

# Unlimited Skins In Pennsylvania — With A Catch

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The Pennsylvania Gaming Control Board on Wednesday approved interactive gaming regulations that do not limit skins — or websites operated by internet gambling companies — but impose other conditions which are drawing mixed reviews.

Skins were mentioned but not discussed or debated when the regulators passed the temporary regulations on internet gambling by a unanimous voice vote.

In a statement released after Wednesday's three-hour hearing, Pennsylvania Gaming Control Board (PGCB) executive director Kevin O'Toole said [the regulations](#) on skins will "enable a very open and competitive market for internet gaming."

"Under these temporary regulations, there is no limitation on the number of skins that a slot machine licensee may employ to deliver games, but every skin that a casino offers must be branded in a manner that makes it clear that it is offered on behalf of the slot machine licensee consistent with language of the act," O'Toole said.

The act that O'Toole referenced is the [sweeping gambling expansion bill](#) signed into law last October by Democratic Governor Tom Wolf.

The issue of skins has become a [political hot potato](#) in Pennsylvania, with sponsors of the gambling expansion bill warning the PGCB not to limit skins as some casinos requested.

On March 22, Republican Representative Jason Ortity and Democratic Representative Rosita Youngblood sent a blunt letter to the PGCB, saying the new gambling law does not intend to restrict skins.

Neither Ortity nor Youngblood replied to requests for comment on Wednesday about the temporary internet gambling regulations, which can remain in effect for up to two years before undergoing further consultation.

Even casino companies such as Parx and Penn National, which advocated for limits on skins, did not seem to know what to make of the rules.

"We're still in the process of reviewing/interpreting them," Eric Schippers, Penn National's senior vice president of public affairs and government relations, told GamblingCompliance in an email.

Pennsylvania released the temporary regulations as speculation continues that New Jersey, which has established an informal limit of five skins for every Atlantic City casino with an internet gaming license, is contemplating removing any ceiling on skins.

Elsewhere, another provision of Pennsylvania's temporary regulations mirrors New Jersey policy in requiring the PGCB to establish a uniform "commencement date" for internet gambling.

All operators would be required to go live on the same commencement date unless they obtain a waiver from the PGCB, according to the 115-page set of rules.

To prevent any prospect of ["license squatting,"](#) Pennsylvania casinos with internet gaming certificates or their affiliated platform operators could be sanctioned or even stripped of their licenses if they fail to launch operations within 12 months of the commencement date.

Under Pennsylvania law, established land-based casinos will get first dibs on available certificates for online slots, table games and poker during an initial licensing window lasting 120 days from April 16.

After that window closes, eligible applicants for any remaining licenses would have to possess an active brick-and-mortar casino or internet gaming license from another jurisdiction where "the licensing standards ... are comprehensive and thorough and provide similar safeguards as those required by this Commonwealth."

Among other things, the temporary internet gambling regulations in Pennsylvania also address payment methods, responsible gaming protocols and data and record-keeping requirements.

Joe Grad, a gaming attorney in Scranton, Pennsylvania, said the regulations "are in the best interests of the Commonwealth [of Pennsylvania]."

"It appears to me that the PGCB members and the PGCB staff did their homework in analyzing the skins issue, and consequently, the result was a thoughtful approach that took into account the competing viewpoints held by the various stakeholders," Grad said.

On the other hand, gaming attorney Jeremy Kleiman described the temporary regulations as “cumbersome.”

“On the issue of skins, how this will work is not clear,” said Kleiman, who advises internet gaming companies and is a partner at Saiber law firm in Florham Park, New Jersey.

“It seems the main website of the land-based casino must be the portal to reach the other skins operating through that license,” Kleiman said. “Also, patrons can only have one account for each interactive certificate holder regardless of the number of skins operating through that certificate. So, in effect, multiple skins will be operated as separate online casinos.”

In other action during Wednesday’s hearing, the PGCB unanimously approved the \$280.5m sale of Valley Forge Casino near Philadelphia to Nevada-based Boyd Gaming.

Prior to the hearing, the board also accepted a bid of \$7.5m and three dollars by Penn National, which was the only company to submit a bid for a satellite casino in West Cocalico Township in Lancaster County.

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