

FISCAL NOTE**PUBLIC COST****I. RULE NUMBER**

Rule Number and Name:	10 CSR 20-6.100 General Pretreatment Regulation
Type of Rulemaking:	New Rule

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate*
Department of Natural Resources	Cost of Compliance is \$48,233 through 2017. *The Cost of Compliance in the aggregate after 2017 over the life of the rule is \$0.
Cities or Publically Owned Treatment Works	Cost of Compliance is \$66,904* from 2013 through 2017. The Cost of Compliance in the aggregate after 2017, over the life of the rule, is \$0.
Total	Cost of Compliance is \$115,136 from 2013 through 2017. *The Cost of Compliance in the aggregate after 2017, over the life of the rule, is \$0.

*The Cost of Compliance is a one-time implementation cost under the federal regulation 40 CFR 403, effective October 14, 2005 for both the State of Missouri and the cities (Publicly Operated Treatment Works, POTWs) After the adoption of an ordinance the cost of compliance over the life of the rule is \$0, due to the savings available each year, both to the Department and to the cities.

II. Worksheet

Missouri Department of Natural Resources – Water Protection Program

	FTEs Required to Review and Approve Municipal Ordinances	Annual Salary	FY 2013 (3 Months)	FY 2014 9 Approvals	FY 2015 9 Approvals	FY 2016 10 Approvals	FY 2017 12 Approvals	TOTALS FY 2013 through 2017
		Number of Ordinance Approvals per Year	3	9	9	10	12	43
EE II - Ordinance Review and Approval - 16 hours	0.0077	\$55,548	\$1,282	\$3,846	\$3,961	\$4,533	\$5,440	
SOSA - Admin. Support - 8 hours	0.0038	\$27,564	\$318	\$954	\$983	\$1,125	\$1,350	
FTE PS TOTAL	0.0115		\$1,600	\$4,800	\$4,944	\$5,658	\$6,789	
FRINGE - 53.09%			\$849	\$2,548	\$2,625	\$3,004	\$3,605	
EE			\$0	\$106	\$108	\$111	\$115	
Personal Service Cost + Fringe + EE TOTAL			\$2,449	\$7,454	\$7,676	\$8,773	\$10,509	
Indirect - 30.85%			\$756	\$2,300	\$2,368	\$2,706	\$3,242	
Indirect with TOTAL			\$3,205	\$9,754	\$10,045	\$11,479	\$13,750	\$48,233
		FY 2013 (6 Months)	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL POTWS	Remaining POTW FY 2018
POTW Ordinance Adoptions:		3	9	9	10	12	43	0
Total Ordinance Reviews and Approvals:		3	9	9	10	12	43	0

Personal Service amounts are based on the market level pay rates for each classification
 43 ordinance approvals over 5 years = 8.6 approvals per year. Cities required to submit newly adopted city ordinances, requires less than 1 FTE to review and approve.
 FTE calculation = EE II review and approval of ordinance = 16 / 2,080 hours = .0077 FTE per year.
 Number of ordinances reviewed and approved varies each year.
 FTE calculation = SOSA for admin support = 8 (hours) = 8 / 2,080 hours = .0038 FTE
 After 2017 the annual cost to comply, based on the federal regulation, 40 CFR403 in effect October 14, 2005, becomes a cost savings.

43 Cities (POTWs) Required to Adopt the New Ordinance

	No. of FTEs Required to Prepare and Adopt the New Ordinance	Annual Salary	FY 2013 (3 Months) Ordinance Adoptions	FY 2014 10 Ordinance Adoptions	FY 2015 10 Ordinance Adoptions	FY 2016 11 Ordinance Adoptions	FY 2017 12 Ordinance Adoptions	TOTALS FY 2013 through 2017
		Number of Ordinance Adoptions						
Engineer - (43) ordinance preparation - 40 hours	0.0192	\$70,400	\$4,062	\$12,185	\$12,550	\$14,363	\$17,753	
Clerk - (43) admin support - 20 hours	0.0096	\$28,010	\$808	\$2,424	\$2,497	\$2,857	\$3,532	
Attorney - (43) ordinance review - 40 hours	0.0192	\$111,000	\$6,404	\$19,212	\$19,788	\$22,646	\$27,991	
PS TOTAL	0.0481		\$11,273	\$33,820	\$34,835	\$39,866	\$49,275	
FRINGE			\$5,985	\$17,955	\$18,494	\$21,165	\$26,160	
EE - \$4,800 est.				\$30	\$30	\$30	\$30	
PS + Fringe + EE TOTAL			\$17,258	\$51,805	\$53,358	\$61,061	\$75,465	
Indirect			\$5,324	\$15,982	\$16,461	\$18,837	\$23,281	
COSTS TO CITIES SUBTOTAL			\$22,583	\$67,787	\$69,820	\$79,899	\$98,746	\$338,834
*SAVINGS TO CITIES			-\$7,416	-\$29,665	-\$51,914	-\$76,635	-\$106,300	-\$271,930
Actual Cost, Savings TOTAL			\$15,166	\$38,122	\$17,906	\$3,264	-\$7,554	\$66,904

Env. Engineer & municipal clerk, personal service, including EE, see Missouri May 2010 mean annual wages/salaries. engineer \$70,000 & clerk \$28,010 respectively, http://www.bls.gov/oes/current/oes_mo.

