

# PROPOSED RULEMAKING

## DEPARTMENT OF HEALTH

[ 28 PA. CODE CHS. 23 AND 27 ]

### School Immunizations; Communicable and Non-communicable Diseases; Extension of Public Comment Period

A proposed rulemaking was published at 38 Pa.B. 750 (February 9, 2008). The proposed rulemaking included Chapter 23 (relating to school health), as well as Chapter 27 (relating to communicable and noncommunicable diseases). The proposed rulemaking was inadvertently published without a reference to the School Immunization Regulations in its title. Comments were due to this rulemaking by March 10, 2008. Because the proposed rulemaking was published under an incomplete title, and the Department of Health (Health) has concerns that interested parties may fail to realize the content of the proposed rulemaking, the Department is hereby providing notice that it intends to extend the public comment period for an additional 2 weeks. Written comments will be accepted by the Department until March 24, 2008.

Written comments should be directed to Heather Stafford, Director, Division of Immunization, Department of Health, Room 1026, Health and Welfare Building, 7th and Forster Streets, Harrisburg, PA 17120, (717) 787-5681, by March 24, 2008. Persons with a disability who wish to submit comments, suggestions or objections regarding the proposed rulemaking may do so by using the previously listed number or address. Speech and/or hearing impaired persons may use V/TT (717) 783-6514 or the Pennsylvania AT&T Relay Service at (800) 654-5984 (TT). Persons who require an alternative format of this document (for example, large print, audiotape, Braille), may contact Heather Stafford at the same address or telephone numbers.

CALVIN B. JOHNSON, M. D., M.P.H.,  
*Secretary*

[Pa.B. Doc. No. 08-394. Filed for public inspection March 7, 2008, 9:00 a.m.]

## ENVIRONMENTAL QUALITY BOARD

### Acceptance of Rulemaking Petition for Study

On February 19, 2008, the Environmental Quality Board (Board) accepted a rulemaking petition for study under 25 Pa. Code Chapter 23 (relating to Environmental Quality Board policy for processing petitions—statement of policy). The petition, submitted by the Loyalsock Creek Watershed Association, requests the Board amend 25 Pa. Code § 93.1 (relating to definitions) to redesignate the Loyalsock Creek (main stem from the Sullivan-Lycoming County border to the mouth) from Trout Stocking Fishery (TSF) to High Quality-Trout Stocking Fishery (HQ-TSF).

Under 25 Pa. Code § 93.4d(a) (relating to processing petitions, evaluations and assessments to change a designated use), the Department of Environmental Protection (Department) is required to publish a notice of intent to assess candidate waters before performing survey work. The Department's assessment notice for the Loyalsock Creek will appear in a future issue of the *Pennsylvania Bulletin*.

The previously-referenced petition submitted by the Loyalsock Creek Watershed Association is available to the public by contacting the Environmental Quality Board, P. O. Box 8477, Harrisburg, PA 17105-8477, (717) 787-4526, and is also accessible on the Department's web site at [www.depweb.state.pa.us](http://www.depweb.state.pa.us) (DEP Keywords: EQB ("EQB Meeting Agendas/Handouts/Minutes"; "2008"; "February 19, 2008")).

KATHLEEN A. MCGINTY,  
*Chairperson*

[Pa.B. Doc. No. 08-395. Filed for public inspection March 7, 2008, 9:00 a.m.]

### [ 25 PA. CODE CH. 130 ]

[Correction]

#### Consumer Products

Errors occurred in the proposed rulemaking which appeared at 37 Pa.B. 5117 (September 15, 2007). The following represents the correct version of the proposed amendments, as deposited by the Environmental Quality Board, with ellipses referring to the existing text of the proposed rulemaking at 37 Pa.B. 5117:

#### At 37 Pa.B. 5120:

#### § 130.202. Definitions.

The following words and terms, when used in this subchapter, have the following meanings, unless the context clearly indicates otherwise:

\* \* \* \* \*

*VOC content*—

(i) Except for charcoal lighter **material** products, the total weight of VOC in a product expressed as a percentage of the product weight (exclusive of the container or packaging), as determined under § 130.431 (relating to testing for compliance).

(ii) For charcoal lighter material products only,

$$\text{VOC [ Content ] content (percent) = } \frac{\text{(Certified [ Emissions ] emissions} \times 100)}{\text{Certified [ Use Rate ] use rate}}$$

\* \* \* \* \*

**At 37 Pa.B. 5139:**

**§ 130.454. Application for an ACP.**

A manufacturer of consumer products that has been granted an ACP agreement by the CARB under the ACP provision in Subchapter 8.5, Article 4, Sections 94540—94555, of Title 17 of the CCR based on California-specific data, or that has not been granted an exemption by the CARB may seek an ACP agreement by submitting an application. The application shall:

\* \* \* \* \*

**At 37 Pa.B. 5140:**

**§ 130.465. Other applicable requirements.**

A responsible ACP party may transfer an ACP to another responsible ACP party, provided that the following conditions are met:

\* \* \* \* \*

**§ 130.471. Public hearings.**

\* \* \* \* \*

(c) The Department will publish notice of the time, place and purpose of the [ hearing ] **three public hearings** in [ a local newspaper of general circulation and ] the *Pennsylvania Bulletin* [ not less than ] **at least 30 days** prior to the [ hearing ] hearings.

\* \* \* \* \*

[Pa.B. Doc. No. 07-1752. Filed for public inspection September 14, 2007, 9:00 a.m.]

# PENNSYLVANIA GAMING CONTROL BOARD

[ 58 PA. CODE CHS. 401a, 435a, 439a, 441a, 461a,  
461b, 463a AND 465a ]

**Preliminary Provisions; Employees; Junket Enterprises; Slot Machine Licenses; Slot Machine Testing and Control; Possession of Slot Machines; and Accounting and Internal Controls**

The Pennsylvania Gaming Control Board (Board), under its general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers) and the specific authority in 4 Pa.C.S. §§ 1207, 1311, 1321, 1322 and 1522 proposes to amend Chapters 401a, 435a, 439a, 441a, 461a, 461b, 463a and 465a to read as set forth in Annex A.

*Purpose of the Proposed Rulemaking*

This proposed rulemaking is intended to reflect organizational changes, require the display of Board credentials, add new slot machine design standards, delete a technical standard that is outdated, make a number of changes to existing accounting and internal control requirements, revise the jackpot payout procedures and expand the provisions related to merchandise jackpots.

*Explanation of Amendments to Chapters 401a, 439a, 461a and 465a*

Throughout this proposed rulemaking, references to the Board have been replaced with more specific references to the bureau or office that is involved.

In § 401a.3 (relating to definitions), the definition of “BCCIC” is being deleted because that Bureau of Corporate Compliance and Internal Controls no longer exists.

In § 435a.6(c) (relating to Board credentials), the requirement that a slot machine licensee’s employees carry their Board credential has been changed to require that the Board credential be displayed.

In Chapter 439a (relating to junket enterprises), references to the Bureau of Corporate Compliance and Internal Controls have been replaced with references to the Office of Gaming Operations.

Section 441a.19 (relating to notice of employee misconduct and offenses) is being amended to require slot machine licensees to notify the Bureau of Licensing of the resignation of any key employee. This will provide the Board with an opportunity to conduct an exit interview with the key employee.

In Chapter 461a (relating to slot machine testing certification and control), the Board has made a number of changes. In § 461a.1 (relating to definitions) the definition of “asset number” has been expanded to include associated equipment and the definition of “merchandise jackpot” has been revised to correspond to changes to § 461a.28 (relating to merchandise jackpots) which will require slot machine licensees to offer a cash payment in lieu of the merchandise.

In § 461a.7 (relating to slot machine minimum design standards), the Board has amended subsection (b)(3) to conform with the change made to § 461a.28 discussed previously. Additionally, a new standard related to the service button on slot machines has been added. It requires that the service button be easily accessible to the patron playing the slot machine and that activating the service button trigger a signal on the tower light that is

consistent with the technical standards in § 461b.2 (relating to slot machine tower lights and error conditions).

The third change in § 461a.7 moves a requirement that was in the technical standards in § 461b.1 (relating to slot machine minimum design standards) into the regulations. This standard requires that slot machines be configured to use any noncashable credits available for play before it uses any cashable credits. Because the Board is moving this requirement into the regulations, the technical standard in § 461b.1 will be deleted.

The final change in § 461a.7 requires labels on slot machines containing the asset number and gaming floor location. Similar requirements have also been added to §§ 461a.10 and 461a.22 (relating to automated gaming voucher and coupon redemption machines; and automated jackpot payout machines).

In § 461a.16 (relating to player tracking systems), a provision is proposed to prohibit slot machine licensees from having anyone under 21 years of age in a player tracking system. Since these individuals can not participate in gaming, they should not be participating in any player programs. A new subsection (c) has also been added which requires anyone who has access to the information contained in the player tracking system must hold a key employee license or occupation permit. This is being done to protect the personal information of individuals who elect to participate in any player programs.

