



# OCMA - STRAIGHT TALK

Fall, 2010

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## Election Night Recap November 2, 2010

Ohio's 2010 election results will have a tremendous impact on not only the national political landscape, but also on the U.S. Presidential election in 2012. This Election Night Bulletin is a brief recap of the major state and national races that will shape the future of Ohio for many years to come. The Governor's office will be occupied by John Kasich, on January 1, 2011 and the Ohio House will be led by the Republican Party. In addition, the Republicans will be leading the U.S. House of Representatives while national Democrats look to have a slim majority in the U.S. Senate as of late Tuesday night.

Republicans swept all other statewide races, with former U.S. Senator Mike DeWine beating incumbent Rich Cordray to become the next Attorney General. Jon Husted was elected Ohio Secretary of State, Dave Yost, a former Delaware County Prosecutor, will be the State's next Auditor, and Josh Mandel was elected State Treasurer.

Perhaps most importantly, control of the Ohio Apportionment Board, made up of the Governor, Auditor, Secretary of State, and one appointment from the majority of each legislative chamber, will be in the hands of the Republican Party. The Party will have complete control over the "pen" used to draw new State House of Representatives, State Senate, and U.S. Congressional districts for the next 10 years. Ohio is slated to lose two U.S. Congressional seats based on last year's census and this will have a major impact on how the state's new congressional districts will look, and who will be running two years from now.

Below is a brief description of some highly contentious and closely watched races around Ohio. Please note that all reported results are "unofficial" and subject to change based on the review of the Ohio Secretary of State.

### Governor

Republican John Kasich was successful in unseating one-term Democratic Incumbent Ted Strickland by a margin of less than 3 percentage points. Kasich is a former U.S. Congressman from Westerville, Ohio. According to Governor-elect Kasich's website, he plans to emphasize job growth and a reduction in business regulation during his tenure as Ohio's Governor. Specifically, he proposes streamlining and increasing the effectiveness of job training programs while making them more accessible to business. A centerpiece of Mr. Kasich's job growth plan is the elimination of the Ohio Department of Development, replacing it with a private sector, statewide economic development corporation. This corporation would be led by a board of private sector CEOs and staffed by non-government employees. This proposal may signal a move towards smaller state government and a willingness by the Governor-elect to privatize certain key governmental functions. The Governor-elect will face a difficult road ahead as the state prepares to introduce the biennium (two-year) state operating budget with a projected \$8 billion shortfall in necessary revenue. Mr. Kasich has not provided details to the public on how he plans to plug that gap.

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**SERVICE**

**INTEGRITY**

**DEPENDABILITY**

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## **Attorney General**

Incumbent Democrat Rich Cordray was beaten by former U.S. Senator Mike DeWine. Attorney General-Elect DeWine criticized Cordray for, among other things, the AG's handling of the Bureau of Criminal Investigation back-log in processing DNA evidence.

Perhaps the biggest plank in DeWine's political platform is the challenge of the federal health care bill. Focusing on jobs, Attorney General-Elect DeWine described the federal bill, "an unconstitutional encroachment by the federal government," and a job killer on his website. He vowed to join other state attorneys general to bring legal challenges against the federal bill.

## **Ohio House of Representatives**

Election experts have been watching the Ohio House races since earlier this year, trying to predict which party will control the Speaker's gavel in 2011. In a move admired by political observers around Ohio, House Republican Leader Bill Batchelder took control of the Ohio House by a wide margin after two years of Democratic leadership. Leader Batchelder will take the Speaker's chair in January.

Some of the surprise pickups in the Ohio House Republican Caucus included Lynn Slaby (R - Akron) who beat the House Education Committee Chair Bryan Williams (D - Akron) and Bill Hayes (R) who beat incumbent Insurance Committee Chairman Dan Dodd (D - Hebron). Republicans, at this point, hold 59 seats in the lower chamber to the Democrats 38 with two seats yet to be decided with the incumbent Democrat Connie Pillich holding a 5 vote lead and incumbent Debbie Newcomb down 51 votes. With Republican control of the Ohio House, Senate, and Governor's office, the prospects of a "lame-duck" legislative session between November 2 and the end of the year seem highly unlikely.