City Attorney personal service see Missouri May 2010 mean annual wages/salaried lawyers \$111,000. http://www.bls.gov/oes/current/oes_mo. Forty-three (43) ordinances require .05 FTEs per each ordinance.

FTE calculation varies depending on the estimated number of ordinances adopted per year.

FTE calculation = City Engineer, (pretreatment coord.) = 40 hours ordinance preparation = 40/2,080 hours = .0192 FTE per ordinance

FTE calculation = City Clerk = 20 hours per ordinance = 20/2,080 hours preparation = .0096 FTE

FTE calculation = City Attorney = 40 hours per ordinance preparation = 40/2,080 hours = .0192 FTE

Savings to city is realized upon adoption of new pretreatment ordinance, and occurs year-to-year after adoption, depending on how quickly an ordinance is adopted

Saving to each city is \$2,472 annually for each city (derived from the federal rule)

Savings to 3 cities for FY 2013 = 3*2,472 = \$7,416
 Savings to cities for FY 2014 = previous years savings plus the savings for 9 additional cities = \$7,416 + 9*\$2,472 = \$29,665.
 Savings to cities for subsequent years calculated in the same way as for FY 2014.
 Savings to all cities from FY 2013 through FY 2014 = \$271,930
 Savings annually over the life of the rule are \$105,300.

	FY 2013 (3 Months)	FY 2014	FY 2015	FY 2016	FY 2017	TOTAL POTWS	Remaining POTW FY 2018
POTW Ordinance Adoptions:	3	9	9	10	12	43	0
Total Ordinance Reviews and Approvals:	3	9	9	10	12	43	0

	Total for DNR and POTWs
DNR:	\$48,233
POTW:	\$66,904
	\$115,136

*Savings To Cities: Under the federal regulation, 40 CFR 40 *General Pretreatment Regulations for Existing and New Sources of Pollution*, in effect October 14, 2005, the basis for the cost savings in this public fiscal note, the estimated cost savings in annual burden hours and costs to the affected respondents is calculated for industrial users, POTWs, and the States. Applied nationally, the annual cost savings were estimated to be \$10.1million dollars (in 2005 dollars). A 3% inflation rate, consistent with the rate used by the Legislative Oversight Committee, is applied to the savings annually over a six year period. The savings to Missouri cities was initially derived from the federal cost savings calculations, and is presented as follows:

1) 10.1 (annual cost savings applied nationally) * $(1.03)^6$ (inflation rate over six yrs.) = 12.06
The total annual cost savings after the application of the inflation rate is then \$12.06 million for the federal rule, nationwide.

2) Next, the savings was calculated for the State of Missouri, adjusting for the number of POTWs (43 cities, i.e. publicly owned treatment works) with approved pretreatment programs. The number of POTWs, 43, is compared to the number of POTWs considered in the development of the federal rule. There were 1,464 POTWs cited in the Federal Register notification in 2005, and there were 43 POTWs in Missouri as of 2009.

The ratio of POTWs is 43 to 1464.

$\$12,060,000$ (the total federal annual cost savings) * $43/1,464$ (POTWs) = $\$354,219$

The total annual savings is \$354,000 (rounded). Savings are realized by implementing the federal pretreatment rule changes in Missouri.

3) The next step at the State level is to separate the federal public savings from the private savings.

The public savings in this fiscal note is based on the annual cost savings portion of total federal savings or,

* $\$354,000$ (Missouri's annual savings) x 0.30 = $\$106,300$ cost savings in the aggregate, after 2017.

The 0.30 (30%) represents the estimated public portion of the federal total savings. The federal regulation assumes the costs savings based on reduced sampling and analysis.

The total cost savings is \$271,930 for the cities (POTWs) in the State of Missouri, once the new rule is adopted and implemented, in this fiscal note, from 2013 through 2017.

The average savings to each city, after adoption of the ordinance, is as follows: $\$106,300 \div 43 = \$2,472.00$ (cost savings per city or POTW).

There will be a transition period as cities revised their ordinances in order to implement the new rule. The total cost savings expected annually are based on the assumption that cities will adopt new ordinances within five years (2013 through 2017).

IV. Assumptions

The fiscal impacts in this rulemaking are estimated costs for the Department to review and approve city ordinances for publicly operated treatment works (POTWs) and for the cities, i.e. the POTWs, to adopt and implement this new rule. The public entities affected are the State of Missouri and the 43 cities that have an approved pretreatment ordinance. Each city's approved pretreatment ordinance contains its legal authority. The Department is required under federal regulation to approve each pretreatment ordinance.

Although cost savings were predicted in the federal rulemaking, the cost to change a city's pretreatment ordinance was not considered. There is a one-time cost to the city to change the pretreatment program ordinance and, the cost to the State to review and approve. This one-time cost is included in this fiscal note. The costs of adopting this revised ordinance is spread over 5 years. Once ordinances are adopted, cities are expected to benefit annually from the cost savings.