The last revision to Chapter 461a is in § 461a.25 (relating to disputes). This section, which sets forth the process for addressing patron disputes, is being revised to match the process that is currently being used. When a dispute arises which can not be resolved by the slot machine licensee, the slot machine licensee will notify the casino enforcement agents at the licensed facility. A casino enforcement agent will attempt to resolve the dispute, and if unsuccessful, will assist the patron in filing a complaint. When complaints are filed, the Bureau of Investigations and Enforcement (BIE) will conduct an investigation.

In Chapter 463a (relating to possession of slot machines), a number of changes have been made to further clarify how certain requests are to be filed and what bureaus should receive copies of various filings. In § 463a.1 (relating to possession of slot machines generally), subsection (c) has been revised to require requests to possess slot machines to be filed as a petition. Additionally, a new subsection (e) has been added requiring anyone authorized to possess slot machines under subsection (d) to obtain Board approval for the offsite storage of the slot machines.

Section 463a.2 (relating to transportation of slot machines into, within and out of this Commonwealth) is proposed to be amended to require that the notice that is sent to the Bureau of Gaming Laboratory Operations when a slot machine is going to be moved, also be sent the Office of Gaming Operations.

In § 463a.5 (relating to slot machine master list), subsection (a) is proposed to be amended to require a copy of the slot machine master list to be filed with the Office of Gaming Operations as well as the Bureau of Gaming Laboratory Operations.

In § 463a.7 (relating to off premises storage of slot machines), subsection (b) is proposed to be amended to require requests for off premises storage of slot machines to be filed as a petition under § 493a.4 (relating to petitions generally).

In Chapter 465a (relating to accounting and internal controls), numerous proposed changes have been made

concerning where filings should be made, eliminating unnecessary filings, clarifying various requirements and adding new procedures.

In § 465a.2 (relating to internal control systems and audit protocols), references to the Board, the Bureau of Corporate Compliance and Internal Controls and BCCIC are proposed to be replaced with the Office of Gaming Operations which is now responsible for these functions. In subsection (f), provisions will be added to clarify that requests for changes to a slot machine licensee's internal controls are to be filed using an Amendment and Waiver Request Form. Also, subsection (j) is proposed to be revised to require retention of a paper copy of required attestations for 5 years.

In § 465a.3 (relating to forms, records and documents), the reference to the "Bureau" has been deleted. The Board does not need to routinely receive copies of these occurrences.

In § 465a.4 (relating to standard financial and statistical reports), subsections (a) and (b) have been deleted. The Board has determined that these required filings are duplicative or unnecessary for the Board to monitor the financial integrity of slot machine licensees.

In § 465a.5 (relating to annual audit; other reports; suspicious activity and currency transaction reporting), references to the Bureau of Corporate Compliance and Internal Controls, BCCIC and Board have been replaced with the Bureau of Licensing throughout this section except in subsections (k) and (m) where Board is replaced with BIE and in subsection (n) where Board is replaced with the Office of Gaming Operations. In subsections (d) and (e), the phrase "independent certified public accountant or" has been added to be consistent with the language used in subsection (a).

In subsections (d), (g) and (h), only one copy of the specified reports will have to be filed, instead of two or three copies.

In § 465a.7 (relating to complimentary services or items), "Board" has been replaced with "BIE" in subsection (e).

In § 465a.8 (relating to licensed facility), "or floor" has been added to subsection (d)(2) and "facilitating" has been replaced with "providing" in subsection (d)(6).

In § 465a.9 (relating to surveillance system; surveillance department control; surveillance department restrictions), a number of editorial changes have been made. In subsection (a), a general requirement that the surveillance system must be in compliance with 18 Pa.C.S. Chapter 57 (relating to Wiretapping and Electronic Surveillance Control Act) has been added.

In subsection (b), the phrase "upon request" has been deleted because it is not necessary.

In subsection (c)(4), the requirement for audio surveillance capability in the count room has been revised to require that it be in conformance with 4 Pa.C.S. § 1522 (relating to interception of oral communications). Additionally, the phrase "and elsewhere in the licensed facility as required by the Board" in subsection (c)(5) has been deleted. This language is not needed because all of the activities that require surveillance are covered in paragraph (1).

In subsection (c)(4)(ii), the word "facilitate" has been replaced with "provide."

In subsections (h) and (i), the references to "Bureau" have been replaced with "casino enforcement agents at the licensed facility" and "casino enforcement supervisor at the licensed facility" respectively. This will provide

clearer direction to the slot machine licensees as to who they should notify in these circumstances.

In subsection (o), a reference to § 493a.4 (relating to petitions generally) has been added to clarify that a surveillance department employee shall file a petition when requesting an exemption from the 1-year restriction on accepting employment with another department at the licensed facility.

In § 465a.11 (relating to slot machine licensee's organization), the references to "Bureau" in subsection (b)(1)(viii) and (5)(x) and (xi), have been replaced with "casino enforcement agents . . . at the licensed facility" and subsection (b)(5)(x) has been split into two subparagraphs, subparagraphs (x) and (xi).

In subsection (c), a new option has been added for reporting by the supervisors of the surveillance and internal audit departments that reflects additional options the Board may select to provide oversight of a licensed facility's operations.

In § 465a.12 (relating to access badges and temporary access credentials), "licensed manufacturer designees" were added to the list of entities that must be covered by a slot machine licensee's temporary access badge procedures.

In § 465a.13 (relating to possession of deadly weapons within a licensed facility), the prohibition on deadly weapons has been expanded to include stun guns or other devices that could injure or incapacitate a person. This is intended to provide additional protection of patrons at licensed facilities.

In § 465a.16 (relating to accounting controls for the cashiers' cage), the phrase "and nongaming" has been deleted from subsection (c)(1)(ii) and (2)(i) and (iii) to make these provisions consistent with the language used in § 465a.20 (relating to personal check cashing).

In § 465a.18 (relating to transportation of slot cash storage boxes to and from bill validators; storage), the term "Board" has been replaced with "Office of Gaming Operations" in subsections (a) and (b). Additionally, a new subsection (f) has been added that requires the casino enforcement agents to be contacted prior to the commencement of the drop if the central control computer is not online and that a casino enforcement agent witness and certify the drop. This is intended to provide greater security for and integrity of the collection of the slot cash storage boxes.

In § 465a.20, subsection (b)(6) is proposed to be amended to allow the amount of a check being cashed to be put in a customer deposit account as well as immediately being paid in cash to the patron. This will provide greater convenience and safety for patrons. A new subsection (f) has also been added requiring any slot machine licensee that charges a fee for cashing checks to comply with the Check Cashier Licensing Act (63 P. S. §§ 2301—2334).

In § 465a.23 (relating to customer deposits), subsections (a) and (b) are being revised to allow checks to be accepted for customer deposits consistent with the changes made to § 465a.20. The phrase "subsequent use for gaming purposes" has been replaced with the broader phrase "subsequent use at the licensed facility" again for the convenience of the patrons.

In § 465a.25 (relating to counting and recording of slot cash storage boxes), the first reference to the "Board" in subsection (a) has been replaced with the "Office of Gaming Operations" and the second reference to the

"Board" has been replaced with the "Office of Gaming Operations and the casino enforcement supervisor at the licensed facility." Existing subsection (j) has been deleted; the Board does not need to routinely receive these reports. A new subsection (j) has been added which requires notice to and the presence of someone from BIE in the count room before the count commences when the central computer control system is down.

Section 465a.26 (relating to jackpot payouts) has been totally rewritten. While many of the previous requirements remain, the procedures have been revised to provide greater flexibility as to who may verify the winning combination and to provide better accountability in the actual payment of the jackpots.

In § 465a.27 (relating to annuity jackpots), the phrase "a banking institution in this Commonwealth" has been added to subsection (e)(1)(iii). This will allow trusts established to pay annuity jackpots to be placed with banks in addition to being maintained by a slot machine licensee or slot system operator.

In § 465a.28 (relating to merchandise jackpots), the provisions governing merchandise jackpots have been expanded to provide additional guidance to the slot machine licensees. Provisions have been added specifying how a slot machine licensee is to determine the cash equivalent value of the merchandise and what supporting documentation a slot machine licensee is required to maintain. Slot machine licensees will also be required to offer optional cash payment that the winner may elect to receive in lieu of the merchandise being offered. The additions also provide that merchandise jackpots are considered winnings for the purpose of calculating gross terminal revenue and how the amount of the winnings is to be determined. Minimum requirements governing advertising of merchandise jackpots and technical requirements related to slot machines offering merchandise jackpots have also been included.

In § 465a.29 (relating to automated teller machines), a new subsection (b) has been added that requires a label on the top and front of automated teller machines that displays a unique identification number of the automated teller machine. This will make it easier to identify individual automated teller machines and their location in the licensed facility.