## **Ohio Senate**

The Ohio Senate Republicans held a predictable majority in this year's election cycle. The Senate Republicans held a 21-12 majority and actually improved their margin by two to take an overwhelming 23-10 majority. Senator Sue Morano of Lorain was defeated by Gayle Manning, a retired teacher and North Ridgeville City Council member. Senator Fred Strahorn of Dayton lost to first-time candidate Bill Beagle. By securing two more seats, the Senate Republicans can now override any vetoes by the Governor and pass emergency measures without support by the minority caucus.

## **Ohio Supreme Court**

Justice Maureen O'Connor defeated appointed Chief Justice Eric Brown to become Ohio's first woman Chief Justice. She will vacate her current seat on the Ohio Supreme Court in order to assume the role of Chief Justice and Gov. Ted Strickland will be able to fill that vacancy before he departs from office. It is undetermined if he will reappoint Justice Brown to the high court or select someone else to appoint to this important position. In addition, Justice Judy Lanzinger was able to win another 6 year term on the Ohio Supreme Court by defeating Court of Appeals Judge Mary Jane Trapp.

## News from Around the Nation

**Alabama** - The governor has given his backing to a state law enforcement task force that recently seized more than 800 bingo machines. The raid was given clearance by a recent state supreme court ruling. The ruling struck down another lower court ruling that had barred the police from raiding Greenetrack, the only non-Indian casino still operating in the state. Video bingo in the state has pitted local officials against the state's chief executive and law enforcement. Local officials argue the bingo casinos are providing jobs and economic development during a very crucial time.

**California** - A law that will increase penalties for the operation of illegal slot machines in the state was approved by the California Assembly but is still pending in the state senate. However, it has been given tacit approval by the Senate Committee on Public Safety and been referred to the Committee on Appropriations.

The bill's current form states specifically: "Pinball and other amusement machines or devices, which are predominately games of skill, whether affording the opportunity of additional chances or free plays or not, are not included within the term slot machine or device, as defined in this section".

**Georgia** - In July the Georgia Assembly passed Senate Bill 454 which included several amendments to existing law. According to the Georgia Amusement and Music Operators Association, these amendments provide far-reaching measures to protect legitimate coin-op amusement business practices.

In the new law a single play successful player and slot machine are clearly defined, making a distinction between what's lawful and illegal activity for law enforcement authorities and thereby protecting non-cash redemption equipment on location. The bill further sets standards on the maximum income derived from machines on location versus other goods and put forth penalties for violations with the law. Les Schneider, council for the association stated, "We were there to toughen any penalties for those operating incorrectly so that those who are doing it legally can do so on a level playing field and not be hassled."

Even though Senate Bill 454 provides for fee hikes on equipment and location fees (based on an erroneous categorization of games) it actually nullified House Bill 1055, that would have financially devastated more amusement companies and locations. For a Class A master license, operators must now pay \$500 for up to five machines, \$2,000 for six to 60 machines, and \$3500 if they have 61 or more machines. These increased from \$250, \$1,500, and \$2,500 respectively. The sticker fee for each Class A game is \$25. For a Class B master license, the fee is \$5,000 regardless of the number of games, with a \$125 fee per machine. Previously there was no Class B license.

Locations must now pay their license fees based on the number and type of games in the business. Type A games are \$25 each; Type B games are \$125 each.