The duration of the proposed rule is indefinite. There is no sun-set clause. Costs imposed by the proposed rule are shown on an annual basis through 2017. Savings are shown through 2017 and continue over the life of the rule. It is assumed that additional years will be consistent with the assumptions used to calculate the annual costs and savings identified in this fiscal note.

The State of Missouri is adopting the federal rule 40 CFR 403 with modifications as a new rule, 10 CSR 20-6.100 and, at the same time, is rescinding the current rule at 10 CSR 20-6.100 through a separate rulemaking rescission.

The new rule incorporates 40 CFR 403 *General Pretreatment Regulations for Existing and New Sources of Pollution* by reference and, includes modifications. The cost savings shown nationally in the Federal Register, 70 FR 60187, and Table at 70 FR 60188, are an accurate estimate of the expected annual savings due to the adoption of the federal rule 40 CFR 403 by states.

A 3% inflation rate is applied in this public fiscal note for personnel services costs, consistent with the practice of the Legislative Oversight Committee. Current wage/salary rates determine the pay used for Department classifications. Wage/salary pay for Department classifications. Wage/salary employment estimates for the cities (POTWs) are based on the May 2010 National Occupational Employment Statistics (OES) estimates for each state.

The footnotes below Table 1 at 70 FR 60188 in the federal rule contain information on the *costs savings* attributed to public entities. A thorough breakdown of the cost to public entities is not available. It is assumed in this public fiscal note that a 30% cost savings will be realized by public entities. For instance, where sampling and analysis is reduced for the Non-Significant Categorical Industrial User under this rule, one sampling event for a city may be eliminated and two sampling events for the industrial user may be eliminated. In this 2 to 1 ratio, the public costs savings would be 30%.

There currently are 43 cities with approved and active pretreatment programs. This is based on the 2009 annual pretreatment reports from the POTWs which were reviewed in the development of this rule. There were one thousand, four-hundred and sixty-four (1,464) POTWs considered

in the development of the federal rule. Savings were considered relative to the number of POTWs in the state of Missouri, 43 (forty-three) and compared to the national number for POTWs in the federal rule.

The Department requested that a number of cities estimate the costs of a new or modified ordinance needed to implement pretreatment. A true cost estimate is difficult to calculate due to the strong variability of the responses received. The number of hours selected to develop an ordinance reflects the need for professional and administrative personnel services including the time expended to approve and adopt.

The State of Missouri will have no additional costs related to this rule change after the ordinances are approved and adopted.

Adoption of the proposed changes in the city ordinances is assumed to begin in fiscal year 2013. It is assumed that all pretreatment programs will have adopted and implemented their ordinances by the end of FY2017.

Cost of Ordinances needed to implement changes

This fiscal note provides cost estimates for the Department and other public entities for implementing the new rule, 10 CSR 20-6.100. The cost to the Department is a one-time cost to review and approve the cities pretreatment ordinance based on the rule changes. Other public entities affected are the forty-three (43 cities) having Publicly Owned Treatment Works (POTWs) with their one-time cost to prepare and adopt a pretreatment ordinance as a result of changes in the 2005 federal pretreatment regulation.

A city's review and adoption of the approved pretreatment ordinance, is not addressed in the federal rule. A city ordinance contains the legal authority, pollutant limitations, and reporting requirements and, is needed to implement the pretreatment program required under the federal regulation 40 CFR 403, effective October 14, 2005.

Costs to adopt the ordinance are spread over 5 years. After the ordinances are adopted, cities are expected to benefit from an annual cost savings as predicted under the federal rule and in this fiscal note. The cost of compliance after adoption of a pretreatment ordinance, in the aggregate, after 2017, over the life of the rule, is \$0, having met the requirements under 40 CFR 403, effective October 14, 2009.

Cost savings realized after implementation of ordinance

A cost savings was predicted in the federal rule making at 70FR 60187 and 60188.

This fiscal note provides estimated cost savings to public entities for implementing the new rule, 10 CSR 20-6.100. The public entities affected are the forty-three (43 cities) having Publicly Owned Treatment Works (POTWs) with approved pretreatment ordinances. A city's approved pretreatment ordinance contains the legal authority, pollutant limitations, and reporting requirements to implement the pretreatment program requirements under the federal regulation 40 CFR 403, effective October 14, 2005.

The federal rulemaking did consider the savings to the city with implementation of the pretreatment ordinance. The cost estimate to the cities (POTWs) is a one-time cost to prepare and adopt a pretreatment ordinance. After the ordinances are adopted, cities are expected to benefit from an annual cost savings. The cost of compliance in the aggregate, after 2017, over the life of the rule is \$0, having met the requirements under 40 CFR 403, effective October 14, 2009.

A cost savings was predicted in the federal rule making at 70FR 60187 and 60188.