In § 465a.31 (relating to gaming day), subsection (c) is proposed to be revised to require that changes in a slot machine licensee's hours of operation be submitted as a change to the slot machine licensee's internal controls under the procedures outlined in § 465a.2(f).

#### *Affected Parties*

Slot machine licensees will have to comply with the new design standards and labeling requirements for slot machines, and changes in the patron dispute process and the surveillance requirements. Slot machine licensees will also have to comply with the new jackpot payout procedures and will have clearer guidance on the payment of and how merchandise jackpots are to be administered.

#### *Fiscal Impact*

##### *Commonwealth*

Because most of the revisions in this proposed rulemaking reflect current Board practice, there will be no significant costs or savings to the Board or other State agencies as a result of these revisions.

##### *Political Subdivisions*

This proposed rulemaking will have no fiscal impact on political subdivisions of this Commonwealth.

Private Sector

Slot machine licensees will experience some slight savings from reduced filing requirements and from being required to submit fewer copies of a number of reports. Slot machine licensees may experience some costs related to the new design standards and labeling requirements for slot machines and associated equipment. Additionally, slot machine licensees may experience some increased cost to comply with the new requirements related to merchandise jackpots.

General Public

This proposed rulemaking will have no fiscal impact on the general public.

Paperwork requirements

This proposed rulemaking eliminates the requirement that slot machine licensees file a report with the Board on patron disputes that are not resolved within 7 days. It also eliminates a number of financial reports that are not needed and reduces the number of copies slot machine licensees must submit. This proposed rulemaking will require more detailed filings of information related to merchandise jackpots.

Effective Date

The proposed rulemaking will become effective upon final-form publication in the *Pennsylvania Bulletin*.

Public Comments

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed rulemaking, within 30 days after the date of publication in the *Pennsylvania Bulletin* to Paul Resch, Secretary, Pennsylvania Gaming Control Board, P. O. Box 69060, Harrisburg, PA 17106-9060, Attention: Public Comment on Regulation #125-79.

Contact Person

The contact person for questions about this proposed rulemaking is Richard Sandusky, Director of Regulatory Review, at (717) 214-8111.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on February 21, 2008, the Board submitted a copy of this proposed rulemaking and a copy of the Regulatory Analysis Form to the Independent Regulatory Review Commission (Commission) and to the Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, the Commission may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly and the Governor of comments, recommendations or objections raised.

MARY DIGIACOMO COLINS,  
Chairperson

**Fiscal Note:** 125-79. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart A. GENERAL PROVISIONS

CHAPTER 401a. PRELIMINARY PROVISIONS

§ 401a.3. Definitions.

The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

\* \* \* \* \*

[ **BCCIC—The Bureau of Corporate Compliance and Internal Controls of the Board.** ]

\* \* \* \* \*

Subpart B. LICENSING, REGISTERING, CERTIFYING AND PERMITTING

CHAPTER 435a. EMPLOYEES

§ 435a.6. Board credentials.

\* \* \* \* \*

(c) A State employee [ **or employee of a slot machine licensee** ] required to obtain a Board credential shall carry the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility. An individual who is not a State employee [ **or employee of a slot machine licensee** ], who is required to obtain a Board credential, shall display the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility.

\* \* \* \* \*

CHAPTER 439a. JUNKET ENTERPRISES

§ 439a.7. Junket schedules.

\* \* \* \* \*

(b) A junket schedule shall be filed with the [ **Bureau of Corporate Compliance and Internal Controls** ] Office of Gaming Operations by a slot machine licensee by the 15th day of the month preceding the month in which the junket is scheduled. If a junket is arranged after the 15th day of the month preceding the arrival of the junket, an amended junket schedule shall be filed with the [ **Bureau of Corporate Compliance and Internal Controls** ] Office of Gaming Operations by the slot machine licensee by the close of the next business day.

\* \* \* \* \*

§ 439a.8. Junket arrival reports.

\* \* \* \* \*

(b) Junket arrival reports must:

\* \* \* \* \*

(2) Include information required under § 439a.7 (relating to junket schedules) that has not been previously provided to the [ **Bureau of Corporate Compliance and Internal Controls** ] Office of Gaming Operations in a junket schedule pertaining to the particular junket, or an amendment thereto.

\* \* \* \* \*

§ 439a.10. Monthly junket reports.

(a) Each slot machine licensee shall, on or before the 15th day of the month, prepare and file with the [Bureau of Corporate Compliance and Internal Controls] Office of Gaming Operations a monthly junket report listing the name and registration number of each person who performed the services of a junket representative during the preceding month.

\* \* \* \* \*

§ 439a.11. Purchase of patron lists.

\* \* \* \* \*

(c) The report required by subsection (a) shall be filed with the [Bureau of Corporate Compliance and Internal Controls] Office of Gaming Operations, no later than 7 days after the receipt of the list by the purchaser.

Subpart C. SLOT MACHINE LICENSING

CHAPTER 441a. SLOT MACHINE LICENSES

§ 441a.19. Notice of employee misconduct and offenses and employee resignations.

(a) A slot machine licensee or management company shall notify the [Board] Bureau of Licensing, within 5 days of the termination of an employee, of information surrounding the termination of the employee that could be cause for suspension or revocation of the employee's license, permit or registration or enforcement action related thereto.

\* \* \* \* \*

(d) A slot machine licensee or management company shall notify the Bureau of Licensing within 5 days of the receipt of a resignation of any employee who holds a key employee license.

Subpart E. SLOT MACHINE TESTING, CERTIFICATION AND CONTROL

CHAPTER 461a. SLOT MACHINE TESTING AND CONTROL

§ 461a.1. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Asset number—A unique number assigned to a slot machine or piece of associated equipment by a slot machine licensee for the purpose of tracking the slot machine or piece of associated equipment while owned by the slot machine licensee.

\* \* \* \* \*

Merchandise jackpot—A slot machine jackpot in the form of:

- (i) [Merchandise or a thing of value.
(ii)] A cash payout and a payout of merchandise or a thing of value.
[(iii)] (ii) An option to choose between a cash payout and a payout of merchandise or a thing of value.

\* \* \* \* \*

§ 461a.7. Slot machine minimum design standards.

\* \* \* \* \*

(b) The calculation of the theoretical payout percentage will not include:

\* \* \* \* \*

[(3) A payout of merchandise or anything of value when a cash equivalent award is not offered.]

\* \* \* \* \*

(x) A slot machine must be equipped with a service button designed to allow the player of a slot machine to request assistance. The service button must:

(1) Be visible to and within easy reach of the player of the slot machine.

(2) Communicate directly or through the slot machine to the slot machine's tower light which will provide a signal that is in compliance with the technical standards on slot machine tower lights under § 461b.2 (relating to slot machine tower lights and error conditions).

(y) A slot machine approved for use in a licensed facility must be configured to wager credits available for play in the following order:

- (1) Noncashable credits.
(2) Cashable credits.

(3) A slot machine on the gaming floor must have a label on the top of the slot machine and on the front of the slot machine near the bill validator that displays the asset number and the gaming floor plan location number of the slot machine. The labels must have white lettering on a black background or other color combination approved by the Office of Gaming Operations or other color combination approved by the Office of Gaming Operations, may not be easily removed and must be easily visible to the surveillance department. The label on the top of the slot machine must be at least 1.5 inches by 5.5 inches and the label on the front of the slot machine must be at least 1 inch by 2.5 inches.

§ 461a.10. Automated gaming voucher and coupon redemption machines.

\* \* \* \* \*

(b) Automated gaming voucher and coupon redemption machines may be located on or proximate to the gaming floor of a licensed facility and must be subject to surveillance coverage under § 465a.9 (relating to surveillance system; surveillance department control; surveillance department restrictions). Each automated gaming voucher and coupon redemption machine must have [imprinted, affixed or impressed on the outside of the machine a unique asset identification number] a label on the top of the automated gaming voucher and coupon redemption machine and on the front of the automated gaming voucher and coupon redemption machine that displays the asset number of the automated gaming voucher and coupon redemption machine. The labels must have white lettering on a black background or other color combination approved by the Office of Gaming Operations and may not be easily removed. The label on the top of the automated gaming voucher and coupon redemption machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated gaming voucher and coupon redemption machine must be at least 1 inch by 2.5 inches.

\* \* \* \* \*

§ 461a.16. Player tracking systems.

\* \* \* \* \*

(b) A player tracking system may not include individuals who are under 21 years of age.

(c) Employees of a slot machine licensee who can view, print or copy any of the information in the slot machine licensee's player tracking system shall be licensed as a key employee or hold an occupation permit. This subsection does not apply to employees of the slot machine licensee that are members of a corporate reservations department whose duties and responsibilities do not require the employee to be located within this Commonwealth.

(d) A player tracking system must comply with the act, this subpart and technical standards on player tracking systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 461a.22. Automated jackpot payout machines.