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## 2010 Membership Roll of Honor

The following OCMA members have paid their 2010 membership dues and have been placed on the **2010 Membership Roll of Honor**:

**Alex Ventures** (Jay Young, Columbus)  
**Alexander Music Co.** (Dave Alexander, Youngstown)  
**Associated Vending** (Steve Robinson, Cincinnati)  
**Automatic Music & Vending** (Sal Lazuka, Concord)  
**B & B Music** (Evan & Greg Brown, Cleveland)  
**B & M Amusements** (Bill Ferguson, Steubenville)  
**B J Novelty, Inc.** (Jeff Reed, Covington, KY)  
**Bell Music Co.** (David George, Akron)  
**Brady Distributing** (Jon Brady, Charlotte, NC)  
**Bremer Vending** Jim & John Bremer, Toledo)  
**Bristol Bay** (Brett Leslie, Galloway)  
**Bullseye Amusements** (Bill Clark, Germantown)  
**Cadillac Music Corp.** (James Comella, Cleveland)  
**Castle Music** (Dennis R. Winchell, Barberton)  
**City Amusement Enterprise** (Richard Webb, Portsmouth)  
**Coin-Op Vending** (R. Jones/D. McCoy, Columbus)  
**Coin-Op Vending, Inc.** (Chris DeSarro, East Liverpool)  
**Decker Shuffleboard** (Lou Decker, Sr., Toledo)  
**Dixie Music & Games** (Norman Quincy, Hamilton)  
**Elum Music Co.** (Phillip & George Elum, Massillon)  
**George Music Co.** (Phillip George, Sr., Akron)  
**Glass City Vending, Ltd.** (John Bade, Toledo)  
**Go for Broke** (Glenn Brick, Flushing)  
**Gold Coin Amusement** (John Dorn, Bellbrook)  
**Gum-B & Games, Inc.** (David Wilhelm/Chris Williams, Columbus)  
**H & B Music** (Bud Dunlap, Jewett)  
**Horizon Music & Games, Inc.** (Dennis Hilligan, Cincinnati)  
**Hughes Music Co.** (Joan Vrettos, Springfield)  
**R. L. Hull & Sons, Inc.** (Doug Hull, Mt. Vernon)  
**J & S Electronics** (Mike Musser, St. Marys)  
**Kerrys Enterprises** (Kerry Shaffer, Clayton)  
**Kid Enterprises** (James Rider, Springfield)  
**Laughlin Music & Vending** (Harold & Dewey Laughlin, Athens)  
**L & P Vending** (Larry Parsons, Barboursville, WV)  
**Lorain Music** (Michael Zappa, Crestline)  
**M & G Amusements, LLC** (Stu & Pam Cohen, Holland)  
**M & G Services, Inc.** (Michael Saadeh, Brookfield)  
**Metropolitan Vending Co.** (John Iaflelice, Cleveland)  
**Modern Music & Games, Inc.** (Lee Edmison, Hinkley)  
**Nick's Music & Games** (Nick Veronica, Toledo)  
**Ohio Vending Machine** (Roy Fankhauser, Elyria)  
**Pioneer Vending** (Bill Westerhaus, Cincinnati)  
**Playtronics, Inc.** (Armonda Nannicola, Youngstown)  
**Point Vending** (Darrel Wolford, Huntsville)

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## **Around the Nation** continued from page 3

### **Illinois** - Video Gaming Approved

**North Carolina** - In July, approval was given by the North Carolina State House to a Senate ban of so-called sweepstakes machines, effectively outlawing the machines. The Senate ban was passed in June. The governor signed the bill on July 20th. The measure makes it a misdemeanor for anyone to operate the sweepstakes games. Repeat offenders would be found guilty of a low-grade felony.

The governor was quoted as stating "I think if you have video sweepstakes, whether it is video poker or video machines in general, we really do need to have some kind of organized, unified system of regulation where they are under a standard set of rules and regulations where we can be sure that nobody is profiteering from it." A spokesperson for the Governor later clarified that she was open to ideas on how to regulate the industry, but was not actively pushing to legalize it.

In addition, state lawmakers have also introduced two separate bills to legalize and regulate video gaming. These measures seem to not be moving forward in the current session. The ***GASTON GAZETTE***, one of the state's newspapers, printed the following in response to these measures.