Statements explaining the spreadsheet totals

- one time cost to the Department to review and approve the city pretreatment ordinances is \$48,233
- one time cost to the Cities (POTWs) to prepare and submit the pretreatment ordinance is \$338,834
- 2013 through 2017, the total savings to the Cities as a result of changes, assuming reduced monitoring and analysis, is \$271,930
- cost of compliance for the POTWs is a total of \$66,904 from 2013 through 2017
- the average savings to each city after adoption of the ordinance each year is \$2,472 = \$106,300/43 cities (POTWs)
- assuming all ordinances have been adopted through 2017, the cost of compliance is zero over the life of the rule under this specific federal rule change

Statements explaining the cost of the ordinance per city based on the spreadsheet totals

- the average cost of an ordinance is \$7,879.86 or, \$338,834/43 cities (POTWs) without savings

Summary –

This rule requires a one time cost of compliance by the Missouri Department of Natural Resources and the 43 cities or political subdivisions with pretreatment ordinances, of \$115,136, in the aggregate, over a five year period from 2013 through 2017. Cost savings to the cities occur after the adoption, implementation and approval of the pretreatment ordinances.

FISCAL NOTE

PRIVATE COST

I. RULE NUMBER

Rule Number and Name	10 CSR 20-6.100 General Pre-treatment Regulations
Type of Rulemaking	New Rule

II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected: (NAICS code)	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
156	Metal Finishing (subsectors 332, 333, 334, 335)	Savings \$113,123
31	Electroplating (332813, 334412)	Savings \$22,480
28	Pharmaceutical (325411, 325412)	Savings \$20,304
18	Soap, Detergent (325611)	Savings \$13,053
14	Organic Chemicals (subsectors in 325)	Savings \$10,152
10	Metal Casting (subsectors in 331)	Savings \$7,251
85	Various other categorical industries, examples: Electric utilities, metal forming, leather, porcelain, paper manufacturer	Savings \$61,637
Subtotal 342	Categorical industries, subject to federal limitations.	---
Total 228	Various non-categorical significant industrial users, examples: Hospitals Food Processing Industries	Cost of Compliance = 0 Savings in the aggregate = 0 (Not affected by the new rule)
Total 570		Cost of Compliance = 0 Savings in the aggregate over the life of the rule = \$248,000

This fiscal note will estimate the cost savings to all private entities. Private entities affected by the pretreatment rules currently the are three hundred forty-two (342) of the total five hundred seventy (570) regulated industries that discharge industrial wastewater into the sewer system.

A cost savings is predicted in the federal rule making. A federal cost analysis used to measure the fiscal impact to all states, including the Missouri industrial users, was published in the Federal Register at 70 FR 60187-60188. The federal register publication is available at:

http://www.epa.gov/npdes/regulations/streamlining_fr_notice.pdf

This cost savings is largely attributed to two changes to the federal rule. First, there are reduced monitoring and reporting requirements for new classifications of industrial users, a Nonsignificant Categorical Industrial User, and a Middle-Tier Categorical Industrial User. Second, the sampling and analysis for pollutants in the categorical limitations can be eliminated if the pollutants are not present and are not suspected to be present. These cost savings to Missouri industrial users will be realized after cities with approved pretreatment programs revise their ordinances and issues permits incorporating the changes. Cost savings may realized by the 342 categorical industrial users subject to federal pollutant limitations in 40 CFR 405 to 471 under the new classifications, Non-significant Categorical Industrial User and the Middle-Tier Categorical Industrial User or, if the pollutants are not expected to be present under these less restrictive provisions. In the above table the cost savings are equally distributed among the types of business entities that are subject to categorical limitations.

III. Worksheet

Federal regulation, 40 CFR 40 *General Pretreatment Regulations for Existing and New Sources of Pollution*. is used as a basis for this private fiscal note.

The total private and public fiscal costs were calculated in the adoption of the federal rule, 40 CRR 403. Applied nationally, the annual cost savings were estimated to be \$10.1million dollars (in 2005 dollars).

For the purposes of this fiscal note, a 3% inflation rate is applied annually over six years, 2005 through 2011, the federal cost savings are as follows:

$$10.1 * (1.03)^6 = 12.06$$

The total annual cost savings is \$12.06 million for the federal rule, nationwide.

Next, the cost savings was calculated for the State of Missouri, adjusting for the number of Publically Owned Treatment Works (POTWs or cities) with approved pretreatment programs, compared to the number of POTWs considered in the development of the federal rule. There were 1,464 POTWs cited in the Federal Register notification, and there were 43 POTWs in Missouri in 2009.

$$\$12.06 \text{ Million} / 1464 * 43 = \$354,219$$

Therefore, \$354,000 annually will be saved in the State of Missouri by implementing the pretreatment rule changes.

The private cost in this fiscal note is an annual cost savings of the total private and public costs as presented in the federal rule.

$$\$354,000 * 0.70 = \$248,000 \text{ (0.70 represents the private cost estimate in the federal rule)}$$

\$248,000 in the aggregate will be saved by private industries in the State of Missouri when the new rule is fully implemented.

There will be a transition period as cities revised their ordinances in order to implement the new rule. The total cost savings expected after 2017, as indicated above, are based on the assumption that cities will adopt new ordinances within five years.

IV. Assumptions

The cost analysis for the adoption of the federal rule 40 CFR 403 can be found in the Federal Register at 70 FR 60187 and Table 1 at 70 FR 60188. The federal analysis is assumed to be an accurate estimate of the expected annual costs attributed to the adoption of this federal rule. The cost analysis was not broken down into manhours and job classification because this information is not available.