\* \* \* \* \*

(b) An automated jackpot payout machine must have a label on the top of the automated jackpot payout machine and on the front of the automated jackpot payout machine that displays the asset number of the automated jackpot payout machine. The labels must have white lettering on a black background or other color combination approved by the Office of Gaming Operations, may not be easily removed and must be easily visible to the surveillance department. The label on the top of the automated jackpot payout machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated jackpot payout machine must be at least 1 inch by 2.5 inches.

(c) An automated jackpot payout machine must comply with the act, this subpart and technical standards on automated jackpot payout machines adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

[ (c) ] (d) Prior to commencing use of an automated jackpot payout machine, a slot machine licensee shall establish a comprehensive system of internal controls addressing the payment of jackpot payouts utilizing an automated jackpot payout machine and the distribution of currency or coin, or both, to the machines. The internal controls shall be submitted to, and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

§ 461a.25. Disputes.

(a) If a dispute arises with a patron concerning payment of alleged winnings, the slot machine licensee shall attempt to resolve the dispute. If the dispute can not be resolved, the slot machine licensee shall notify the casino enforcement agents at the licensed facility who will attempt to resolve the dispute. If the dispute is not resolved, the casino enforcement agent will provide the patron with a Board Patron Dispute/Complaint Form and Instructions for Submitting a Patron Dispute/Complaint and assist the patron in completing the Board Patron Dispute/Complaint Form.

(b) When a [ slot machine licensee refuses to pay winnings claimed by a patron and the patron and the slot machine licensee remain unable to resolve the dispute after 7 days, the slot machine licensee

shall, on the next day, notify the Board in writing of the dispute in a manner and form the Board prescribes. The notice must identify the parties to the dispute and shall state the known relevant facts regarding the dispute ] patron files a complaint, BIE will conduct an investigation of the complaint.

CHAPTER 461b. TECHNICAL STANDARDS—STATEMENT OF POLICY

§ 461b.1. [ Slot machine minimum design standard ] (Reserved).

[ (a) Slot machine volatility shall be calculated based on a 95% confidence interval. Volatility calculations must utilize the following when calculating the lowest payout percentage available for each slot machine game:

(1) The aggregate variance is the sum of the probability of every winning combination multiplied by the square of the corresponding payout.

(2) The standard deviation is the square root of the difference between the aggregate variance of paragraph (1) and the square of the lowest payout percentage.

(3) The volatility index is 1.96 multiplied by the standard deviation calculated in paragraph (2).

(4) The approach percentage is the difference between the lowest payout percentage and 84.999%.

(5) The volatility, calculated as the number of plays to equal or exceed the minimum payout requirement of 85%, is the square of the quotient obtained when the volatility index found in paragraph (3) is divided by the approach percentage found in paragraph (4).

(6) The volatility calculated in paragraph (5) may not exceed 10,000,000 plays.

(b) Each slot machine approved for use in a licensed facility must be configured to wager credits available for play in the following order:

(1) Noncashable credits.

(2) Cashable credits. ]

CHAPTER 463a. POSSESSION OF SLOT MACHINES

§ 463a.1. Possession of slot machines generally.

\* \* \* \* \*

(c) Persons seeking to possess slot machines under subsection (b) shall submit a [ written request ] petition to the Board as required under § 493a.4 (relating to petitions generally). The petition to the Board [ which ] must contain:

\* \* \* \* \*

(e) A person authorized to possess slot machines under subsection (d) that desires to store the slot machines at a location other than the location specified in subsection (c)(2) shall obtain approval from the Board prior to storing the slot machines at the other location.

§ 463a.2. Transportation of slot machines into, within and out of this Commonwealth.

In furtherance of section 1511 of the act (relating to the declaration of exemption from Federal laws prohibiting slot machines), prior to the transport or movement of a

slot machine into this Commonwealth, from one person authorized to possess slot machines under § 463a.1 (relating to possession of slot machines generally) to another person authorized within this Commonwealth or transport or movement out of this Commonwealth, the persons causing the slot machine to be transported or moved shall notify the Bureau of Gaming Laboratory Operations and the Office of Gaming Operations, in writing or in an electronic format approved by the Board. The notice shall be submitted no later than the day the slot machine is transported and include the following information:

\* \* \* \* \*

§ 463a.5. Slot machine master list.

(a) Prior to the commencement of operations at a licensed facility, an applicant for, or holder of, a slot machine license shall file with the Bureau of Gaming Laboratory Operations and the Office of Gaming Operations, in writing or in an electronic format approved by the Board, a complete list of slot machines possessed by the applicant or licensee on its gaming floor, in restricted areas off the gaming floor but within the licensed facility approved by the Board under § 465a.8(b) (relating to licensed facility), and in storage locations in this Commonwealth off the premises of the licensed facility approved by the Board under § 463a.7 (relating to off premises storage of slot machines). The list shall be denoted as a Slot Machine Master List.

\* \* \* \* \*

§ 463a.7. Off premises storage of slot machines.

(a) A slot machine licensee may not store slot machines off the premises of [ the ] a licensed facility without prior approval from the Board.

(b) A slot machine licensee seeking to store slot machines off the premises of [ the ] a licensed facility shall file a [ written request ] petition to the Board for off premise storage [ with the Board ] as required under § 493a.4 (relating to petitions generally). The [ request ] petition must include:

\* \* \* \* \*

(3) The [ slot machine licensees' ] plan to provide 24 hour, [ seven ] 7 day a week security at the storage facility.

\* \* \* \* \*

(6) The date that the slot machines are expected to be moved to [ the ] a licensed facility.

\* \* \* \* \*

CHAPTER 465a. ACCOUNTING AND INTERNAL CONTROLS

§ 465a.2. Internal control systems and audit protocols.

\* \* \* \* \*

(f) If a slot machine licensee intends to make a change or amendment to its system of internal controls, it shall submit to the [ Board ] Office of Gaming Operations and the Department, in writing or electronically, a [ written ] description of [ a ] the change or amendment in its system of internal controls [ and the two original signed certificates described in subsection (b) ] using the Amendment and Waiver Request Form posted on the Board's web site (www.pgcb.state.pa.us). A request for a change or amendment

must include [ and the two original signed certifications described in subsection (b) ] the attestations required under subsections (b)(1) and (2). The slot machine licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the slot machine licensee receives a notice under subsection (g) tolling the change or amendment.

(g) If during the 30-day review period in subsection (f), the [ Bureau of Corporate Compliance and Internal Controls (BCCIC) ] Office of Gaming Operations preliminarily determines that a procedure in a submission contains a substantial and material insufficiency likely to have a direct and materially adverse impact on the integrity of slot operations or the control of gross terminal revenue, [ that Bureau ] the Office of Gaming Operations, by written notice to the slot machine licensee, will:

\* \* \* \* \*

(i) When a change or amendment has been tolled under subsection (g), the slot machine licensee may submit a revised change or amendment within 30 days of receipt of the written notice from [ BCCIC ] the Office of Gaming Operations. The slot machine licensee may implement the revised change or amendment on the 30th calendar day following the filing of the revision unless it receives written notice under subsection (g) tolling the change or amendment.

(j) A current version of the internal controls of a slot machine licensee shall be maintained in or made available in electronic form through secure computer access to the accounting and surveillance departments of the slot machine licensee and the Board's onsite facilities required under § 465a.8 (relating to licensed facility). The slot machine licensee shall also maintain a copy, either in paper or electronic form, of any superseded internal control procedures [ , along with the two certifications required to be submitted with respect thereto, ] for a minimum of 5 years. A paper copy of the two attestations required under subsection (b)(1) and (2) shall also be maintained for a minimum of 5 years. Each page of the internal controls must indicate the date on which it was approved by the Board.

§ 465a.3. Forms, records and documents.

\* \* \* \* \*

(c) Whenever under this part, forms or serial numbers are required to be accounted for and an exception is noted, the exceptions shall be reported in writing to the slot machine licensee's internal audit department [ and the Bureau ] within 2 days of identification of the exception or upon its confirmation, whichever occurs earlier.

§ 465a.4. Standard financial and statistical reports.

(a) [ A slot machine licensee shall file the following monthly reports of financial and statistical data:

- (1) A balance sheet.
- (2) A statement of revenues and expenses.
- (3) A cash flow statement.
- (4) A net income statement.
- (5) Daily gross terminal revenues and taxes.
- (6) A comparison of gross terminal revenues to projected gross terminal revenues.



(b) **The Board may prescribe standard reporting forms and corresponding filing instructions to be used by a slot machine licensee in filing the monthly reports referenced in subsection (a).**

(c) ] In the event of a license termination, change in business entity, or material change in ownership, the Board may require the filing of financial and statistical reports as of the date of occurrence of the event. The slot machine licensee will be notified in writing by the Board.

