

## **Support for HB 1290**

The existing requirement of a quarter close for electronic pull tabs is unnecessary. The original regulations were derived from those used for paper pull tabs, which included the quarter close requirement. Despite both products being defined by finite deals, electronic pull tabs offer an auditing system that can be electronically verified at any time, distinguishing them from paper pull tabs.

It is common practice for charities to operate twelve games simultaneously, closing all games at the end of each quarter only to reopen most while switching out one is not productive. This process may lead to a potential negative outcome for the site when required to close all games quarterly. Eliminating the quarter close could prevent such losses by allowing games to conclude as designed.

There is a proposed stamp Bill this quarter that aims to remove the stamp requirement for electronic pull tabs. If not passed, removing the quarter close requirement would greatly reduce the number of gaming stamps processed, as only completed games would require closure rather than every game each quarter.

Recommendations to allow for comprehensive audits without closing Electronic Pull Tab games:

### **Proposed Changes:**

- Quarter End Reports will be generated by the Game Manufacturer for each charity.
- Quarter End Reports shall contain all necessary information for tax return processing.
- Each Quarter End Report will contain game unique identifier numbers that are closed and will keep a perpetual list of unique identifier numbers issued and any unique identifier numbers would not drop off the list until it has been reported as closed on a Quarter End Report. Reports shall include Adjusted Gross Proceeds from previous quarters for stamps not closed during the quarter, continuing until closure. Detailed Game Payout information for each stamp number should be reported only upon game closure.
- Charities may opt to close a game title after a specific period, such as 90 days, ensuring all denominations of the game are closed concurrently.
- Closed game titles cannot be reintroduced for 30 days post-closure.

Because the State charitable gaming software is not finished and there will most likely be changes made for the likely to pass bill that eliminates the stamp requirement, this an

appropriate time to implement the removal of the quarterly close. These adjustments should be incorporated into the software before its completion to allow for the reduction of costs for future changes.

The closure of deals pertains to accounting, not the fundamental nature of Electronic Pull Tabs. Allowing Electronic Pull Tabs to remain open does not alter their structure or functionality compared to paper pull tabs. Please support HB 1290 to help the the Charitable Gaming Industry.

Patrick