An annual inflation rate of 3% is applied for 6 years since 2005, the year the federal rule was adopted. This value is consistent with the inflation rate used in the public fiscal note.

There were 43 cities with approved and active pretreatment programs. This is based on the 2009 annual pretreatment reports from the cities, which were reviewed in the development of this rule. There were 1,464 Publically-Owned Treatment Works (POTWs or cities) considered in the development of the federal rule. The savings here are assumed to be proportional to the number of cities with active pretreatment programs, as compared to the national number of all cities considered in development of the federal rule.

The footnotes in Table 1 at 70 FR 60188 in the federal rule contain information on the costs attributed to private entities. A thorough breakdown of the cost to private entities is not available. It is assumed a 70% cost savings will be realized by private entities. For instance, where sampling and analysis can be reduced for the Non-Significant Categorical Industrial User under this rule, one sampling event for a city may be eliminated and two sampling events for the industrial user may be eliminated. In this 2 to 1 ratio, the private costs savings would be 70%.

For the purpose of this fiscal note estimate cost savings were equally distributed among the types of business entities that are subject to categorical limitations.

This proposed rule will not cost private entities more than \$500.00 in the aggregate. Cost savings occur over the life of the rule. These cost savings are realized after cities with approved pretreatment programs revise their ordinances and issue the permits incorporating the required changes.

**Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 5—Conduct of Gaming**

PROPOSED AMENDMENT

11 CSR 45-5.185 Poker Cards—Receipt, Storage, Inspections, and Removal from Use. The commission is deleting sections (4)–(16) and subsections (17)(A)–(G), amending and renumbering subsection (17)(H) as section (4), and deleting sections (18) and (19).

PURPOSE: This amendment changes procedures for the handling of poker cards within the gaming operation.

[(4) Immediately prior to the commencement of each gaming day and at other times as may be necessary, the poker room manager, pit manager, or supervisor thereof, in the presence of a casino security officer, shall remove the appropriate number of decks of poker cards from the primary card storage area for that gaming day.

(5) Once removed from the primary storage area, the poker room manager, pit manager, or supervisor thereof, in the presence of a casino security officer, shall take the decks to the poker room and distribute the decks to the poker room supervisor for distribution to the dealer at each table. The poker room manager, pit manager, or supervisor thereof, shall place extra decks into a single locked compartment of a pit stand located within the poker room. The poker room supervisor or above shall have access to the extra decks of poker cards to be used for that gaming day.

(6) If the cards are kept overnight, the cards shall be kept in a separate, single locked storage compartment in the poker room. This storage compartment may be used to store poker cards for future play within that enclosed or encircled area for up to one (1) week if only the poker room supervisor or above has access to the compartment in which the cards are stored, there is continuous, dedicated surveillance coverage of the storage compartment and surrounding area, and the poker room supervisor or above maintains an approved log current at all times inside the card storage compartment that reflects the current number and color of decks in the compartment, and any discrepancies are immediately reported to the commission agent on duty. Poker cards will not be moved outside of the poker room without a security escort and notification to surveillance except for when being collected by security as detailed in section (14) of this rule.

(7) Prior to being placed into play, all decks shall be inspected by the dealer, and the inspection verified by a poker room supervisor or above. Card inspection at the gaming table shall require each deck to be sorted into sequence and into suit to ensure that all cards are in the deck. The dealer shall also check the back of each card to ensure that it is not flawed, scratched or marked in any way.

(A) If, after checking the cards, the dealer finds that a card is unsuitable for use, a poker room supervisor or above shall bring a replacement card from the replacement deck in the pit stand.

(B) The unsuitable card(s) shall be placed in a transparent sealed envelope or container, identified by the table number, date, and time and shall be signed by the dealer and poker room supervisor assigned to that table. The poker room supervisor or above shall maintain the envelope or container in a secure place within the pit until collected by a security officer.

(8) All envelopes and containers used to hold or transport

poker cards collected by security shall be transparent.

(A) The envelopes or containers and the method used to seal them shall be designed or constructed so that any tampering shall be evident.

(B) The envelopes or containers and seals shall be approved by the commission.

(9) Any cards which have been opened and placed on a poker table shall be changed at least once every six (6) hours.

(10) Card(s) damaged during the course of play shall be replaced by the dealer who shall request a poker room supervisor or above to bring a replacement card(s) from the pit stand.

(A) The damaged card(s) shall be placed in a sealed envelope, identified by table number, date and time and shall be signed by the dealer and the poker room supervisor or above who brought the replacement card to the table.

(B) The poker room supervisor or above shall maintain the envelope or container in a secure place within the poker room until collected by a security officer.

(11) At the end of the gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the licensee and approved by the commission, and at other times as may be necessary, the poker room supervisor or above shall collect all used cards.

(A) These cards shall be counted down and placed in a sealed envelope or container. A label shall be attached to each envelope or container which shall identify the table number, date and time and shall be signed by the dealer and poker room supervisor assigned to the table.

(B) The poker room supervisor or above shall maintain the envelopes or containers in a secure place within the poker room until collected by a casino security officer.