[ (d) ] (b) Adjustments resulting from the annual audit required in § 465a.5 (relating to annual audit; other reports; suspicious activity and currency transaction reporting) shall be recorded in the accounting records of the year to which the adjustment relates. If the adjustments were not reflected in any annual report and the Board concludes that the adjustments are significant, the Board may require the slot machine licensee to file a revised annual report. The revised filing shall be due within 30 calendar days after written notification to the slot machine licensee, unless the slot machine licensee submits a written request for an extension prior to the required filing date and the extension is granted by the Board.

[ (e) ] (c) The Board may request, in writing, [ **additional** ] financial, **statistical or other** reports to determine compliance by the slot machine licensee with the act and the Board's regulations.

**§ 465a.5. Annual audit; other reports; suspicious activity and currency transaction reporting.**

\* \* \* \* \*

(d) [ **Two copies** ] **One copy** of the audited financial statements, together with any management letter or report prepared thereon by the slot machine licensee's **independent certified public accountant or independent registered public accounting firm**, shall be filed with the [ **Board** ] **Bureau of Licensing** not later than 60 days after the end of the licensee's fiscal year.

(e) The slot machine licensee shall require the **independent certified public accountant or independent registered public accounting firm** auditing its financial statements to render the following additional reports:

\* \* \* \* \*

(f) The slot machine licensee shall prepare a written response to the independent certified public accountant's or independent registered public accounting firm's reports required by subsection (e)(1) and (2). The response must indicate, in detail, corrective actions taken. The slot machine licensee shall submit a copy of the response to the [ **Bureau of Corporate Compliance and Internal Controls (BCCIC)** ] **Bureau of Licensing** within 90 days of receipt of the reports.

(g) The slot machine licensee shall file with the [ **BCCIC two copies** ] **Bureau of Licensing one copy** of the reports required by subsection (e), and [ **two copies** ] **one copy** of any other reports on internal controls, administrative controls, or other matters relative to the slot machine licensee's accounting or operating procedures rendered by the licensee's independent certified public accountant or independent registered public accounting firm within 120 days following the end of the licensee's fiscal year or upon receipt, whichever is earlier.

(h) If the slot machine license, **or a licensed holding company, licensed intermediary or licensed principal entity of the slot machine licensee**, is publicly

held, the slot machine licensee shall submit to the [ **BCCIC three copies** ] **Bureau of Licensing one copy** of any report, including forms S-1, 8-K, 10-Q, 10-K, proxy or information statements and registration statements, required to be filed by the slot machine licensee, **licensed holding company, licensed intermediary or licensed principal entity of the slot machine licensee**, with the SEC or other domestic or foreign securities regulatory agency. The filing with the [ **Board** ] **Bureau of Licensing** shall be made within 10 days of the time of filing with the applicable Commission or regulatory agency or the due date prescribed by the applicable Commission or regulatory agency, whichever occurs first.

(i) If an independent certified public accountant or independent registered public accounting firm who was previously engaged as the principal accountant to audit the slot machine licensee's financial statements resigns or is dismissed as the slot machine licensee's principal accountant, or another independent certified public accountant or independent registered public accounting firm is engaged as principal accountant, the slot machine licensee shall file a report with the [ **BCCIC** ] **Bureau of Licensing** within 10 days following the end of the month in which the event occurs, setting forth the following:

\* \* \* \* \*

(j) The slot machine licensee shall request the former accountant to furnish to the slot machine licensee a letter addressed to the [ **Board** ] **Bureau of Licensing** stating whether he agrees with the statements made by the slot machine licensee in response to subsection (i)(2). The letter shall be filed with the [ **Board** ] **Bureau of Licensing** as an exhibit to the report required by subsection (i)(2).

(k) The slot machine licensee shall file with [ **the Board** ] **BIE** a copy of any Suspicious Activity Report-Casino (SARC) it is required to file under 31 CFR 103.21 (relating to reports by casinos of suspicious transactions). Each SARC shall be filed with [ **the Board** ] **BIE** concurrently with the Federal filing.

\* \* \* \* \*

(m) The slot machine licensee shall file with [ **the Board** ] **BIE** a copy of any Currency Transaction Report by Casino (CTRC) it is required to file under 31 CFR 103.22 (relating to reports of transactions in currency). Each CTRC shall be filed with [ **the Board** ] **BIE** concurrently with the Federal filing.

(n) Prior to commencing gaming operations, a slot machine licensee shall file with the [ **Board** ] **Office of Gaming Operations**, in a manner to be prescribed by the [ **Board** ] **Office of Gaming Operations**, a copy of its compliance program required under 31 CFR 103.64 (relating to special rules for casinos). Thereafter, a slot machine licensee shall file with the [ **Board** ] **Office of Gaming Operations** any amendment or supplement to its compliance program on or before the effective date of the amendment or supplement.

**§ 465a.7. Complimentary services or items.**

\* \* \* \* \*

(e) A slot machine licensee shall submit to [ **the Board** ] **BIE** a report listing each person who, under subsection (d), received \$10,000 or more in complimentary cash and noncash gifts within a consecutive 5-day period

ending during the preceding month. The report shall be filed by the last day of the month following the month in which the complimentary cash and noncash gifts were issued and include the total amount of complimentary cash or noncash gifts provided to each person broken down into categories for food and beverage, hotel accommodations, travel and other services.

§ 465a.8. Licensed facility.

\* \* \* \* \*

(d) Slot machine licensees shall, in accordance with section 1207(13) of the act (relating to regulatory authority of board), provide for and maintain onsite facilities for use by the Board, the Department, and the Pennsylvania State Police for the purpose of carrying out their respective responsibilities (collectively referred to as the "onsite facilities"). The onsite facilities must be located in the same building as, and be located proximate to, the gaming floor and include suitable office space, equipment, partitions and supplies to meet the continuing needs of the Board, the Department and the Pennsylvania State Police at the facility including the following:

\* \* \* \* \*

(2) An area for the detention of individuals detained or taken into custody by the Pennsylvania State Police. The detention area must be located within the onsite facilities and consist of a bench or other apparatus which is permanently affixed to the wall or floor to which the person in custody can be handcuffed with as little discomfort to that person as is possible under the circumstances.

\* \* \* \* \*

(6) Computer terminals [ facilitating ] providing read only access to any computerized slot monitoring system or casino management system, or both, used by the slot machine licensee in its gaming operations.

\* \* \* \* \*

§ 465a.9. Surveillance system; surveillance department control; surveillance department restrictions.

(a) The surveillance system of a licensed facility [ shall ] must comply with 18 Pa.C.S. Chapter 57 (relating to Wiretapping and Electronic Surveillance Control Act) and section 1522 of the act (relating to interception of oral communications) and shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The Bureau will review surveillance system specifications, inclusive of the camera configuration and any changes or modifications to the system specifications, to determine whether the system provides the adequate and effective surveillance of activities inside and outside the licensed facility mandated by section 1207(11) of the act (relating to regulatory authority of board). A slot machine licensee may not commence gaming operations until its surveillance system is approved by the Board.

(b) A slot machine licensee shall at all times provide the Board and the Pennsylvania State Police[, upon request,] with access to its surveillance system and its transmissions. Each member of its surveillance department shall comply with any request made by the Board or the Pennsylvania State Police to:

\* \* \* \* \*

(c) The surveillance system required in this section must include the following:

\* \* \* \* \*

(4) Audio capability in the count room installed in a manner that conforms to [ 18 Pa.C.S. §§ 5701—5781 (relating to Wiretapping and Electronic Surveillance Control Act) ] section 1522 of the act.

(5) One or more monitoring rooms in the licensed facility which shall be staffed by employees of the slot machine licensee's surveillance department who shall at all times monitor the activities enumerated in paragraph (1). Each monitoring room shall be equipped with or serviced by:

\* \* \* \* \*

(ii) Computer terminals which [ facilitate ] provide read only access to any computerized slot monitoring system or casino management system, or both, used by the slot machine licensee in its gaming operation.

\* \* \* \* \*

(h) The [ Bureau ] casino enforcement agents at the licensed facility shall be notified within 30 minutes of any incident of equipment failure as noted in subsection (f) including the time and cause of the malfunction, if known, the time the slot machine licensee's security department was notified of the malfunction and the nature of communications with the security department relating to the malfunction.

(i) The [ Bureau ] casino enforcement supervisor at the licensed facility shall be notified at least 48 hours in advance of the following:

\* \* \* \* \*

(o) A present or former surveillance department employee may not accept employment as a key employee or gaming employee with the same slot machine licensee for whom he was previously employed as a surveillance department employee unless 1 year has passed since the former surveillance department employee worked in the surveillance department. The present or former surveillance department employee may file a written petition as required under § 493a.4 (relating to petitions generally) requesting the Board to waive this restriction and permit the employment of a present or former surveillance department employee in a particular position. The Board may grant or deny the waiver upon consideration of the following factors:

\* \* \* \* \*

§ 465a.11. Slot machine licensee's organization.

