments of \$10m each from Pennsylvania casinos for internet gambling certificates.

Two of the leading sponsors of the gaming billwarned the PGCB in a March 22 letter against limiting skins to one per casino.

The letter likely influenced the board's decision last week to allow unlimited skins, the legislative source said.

A restriction on skins would be acceptable as long as the number allowed is more than one, according to the legislative source.

Robert Ambrose, a former casino executive who is an adjunct professor at Fairleigh Dickinson University in Teaneck, New Jersey, said he does not think an unlimited number of skins will work in Pennsylvania.

"It's got to come under some kind of number instead of just throwing a blanket carte blanche out there," Ambrose said.

Meanwhile, bids for satellite casinos may have ended last week with Penn National's purchase of a site in West Cocalico Township in Lancaster County for about \$7.5m.

Five of the ten bids have been awarded, and the total already has exceeded the \$100m goal set by lawmakers.

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