(12) The licensee shall remove any poker cards from use any time there is any indication of tampering, flaws, scratches, marks or other defects that might affect the integrity or fairness of the game, or at the request of the commission.

(13) All extra decks with broken seals shall be placed in a sealed envelope or container, with a label attached to each envelope or container which identifies the date and time and is signed by the poker room supervisor or poker room manager.

(14) At the end of the gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the licensee in the internal controls and approved by the commission, and at other times as may be necessary, a casino security officer shall collect and sign all envelopes or containers with damaged poker cards and cards used during the gaming day and shall return the envelopes or containers to the security department

(15) Each poker room shall identify and maintain in the poker room podium a specified number of replacement decks for replacing unsuitable card(s). The poker room supervisor or above shall have access to the replacement decks that are kept in a single locked compartment. The poker room supervisor or above shall keep a record of all cards removed from the replacement decks. The record shall include time, date, color, value, suit, reason for replacement, and the name of the individual who replaced the card(s). The replacement deck(s) shall be reconciled to the record at least weekly. Once a replacement deck has been depleted to the point it is no longer useful the remaining cards in the replacement deck shall be picked up by security and destroyed or canceled.

(16) At the end of each gaming day or, in the alternative, at least once each gaming day, as designated by the licensee in the internal controls and approved by the commission, and at other times as may be necessary, a poker room manager, pit manager or supervisor thereof may collect all extra decks of cards. If collected, all sealed decks shall be canceled, destroyed or returned to an approved storage area.

(17) When the envelopes or containers of used cards and reserve cards with broken seals are returned to the casino security department, they shall be inspected within forty-eight (48) hours by a member of the security department who has been trained in proper card inspection procedures. The cards will be inspected for tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play.

(A) The licensee shall inspect—

1. Any cards which the commission requests the licensee to remove for the purpose of inspection;
2. Any cards the licensee removed for indication of tampering; and
3. All cards used for poker.

(B) The procedures for inspecting all decks required to be inspected under this subsection, shall, at a minimum, include:

1. The sorting of cards sequentially by suit;
2. The inspection of the backs of the cards with an ultraviolet light;
3. The inspection of the sides of the cards for crimps, bends, cuts and shaving; and
4. The inspection of the front and back of all poker cards for consistent shading and coloring.

(C) If, during the inspection procedures required in subsection (17)(B) above, one (1) or more poker cards in a deck are determined to be unsuitable for continued use, those cards shall be placed in a sealed envelope or container and a three (3)-part Card Discrepancy Report shall be completed in accordance with subsection (17)(H) below.

(D) Upon completion of the inspection procedures required in subsection (17)(B) above, each deck of poker cards which is determined suitable for continued use shall be placed in sequential order, repackaged and returned to the primary or poker card storage area for subsequent use.

(E) The licensee shall develop internal control procedures for returning the repackaged cards to the storage area.

(F) The individuals performing said inspection shall complete a work order form which shall detail the procedures performed and list the tables from which the cards were removed and the results of the inspection. The individual shall sign the form upon completion of the inspection procedures.

(G) The licensee shall submit the training procedures for those employees performing the inspection, which shall be approved by the commission.

(H)(4) Evidence of tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play discovered at [this time, or at] any [other] time[,] shall be reported to the commission by the completion and delivery of a Card Discrepancy Report.

1.(A) The report shall accompany the card(s) when delivered to the commission.

2.(B) The card(s) shall be retained for further inspection by the commission.

3.(C) The commission agent receiving the report shall sign the Card Discrepancy Report and retain the original at the commission office.

[(18) The licensee shall submit to the commission for approval procedures for—

(A) A card inventory system which shall include, at a minimum, documentation of the following:

1. The balance of decks on hand;
2. The decks removed from storage;
3. The decks returned to storage or received from the manufacturer;
4. The date of the transaction; and
5. The signatures of the individuals involved;

(B) A verification on a daily basis of the number of decks distributed, the decks destroyed or canceled, the decks returned to the storage area and, if any, the decks left in the poker podium; and

(C) A physical inventory of the cards at least once every three (3) months.

1. This inventory shall be performed by an employee from compliance or a supervisory Level II licensee from the cage, slot or accounting department and shall be verified to the balance of decks on hand required in subsection (18)(A) above.

2. Any discrepancies shall immediately be reported to the commission.

(19) Destruction of poker cards shall be by shredding or other method approved by the commission.

(A) Cancellation shall occur by drilling a circular hole of at least one-fourth of one inch (1/4") in diameter through the center of each card in the deck or by cutting at least one-fourth of an inch (1/4") off one (1) corner from each card in the deck or other method approved by the commission.

(B) The destruction and cancellation of poker cards shall take place in a secure place, the location and physical characteristics of which shall be approved by the commission, and shall be performed by a member of the casino security department specifically trained in proper procedures.]

AUTHORITY: section 313.805, RSMo [2000] Supp. 2011. Original rule filed Feb. 28, 2007, effective Oct. 30, 2007. Amended: Filed Jan. 26, 2012.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Gaming Commission, PO Box 1847, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. A public hearing is scheduled for April 4, 2012, at 10:00 a.m., in the Missouri Gaming Commission's Hearing Room, 3417 Knipp Drive, Jefferson City, Missouri.

**Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 8—Accounting Records and Procedures; Audits**

PROPOSED AMENDMENT

11 CSR 45-8.130 Tips and Gifts. The commission is amending sections (2)–(6), adding a new section (4), and renumbering the remaining sections.

PURPOSE: This amendment distinguishes poker dealer as a separate occupation from table game dealer for the purpose of receiving tip income, and updates the class designation.

(2) Level II occupational licensees may accept tips for casino-related services performed by the licensee, or paid leave based on work, that is performed in a nonsupervisory capacity as a dealer, **poker dealer**, cage cashier, slot attendant, food and beverage personnel, valet, ticketing personnel, or other positions as approved by the director. *[No occupational license applicant or occupational licensee shall solicit any tip or gift from any player, patron or vendor of the Class A licensee where the occupational licensee is employed or working. This in no way prohibits an occupational licensee with the written consent of the general manager or its designee of the Class A licensee from soliciting a vendor for the purposes of a gift to a charitable or civic event or fundraiser or allowing the name of a licensee from appearing on a general invitation or solicitation.]*

(3) Occupational license applicants or occupational licensees eligible to accept tips shall receive such tips only in the form of currency, chips, and tickets *[and tokens]*.

(4) No occupational license applicant or occupational licensee shall solicit any tip or gift from any player, patron, or vendor of the Class B licensee where the occupational licensee is employed or working. This in no way prohibits an occupational licensee with the written consent of the general manager or the general manager's designee of the Class B licensee from soliciting a vendor for the purposes of a gift to a charitable or civic event or fundraiser or allowing the name of a licensee from appearing on a general invitation or solicitation.

[(4)](5) No dealers, **poker dealers**, cage cashiers, or slot attendants shall accept currency *[as a tip]* from any player or patron except as a tip and only if the Class *[A/B]* licensee allows such a practice and has provided procedures for accepting such tips in its internal controls which have been approved by the commission. All tips given to dealers, **poker dealers**, cage cashiers, and slot attendants shall be—

(A) Immediately deposited into a transparent locked box reserved for that purpose except that chips received at table games and **poker games** may first be immediately placed in a color up tube if approved internal controls are in place for such action. If nonvalue chips are received at a roulette table, the marker button indicating their specific value at that time shall not be removed or changed until after a dealer in the presence of a supervisor has converted the nonvalue chips into value chips which are immediately deposited in a transparent locked box reserved for the purpose;

(B) Accounted for by a recorded count conducted by a randomly selected dealer, **poker dealer**, cage cashier, or slot attendant for each respective count, and a randomly selected nongaming employee of the accounting department; and

(C) Placed in separate pools for *pro rata* distribution among the dealers, **poker dealers**, cage cashiers, and slot attendants on a basis that coincides with the normal pay period, with the distribution based upon the number of hours each dealer, **poker dealer**, cage cashier, or slot attendant has worked. Tips from this pool shall be deposited into an account established by the Class *[A/B]* licensee. Distributions to dealers, **poker dealers**, cage cashiers, and slot attendants from this pool shall be made following the Class *[A/B]* licensee's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes.

(D) The previous provisions of this subsection notwithstanding, a Class *[A/B]* licensee may, subject to internal controls approved by the commission, allow dealers of poker as defined in 11 CSR 45-1.090 to *[either pool tips paid to the dealer by a patron with other dealers operating poker games in the poker room or]* receive tips on an individual basis. The receiving of tips individually may be

allowed only when the dealer does not make decisions that can affect the outcome of the gambling game, is not eligible to receive winnings from the gambling game as an agent of the Class *[A/B]* licensee, and who uses an approved shuffling machine during the course of the poker game. If tips are received by poker dealers on an individual basis, all tips shall be immediately placed into a locked individual transparent tip box that shall be assigned to and maintained by the dealer while working. The locked individual tip box shall be turned in to the Class *[A/B]* licensee at the end of the shift for counting, withholding of taxes, and subsequent payment during the normal payroll process. For the purposes of this subsection, winnings from a gambling game shall not include commissions, commonly referred to as the "rake," withheld from amounts wagered in a game. Poker dealers may be permitted to receive tips on an individual basis only if the Class *[A/B]* licensee has internal controls governing such practice that have been approved by the commission.

[(5)](6) Upon receipt of a tip from a patron, a dealer, **poker dealer**, cage cashier, or slot attendant shall extend his/her arm in an overt motion and deposit the tip into the transparent locked box or color up tube reserved for such purposes.

[(6)](7) Occupational license applicants or occupational licensees other than surveillance and security personnel may accept gifts from suppliers of goods and services to the Class *[A/B]* licensee provided the Class *[A/B]* licensee allows such practice and has provided procedures for accepting gifts in its internal controls which have been approved by the commission. No gifts may be accepted from liquor distributors (11 CSR 45-12.090). Gifts having a reasonable market value of twenty-five dollars (\$25) or more shall be reported to the commission on a form and in a manner prescribed by the commission.

[(7)](8) Applicable state and federal taxes shall be withheld on tips and gifts received by occupational license applicants or occupational licensees.