\* \* \* \* \*

(b) A slot machine licensee's system of internal controls must also include, at a minimum, the following departments and supervisory positions, each of which must be categorized as mandatory and must cooperate with, yet perform independently of, other mandatory departments and supervisory positions of the slot machine licensee. Notwithstanding the foregoing, a department or supervisor of a slot machine licensee that is not required or authorized by this section may operate under or in conjunction with a mandatory department or supervisor provided the organizational structure is consistent with the standards contained within the act and subsection (a). Mandatory departments and supervisory positions are:

(1) A surveillance department supervised by a person located at the licensed facility who functions, for regulatory purposes, as the director of surveillance. The director of surveillance shall be subject to the reporting require-

ments specified in subsection (c) and shall be licensed as a key employee. The surveillance department shall be responsible for the following:

\* \* \* \* \*

(iv) The [ audio and ] video recording of activities in the count room [ in conformance with 18 Pa.C.S. §§ 5701—5781 (relating to Wiretapping and Electronic Surveillance Control Act), ] and the video recording of movements of cash and slot cash storage boxes.

\* \* \* \* \*

(vi) The detection of the presence of any person who may or is required to be excluded or rejected from the licensed facility under section 1514 or 1515 of the act (relating to regulation requiring exclusion of certain persons; repeat offenders excludable from licensed gaming facility) and Chapters 511a and 513a (relating to persons required to be excluded; and underage gaming), or is self excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act (relating to list of persons self excluded from gaming activities) and Chapter 503a (relating to self exclusion).

\* \* \* \* \*

(viii) The provision of immediate notice to supervisors designated in the internal controls, the [ Bureau ] casino enforcement agents and the Pennsylvania State Police at the licensed facility upon detecting, and also upon commencing video recording of, a person who is engaging in or attempting to engage in, or who is suspected of cheating, theft, embezzlement, a violation of this part or other illegal activities, including a person who is required to be excluded or ejected from the licensed facility under section 1514 of the act, who may or is required to be excluded or ejected from the licensed facility under section 1514 or 1515 of the act and [ Chapters ] Chapter 511a or 513a or is self excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act and Chapter 503a.

\* \* \* \* \*

(5) A security department supervised by a person located at the licensed facility who functions, for regulatory purposes, as the director of security. The director of the security department [ must ] shall be licensed as a key employee and be responsible for the overall security of the licensed facility including the following:

\* \* \* \* \*

(ix) The provision of immediate notice to the Pennsylvania State Police upon detecting the presence in the licensed facility of a person possessing a [ deadly ] weapon in violation of § 465a.13 (relating to possession of [ deadly ] weapons within a licensed facility).

(x) The provision of immediate notice to supervisors designated in the internal controls[ , the Bureau ] and the casino enforcement agents and the Pennsylvania State Police at the licensed facility upon detecting any person who is engaging in or attempting to engage in, or who is suspected of cheating, theft, embezzlement, a violation of this part or other illegal activities[ , including ].

(xi) The provision of immediate notice to supervisors designated in the internal controls and the casino enforcement agents and the Pennsylvania

State Police at the licensed facility upon detecting any person who is required to be excluded or ejected from the licensed facility who may or is required to be excluded or ejected from the licensed facility under section 1514 or 1515 of the act and [ Chapters ] Chapter 511a or 513a or is self-excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act and Chapter 503a.

\* \* \* \* \*

(c) The supervisors of the surveillance and internal audit departments required by subsection (b) shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility and authority, which persons or entities shall also control the hiring, termination and salary of each supervisor:

\* \* \* \* \*

(5) An independent audit committee or other persons designated by the Board in the slot machine licensee's Statement of Conditions under § 423a.6 (relating to license, permit, registration and certification issuance and statement of conditions).

\* \* \* \* \*

§ 465a.12. Access badges and temporary access credentials.

\* \* \* \* \*

(c) Slot machine licensees shall also establish procedures, in writing, for readily identifying each person permitted, under temporary or emergency circumstances, to have access to one or more restricted areas within the licensed facility.

\* \* \* \* \*

(3) The procedures must further include provisions expressly addressing temporary or emergency access by licensed manufacturers, licensed manufacturer designers, licensed suppliers and registered and certified vendors.

\* \* \* \* \*

§ 465a.13. Possession of [ deadly ] weapons within a licensed facility.

(a) Individuals, including security department personnel, are prohibited from possessing any deadly weapon as defined in 18 Pa.C.S.A. § 2301 (relating to definitions), stun gun or other device that could injure or incapacitate a person within a licensed facility without the express written approval of the Board.

\* \* \* \* \*

(c) To obtain approval for the possession of a deadly weapon, stun gun or other device that could injure or incapacitate a person within a licensed facility, an individual shall be required to submit a written request to the Board which includes:

(1) An explanation of the compelling need for the possession of the deadly weapon, stun gun or device that could injure or incapacitate a person within the licensed facility.

\* \* \* \* \*

(d) A slot machine licensee shall post in a conspicuous location at each entrance to the licensed facility signs that may be easily read stating the following:

The possession of a deadly weapon, stun gun or other device that could injure or incapacitate a person by

any person within this licensed facility without the express written permission of the Pennsylvania Gaming Control Board is prohibited.

**§ 465a.16. Accounting controls for the cashiers' cage.**

\* \* \* \* \*

(c) The cashiers' cage and any satellite cage shall be physically segregated by personnel and function as follows:

(1) Slot cashiers shall operate with individual imprest inventories of cash and their functions include the following:

\* \* \* \* \*

(ii) The receipt of personal checks for gaming [ and nongaming ] purposes from patrons in exchange for cash, subject to [ any ] the limitations on amount required by the Board under § 465a.20 (relating to personal check cashing).

\* \* \* \* \*

(2) Main bank cashier functions include the following:

(i) The receipt of cash, cash equivalents, gaming vouchers, jackpot payout slips and personal checks received for gaming [ and nongaming ] purposes from slot cashiers in exchange for cash.

\* \* \* \* \*

(iii) The receipt of personal checks accepted for gaming [ and nongaming ] purposes from slot cashiers for deposit.

\* \* \* \* \*

**§ 465a.18. Transportation of slot cash storage boxes to and from bill validators; storage.**

(a) Slot machine licensees shall file with the [ Board ] Office of Gaming Operations a schedule setting forth the specific times at which slot cash storage boxes will be brought to or removed from the bill validators along with specifications as to what areas of the gaming floor will be dropped on each pick-up day and the specific transportation route to be utilized from the gaming floor to the count room.

(b) Slot machine licensees shall maintain immediately available to the [ Board ] Office of Gaming Operations and the Pennsylvania State Police, a current list, with credential numbers, of all employees participating in the transportation of slot cash storage boxes. Any deviation from the schedule setting forth the specific times at which slot cash storage boxes will be brought to or removed from the bill validators, change in the areas to be dropped or the transportation route to the count room shall be noticed to the [ Board ] Office of Gaming Operations in advance.

\* \* \* \* \*

**(f) If the central computer control system is not online prior to commencement of the drop of the slot cash storage boxes, a drop team supervisor shall contact the casino enforcement agents at the licensed facility to witness and certify the drop. The drop may not commence until a casino enforcement agent is present.**

**§ 465a.20. Personal check cashing.**

\* \* \* \* \*

(b) Personal checks accepted under subsection (a) shall be presented by the patron directly to a slot cashier who shall:

\* \* \* \* \*

(6) Immediately exchange the personal check for cash in an amount equal to the amount for which the check is drawn [ , not to ] or place the amount in a customer deposit account under § 465a.23 (relating to customer deposits) for subsequent use at the licensed facility. A slot machine licensee may not accept a check or multiple checks which in the aggregate exceed \$2,500 per patron per gaming day.

\* \* \* \* \*

**(f) A slot machine licensee that charges a fee for cashing checks shall comply with the Check Casher Licensing Act (63 P. S. §§ 2301—2334).**

(g) Prior to accepting personal checks, each slot machine licensee shall establish a comprehensive system of internal controls applicable to the acceptance of personal checks. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal controls submitted by the slot machine licensee must address procedures for complying with this section including the dollar limitation per gaming day contained in subsection (b)(6).

**§ 465a.23. Customer deposits.**

(a) At the request of a patron, a slot machine licensee may hold cash, funds accepted by means of **personal check in accordance with § 465a.20 (relating to personal check cashing)** or wire transfer in accordance with § 465a.21 (relating to wire transfers) or cash equivalents accepted in accordance with § 465a.22 (relating to cash equivalents) for a patron's subsequent use [ for gaming purposes ] at the licensed facility. For the purposes of this section, after complying with this chapter for acceptance and verification, noncash items shall be considered converted to cash and deposited as cash for credit to the patron in a customer deposit account maintained in the cashiers' cage.