"The hypocrisy is unmistakable. Not only is the lottery legal, it is actually operated and promoted by the state. It's as if some activity that would otherwise be considered seedy has some redeemable value only because the proceeds will be used for government purposes. We question if state officials are really interested in quashing what they perceive to be a vice, or whether they're just trying to get rid of a competitor of the lottery."

**U.S. Congress** - Two bills dealing with Internet Gaming are being considered by the U.S. House of Representatives. One would legalize the activity and the other would require winnings and wagers to be taxed. Each wager would be taxed at a rate of .25% under the second provision. Representative Barney Franks argued that Internet Gaming could generate as much as \$48 billion for the government over a decade.

In the wake of implementation of a law that would prohibit financial institutions from knowingly handling online gaming transactions, Congress is moving forward on the issue. Implementation of the law went into effect in June.

**Save the Date!**  
**AMUSEMENT EXPO 2011**  
**March 1-3, 2011**  
**Las Vegas Convention Center**  
**Las Vegas, NV**

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## MINIMUM WAGE TO INCREASE IN 2011

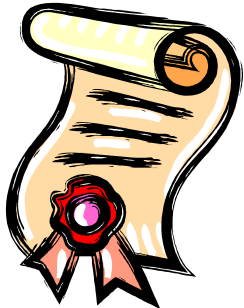
Ohio's minimum wage is set to increase by 10 cents to \$7.40 an hour at the start of 2011.

Officials at the state Department of Commerce have stated that the increase is part of a constitutional amendment voters approved in 2006, which says minimum wage will increase each year at the rate of inflation.

The \$7.40 rate applies to workers 16 and older who don't get tips. The wage for tipped employees will be \$3.70 per hour, a five cent increase.

The wage will be required from employers who gross more than \$271,000 annually, up from the current \$267,000.

For employees at smaller companies, and for 14- and 15-year-old workers, the minimum wage is set to match the federal minimum wage, currently \$7.25 per hour.



### 2010 Membership Roll of Honor

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**Priority Vending** (Joseph Abraham, Cleveland)  
**RD Vending** (Ronald Dulak, Martins Ferry)  
**Rex & Cheryl James Enterprises** (R & C James, Fostoria)  
**R. W. Amusement, Inc.** (Rusty West, Mentor)  
**Scott's Vending** (Scott McClain/Denny Davenport, Lakeview)  
**Shaffer Amusements Co.** (Kerry Shaffer, Dayton)  
**Shaffer Distributing** (Scott Shaffer, Columbus, OH)  
**Shaffer Services** (Andy Shaffer, Columbus)  
**Stebelton Music & Vending** (Rod Stebelton, Lancaster)  
**Thomas Music & Games, Inc.** (Dan Thomas, Marion)  
**Tri Area Amusement** (Scott Sauvageot, Follansbee, WV)  
**Union Vending** (Martin Sarcyk, Cleveland)  
**Van Brackel & Sons** (L. VanBrackel, Defiance)  
**Walter Music & Vending, Inc.** (Walter Lazuka, Mentor)  
**W. K. Enterprises, Inc.** (Jim Woodland, Columbus)

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OHIO COIN MACHINE ASSOCIATION  
3757 Indianola Ave.  
Columbus, OH 43214-3753  
614/784-9772 \* FAX 614/784-9771

E-mail [ocma@the-ocma.org](mailto:ocma@the-ocma.org)  
Web site [www.the-ocma.org](http://www.the-ocma.org)

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## OCMA Code of Ethics

1. To be ever mindful of the important role our industry plays in the life of the community.
2. To recognize that our industry has a responsibility to maintain the highest possible standards in order to properly serve the public.
3. To deal openly and honestly with our customers and the general public at all times.
4. To work with public officials and government agencies and to comply with all laws and regulations pertaining to our industry.
5. To compete fairly and ethically, thereby making our industry more efficient by promoting the greatest possible service to the public.
6. To faithfully execute all contracts and to conduct our business in such a manner as to generate the confidence and respect of fellow operators, customers, manufacturers, suppliers and the general public.

**SERVICE**

**INTEGRITY**

**DEPENDABILITY**