AUTHORITY: section[s] 313.004, RSMo 2000, and sections 313.805 and 313.817, RSMo [2000] Supp. 2011. Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994. Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994. Original rule filed Sept. 1, 1993, effective Jan. 31, 1994. For intervening history, please consult the Code of State Regulations. Amended: Filed Jan. 26, 2012.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Gaming Commission, PO Box 1847, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for April 4, 2012, at 10:00 a.m., in the Missouri Gaming Commission's Hearing Room, 3417 Knipp Drive, Jefferson City, Missouri.

**Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 9—Internal Control System**

PROPOSED RULE

11 CSR 45-9.106 Minimum Internal Control Standards (MICS)—Chapter F

PURPOSE: This rule establishes the internal controls for Chapter F of the Minimum Internal Control Standards.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here. The Minimum Internal Control Standards may also be accessed at <http://www.mgc.dps.mo.gov>.

(1) The commission shall adopt and publish minimum standards for internal control procedures that in the commission's opinion satisfy 11 CSR 45-9.020, as set forth in *Minimum Internal Control Standards* (MICS) Chapter F—Poker Rooms, which has been incorporated by reference herein, as published by the Missouri Gaming Commission, 3417 Knipp Dr., PO Box 1847, Jefferson City, MO 65102. Chapter F does not incorporate any subsequent amendments or additions as adopted by the commission on January 25, 2012.

AUTHORITY: section 313.004, RSMo 2000, and sections 313.800 and 313.805, RSMo Supp. 2011. Original rule filed Jan. 26, 2012.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Gaming Commission, PO Box 1847, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for April 4, 2012, at 10:00 a.m., in the Missouri Gaming Commission's Hearing Room, 3417 Knipp Drive, Jefferson City, Missouri.

**Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 9—Internal Control System**

PROPOSED RULE**11 CSR 45-9.120 Minimum Internal Control Standards (MICS)—Chapter T**

PURPOSE: This rule establishes the internal controls for Chapter T of the Minimum Internal Control Standards.

PUBLISHER'S NOTE: The secretary of state has determined that the publication of the entire text of the material which is incorporated by reference as a portion of this rule would be unduly cumbersome or expensive. This material as incorporated by reference in this rule shall be maintained by the agency at its headquarters and shall be made available to the public for inspection and copying at no more than the actual cost of reproduction. This note applies only to the reference material. The entire text of the rule is printed here. The Minimum Internal Control Standards may also be accessed at <http://www.mgc.dps.mo.gov>.

(1) The commission shall adopt and publish minimum standards for internal control procedures that in the commission's opinion satisfy 11 CSR 45-9.020, as set forth in *Minimum Internal Control Standards* (MICS) Chapter T—Tips, which has been incorporated by reference herein, as published by the Missouri Gaming Commission, 3417 Knipp Dr., PO Box 1847, Jefferson City, MO 65102. Chapter T does not incorporate any subsequent amendments or additions as adopted by the commission on January 25, 2012.

AUTHORITY: section 313.004, RSMo 2000, and sections 313.800 and 313.805, RSMo Supp. 2011. Original rule filed Jan. 26, 2012.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Gaming Commission, PO Box 1847, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for April 4, 2012, at 10:00 a.m., in the Missouri Gaming Commission's Hearing Room, 3417 Knipp Drive, Jefferson City, Missouri.

**Title 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 26—Dealer Licensure**

PROPOSED AMENDMENT**12 CSR 10-26.210 Dealer Seminar Certification Requirements.**
The director proposes to amend sections (2) and (5).

PURPOSE: This proposed amendment changes the minimum number of instruction hours that a dealer educational seminar curriculum must include and removes the incorporated by reference language.

(2) A seminar provider must be a recognized business or school with a lawful presence in the state of Missouri and with demonstrable experience in providing professional education, including consumer protection laws, to used motor vehicle dealers. Tangible evidence must be provided that these requirements are met. The provider must submit [Form 5110, *Application for Dealer Educational Seminar Certification*], an application form provided by the director to be certified by the department. [The *Application for Dealer Education Seminar Certification*, revised March 2008, incorporated by reference, is published by and can be obtained from the Missouri Department of Revenue, PO Box 43, Jefferson City, MO 65105-0043; or on the Department of Revenue's website at <http://www.dor.mo.gov/mvdl/motorv/forms/5110.pdf>. The *Application for Dealer Education Seminar Certification* does not include any amendments or additions to the March 2008 edition].

(5) Dealer educational seminar curriculum must be presented in a room in a non-residential building that is dedicated solely to the seminar for the duration of the seminar and compliant with the Americans with Disabilities Act of 1990, 42 U.S.C. section 12101 et seq., as amended. The curriculum must include a minimum of [six (6)] **four (4)** hours of instruction and provide detailed training regarding compliance with—

AUTHORITY: section 301.553, RSMo 2000, and sections 301.560 to

301.573, RSMo 2000 and Supp. [2007] 2011. Original rule filed May 15, 2008, effective Dec. 30, 2008. Amended: Filed Feb. 1, 2012.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Revenue, Legal Services Division, Governmental Affairs Bureau, PO Box 475, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*