(b) Prior to agreeing to hold a patron's cash, funds accepted by means of **personal check in accordance with § 465a.20** or wire transfer in accordance with § 465a.21 or cash equivalents accepted in accordance with § 465a.22 for a patron's subsequent use [ for gaming purposes ] at the licensed facility, each slot machine licensee shall establish a comprehensive system of internal controls addressing the receipt and withdrawal of a customer deposit. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

\* \* \* \* \*

**§ 465a.25. Counting and recording of slot cash storage boxes.**

(a) A slot machine licensee shall file with the [ Board ] Office of Gaming Operations a schedule setting forth the specific times during which the contents of slot cash storage boxes are to be counted and recorded. Any deviation from the schedule shall be noticed to the [ Board ] Office of Gaming Operations and the Casino Enforcement Supervisor at the licensed facility at least 48 hours in advance.

\* \* \* \* \*

(j) [ Any variance between the value of cash gaming vouchers and coupons in a slot cash storage box as determined in the count room and the value for that particular slot cash storage box recorded on corresponding reports generated by the gaming voucher system or coupon system shall be disclosed to the Board in a detailed written report citing each variance, the reason for the variance and the corrective action taken. This variance report shall be filed by the slot machine licensee with the Board within 72 hours of the count that is the subject of the comparison ] If the central computer control system is not online prior to commencement of the count of the slot cash storage boxes, a count room employee shall contact the casino enforcement agents at the licensed facility to witness and certify the count. The count may not commence until a casino enforcement agent or other BIE employee is present.

**§ 465a.26. Jackpot payouts.**

(a) Prior to commencing gaming operations, a slot machine licensee shall establish a comprehensive system of internal controls addressing jackpot payouts that are not paid directly from a slot machine. The internal controls may include procedures by which a slot attendant, in the presence of a member of the security department or another member of the slot operations department, utilizes an imprest inventory of funds secured in a pouch or wallet to pay a jackpot of less than \$1,200. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(b) [ The internal control procedures developed and implemented by the slot machine licensee under subsection (a) must include:

(1) A request for jackpot payout document or, in the alternative, an electronic entry into a slot computer system generating jackpot payouts, by a slot attendant or slot supervisor, evidencing the observation by the slot attendant or slot supervisor of the winning combination of characters on the slot machine and a determination of the amount of the jackpot payout based on the observed winning combinations.

(2) A requirement that the preparer of the request for jackpot payout document or, in the alternative, the employee performing the electronic entry into the slot computer system, be a slot supervisor if the hand paid jackpot is \$10,000 or more.

(3) A requirement that the following information be on the request for jackpot payout document or electronically entered into the slot computer system and maintained in stored data:

- (i) The date and time of the jackpot.
- (ii) The asset number of the slot machine on which the jackpot was registered.
- (iii) The winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.
- (iv) The amount of the jackpot payout.
- (v) The method of payment requested by the patron.

(vi) The signature or identification code of the preparer.

(vii) The following additional signatures or identification codes shall be required if the slot machine or the progressive meter is reset prior to the patron being paid or if payment is made directly to the patron by a slot cashier:

(A) The signature or identification code of a security department member or slot attendant other than the preparer attesting to the winning combination of characters constituting the jackpot and the amount of the jackpot payout.

(B) The signature or identification code of the slot shift manager attesting to the winning combination of characters constituting the jackpot and the amount of the jackpot payout when the jackpot amount is \$25,000 or more.

(4) A requirement that following preparation the request for jackpot payout document be immediately transported by the preparer, or the information made available by the slot computer system, to the cashiers' cage where it will serve to authorize the preparation of a jackpot payout document.

(5) A requirement that if the winning patron will not be paid before the slot machine or progressive meter is reset, the preparer of the request for jackpot payout document or the employee performing the electronic entry required by paragraph (1) shall also prepare a two-part receipt document containing the following information:

- (i) The date and time of the jackpot.
- (ii) The asset number of the slot machine on which the jackpot was registered.
- (iii) The winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.
- (iv) The amount of the jackpot payout.
- (v) The signature of the winning patron on the original form only.
- (vi) The signature of the preparer attesting that the information on the receipt document is correct and agrees with the information on the request for jackpot payout document or in stored data.

(6) A requirement that the receipt document be distributed as follows:

- (i) The original shall be immediately delivered to the slot cashier by the preparer, security department member or verifying slot attendant along with the request for jackpot payout document if manually generated in accordance with paragraph (1).
- (ii) The duplicate shall be immediately presented to the winning patron who shall be required to present the duplicate receipt document before being paid the jackpot in accordance with the procedures set forth in this section.

(7) A requirement that the following information be on any jackpot payout document generated by the slot computer system:

- (i) The asset number of the slot machine on which the jackpot was registered.

(ii) The winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.

(iii) The date on which the jackpot occurred.

(iv) The amount that is to be paid from cashiers' cage funds. However, this amount may, in the slot machine licensee's discretion, be rounded up to the nearest whole dollar.

(v) The date, time and method of payment.

(vi) The signature or identification code of the preparer.

(8) A requirement that the data in paragraph (7)(i)—(vi) not be susceptible to change or removal by any personnel after preparation of a jackpot payout document.

(9) A requirement that whenever the winning patron is paid directly by the slot cashier the following procedures be followed:

(i) A jackpot payout document be generated by the slot computer system in accordance with paragraph (7).

(ii) If a one-part request for jackpot payout document is involved and a security department member or verifying slot attendant other than the preparer has not signed the one-part request for jackpot payout document, the slot cashier shall summon a security department member or slot attendant other than the preparer of the request for jackpot payout document and provide that employee with the request for jackpot payout document. The security department member or verifying slot attendant shall proceed to the slot machine identified on the request for jackpot payout document and sign the request for jackpot payout document attesting that the winning combination of characters on the slot machine and the amount to be paid match those which appear on the request for jackpot payout document. If the jackpot amount is \$25,000 or more, a slot shift manager shall also sign the request for jackpot payout document attesting that the winning combination of characters on the slot machine and the amount to be paid match those which appear on the request for jackpot payout document. The request for jackpot payout document shall be immediately returned to the slot cashier.

(iii) After the slot cashier determines that the required signatures verifying the winning combination of characters on the slot machine and the amount to be paid have been placed on the one-part request for jackpot payout document, if the amount being paid is less than \$10,000, the slot cashier shall pay the winning patron in the presence of the preparer of the request for jackpot payout document. If the amount being paid is \$10,000 or more but less than \$25,000, the slot cashier shall pay the winning patron in the presence of the slot attendant supervisor who prepared the request for jackpot payout document. If the amount being paid by the cashier is \$25,000 or more, the slot cashier shall pay the winning patron in the presence of the slot attendant supervisor and slot shift manager who prepared the request for jackpot payout document in accordance with this subsection. Personnel required by this subsection

to witness the payment shall sign the duplicate jackpot payout document attesting to the accuracy of the information on the duplicate jackpot payout document and the disbursement of the payment to the patron.

(iv) If a receipt document under paragraph (5) was issued, the duplicate receipt document shall be signed by the patron in the presence of the slot cashier. The slot cashier shall compare the signature on the duplicate receipt document to that on the original receipt document and make the payment only if the signatures are in agreement.

(v) Once the required signatures are obtained and payment has been made, the slot cashier shall give the duplicate jackpot payout document to a security department member or slot attendant who shall expeditiously deposit it into a locked accounting box.

(vi) The slot cashier shall attach the request for jackpot payout document, if applicable, the original and duplicate receipt document, if applicable, to the original copy of the jackpot payout document. All documents shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(10) A requirement that whenever a winning patron is paid by a slot attendant or slot attendant supervisor, the following procedures shall be followed:

(i) A jackpot payout document be generated by the slot computer system in accordance with paragraph (7).

(ii) The slot cashier shall disburse the cash or slot licensee check to a slot attendant or slot attendant supervisor if the amount of the jackpot is less than \$10,000 and to a slot attendant supervisor if the amount of the jackpot is \$10,000 or more. The employee receiving the payment shall verify the amount received and sign the original and duplicate of the jackpot payout document attesting to the accuracy of the information on the jackpot payout document and the receipt of the payment from the slot cashier. The slot cashier shall retain the original jackpot payout document and the duplicate jackpot payout document shall be transported with the payment to the slot machine.

(iii) If a one-part request for jackpot payout document is involved and a security department member or verifying slot attendant other than the preparer has not signed the one-part request for jackpot payout document, the slot attendant or slot attendant supervisor shall provide the duplicate jackpot payout document to the security department member or verifying slot attendant other than the preparer at the slot machine who shall verify that the winning combination of characters on the slot machine and the amount to be paid match those which appear on the duplicate jackpot payout document. If the jackpot amount is \$25,000 or more, and the slot shift manager has not signed the request document, the slot shift manager shall similarly verify that the winning combination of characters on the slot machine and the amount to be paid match those which appear on the duplicate jackpot payout document.

(iv) When the verifications required by subparagraph (iii) have been completed, if the payment is less than \$10,000, the slot attendant or slot atten-

dant supervisor shall pay the winning patron in the presence of the security department member or second slot attendant who verified the winning combination of characters on the slot machine and the amount to be paid. If the payment is \$10,000 or more, but less than \$25,000, the payment shall be made by a slot attendant supervisor in the presence of the security department member or verifying slot attendant who verified the winning combination of characters on the slot machine and the amount to be paid. If the payment is \$25,000 or more, the payment shall be made by a slot attendant supervisor in the presence of the security department member or verifying slot attendant and the slot shift manager who verified the winning combination of characters on the slot machine and the amount to be paid. Once the patron has been paid, the personnel required by subparagraph (iii) to witness the payment shall sign the duplicate jackpot payout document attesting that the winning combination of characters on the slot machine and the amount to be paid match those which appear on the duplicate jackpot payout document and the disbursement of the payment to the winning patron.

(v) If a receipt document under paragraph (5) was issued, the slot cashier shall give the slot attendant or slot attendant supervisor the original receipt document along with the duplicate jackpot payout document to be transported with the payment. The patron shall be required to sign the duplicate receipt document in the presence of the slot attendant or slot attendant supervisor. The slot attendant or supervisor shall compare the signature on the duplicate receipt document to that on the original receipt document and shall make the payment only if the signatures are in agreement.

(vi) When payment has been made and the required signatures obtained, the security department member or slot attendant shall expeditiously deposit the duplicate jackpot payout document into a locked accounting box.

(vii) The slot attendant or slot attendant supervisor shall immediately return the original and duplicate receipt document, if applicable, to the cashiers' cage.

(viii) The slot cashier shall attach the request for jackpot payout document, if applicable, the original and duplicate receipt document, if applicable, to the original copy of the jackpot payout document. All documents shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(11) A requirement that the slot machine licensee's accounting department perform, at the conclusion of each gaming day, income control audit procedures over the issuance of jackpot payouts including adequate comparisons to gaming voucher system data.

(12) Details with regard to processing of system overrides or adjustments.

(c) Nothing in this section precludes the use of a slot computer system, approved by the Board, that electronically records the information required on a request for jackpot payout document or facilitates through the slot computer system the verifications and comparisons as to winning combination of characters on the slot machine or amount to be

paid required under this section.] The internal control procedures developed and implemented by the slot machine licensee under subsection (a) must, at a minimum, include:

(1) The use of a two-part manual jackpot payout receipt and a two-part electronically generated jackpot payout slip created by a slot attendant or slot supervisor, evidencing the observation by the slot attendant or slot supervisor of the winning combination of characters on the slot machine and a determination as to the appropriate amount of the jackpot payout based on the observed winning combinations.

(2) A requirement that the electronically generated jackpot payout slip not be susceptible to any changes or deletion from the slot computer system by any personnel after preparation.

(3) A requirement that if the jackpot range is \$1,200 to \$9,999.99, the witness on the two-part manual jackpot payout receipt and the two-part electronically generated jackpot payout slip be a lead slot attendant or above.

(4) A requirement that if the jackpot is between \$10,000 or more but less than \$25,000, the witness on the two-part manual jackpot payout receipt and the two-part electronically generated jackpot payout slip be a slot supervisor or above.

(5) A requirement that if the jackpot amount is \$25,000 or more, a slot shift manager or above shall sign the manual jackpot payout receipt attesting that the winning combination of characters on the slot machine and the amount to be paid match those which appear on the two-part manual jackpot payout receipt. The two-part manual jackpot payout receipt shall then be immediately returned to the preparer.

(6) A requirement that if the amount is \$1,200 or more the slot attendant shall immediately transport the original of the manual jackpot payout receipt and the original of the electronically generated jackpot payout slip to the cashiers' cage.

(7) A requirement that the following information be on the two-part manual jackpot payout receipt:

(i) The date and time of the jackpot.

(ii) The asset number of the slot machine on which the jackpot was registered.

(iii) The winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.

(iv) The amount of the jackpot payout.

(v) The method of payment requested by the patron (cash or slot licensee check).

(vi) The signature or identification code of the preparer.

(vii) If the slot machine or the progressive meter is reset prior to the patron being paid or if payment is made directly to the patron by a slot attendant, the following additional signatures or identification codes:

(A) The signature or identification code of a security department member or slot operations department member other than the preparer attesting to

the winning combination of characters constituting the jackpot and the amount of the jackpot payout when the amount is below \$1,200.

(B) The signature or identification code of a lead slot attendant or above attesting to the winning combination of characters constituting the jackpot and the amount of the jackpot payout when the jackpot amount is between \$1200 and \$9,999.99.

(C) The signature or identification code of a slot shift supervisor or above attesting to the winning combination of characters constituting the jackpot and the amount of the jackpot payout when the jackpot amount is \$10,000 or more but less than \$25,000.

(D) The signature or identification code of a slot shift manager or above attesting to the winning combination of characters constituting the jackpot and the amount of the jackpot payout when the jackpot amount is \$25,000 or more.

(8) A requirement that the following information be on all two-part electronically generated jackpot payout slips:

- (i) The date on which the jackpot occurred.
- (ii) The asset number of the slot machine on which the jackpot was registered.
- (iii) The winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.
- (iv) The type of win (that is, Progressive or Jackpot).
- (v) The amount that is to be paid to the winning patron. This amount may, at the slot machine licensee's discretion, be rounded up to the nearest whole dollar.
- (vi) A unique number generated by the slot computer system.
- (vii) The signature or identification code of the preparer.
- (viii) The signature or identification code of the witness on the duplicate copy only.
- (ix) The signature or identification code of the cashier providing the funds to the preparer.

(9) A requirement that whenever a winning patron is paid directly by a slot attendant's imprest fund the following procedures be followed:

- (i) A two-part electronic jackpot payout slip is generated and a two-part manual jackpot payout receipt is completed in accordance with paragraph (1).
- (ii) Before payment is made to the winning patron, the jackpot payout receipt shall be signed by the patron in the presence of the slot attendant and a witness.
- (iii) After the slot attendant determines that the required signatures verifying the winning combination of characters on the slot machine and the amount to be paid have been placed on the manual jackpot payout receipt, the slot attendant shall pay the winning patron in the presence of the witness.
- (vi) Once payment has been made and all required signatures obtained, the slot operations de-

partment member or security department member witnessing the payment shall obtain the duplicate copy of the manual jackpot payout receipt and immediately deposit it into a locked accounting box.

(vii) The slot attendant shall attach the original jackpot payout receipt to the original electronically generated jackpot payout slip and forward both forms, by the end of the slot attendant's shift, to the cashiers' cage for reimbursement. The duplicate of the electronically generated jackpot payout slip should be deposited into a locked accounting box immediately after obtaining the funds from the cashier's cage.

(10) When jackpot payouts are made from slot attendants' imprest funds, procedures for the replenishment of the imprest funds and the reconciliation process to be used by the slot attendants.

(11) A requirement that the two-part manual jackpot payout receipt and the two-part electronically generated jackpot payout slip be distributed as follows:

- (i) Both the original and duplicate of the jackpot payout receipt shall be handed to the witnessing slot operations department member or security department member by the preparer for verification and signature.
- (ii) The duplicate of the manual jackpot payout receipt shall be presented to the winning patron who shall be required to present the duplicate to the witness before being paid the jackpot.
- (iii) The original of the manual jackpot payout receipt shall be attached to the original electronically generated jackpot payout slip and forwarded to the cashiers' cage for payment of the funds.
- (iv) The duplicate of the manual jackpot payout receipt shall be placed into a secured lock box for slot accounting by the witness.
- (v) The duplicate of the electronically generated jackpot payout slip shall be placed inside a secured lock box for slot accounting by the generating slot attendant.

(12) A requirement that the slot machine licensee's accounting department perform, at the conclusion of each gaming day, effective audit procedures over the issuance of jackpot payouts including adequate comparisons to gaming voucher system data.

(13) Detailed procedures on the processing of all system overrides or adjustments in regards to jackpot payouts.

(14) A requirement that any person that witnesses a jackpot payout may not be permitted to override the jackpot payout.

(15) A requirement that when the slot computer system is offline or an electronic jackpot payout slip can not be created, a three-part manual jackpot payout book shall be utilized. The three-part manual jackpot payout book shall contain preprinted, serial numbered three-part manual jackpot payout slips that include all of the information that is required on the two-part manual jackpot payout receipt in accordance with paragraph (7).



(16) A requirement that unused manual jackpot payout books be maintained in a secured locked cabinet, that the key to the cabinet be controlled by the security department and that the manual jackpot payout books can only be signed out by the slot shift manager when the slot computer system is offline.

(17) A requirement that a slot machine licensee maintain a manual jackpot payout book log for each gaming day or portion thereof that the slot computer system is offline that includes the following information:

(i) The slot machine licensee's name pre-printed on the top of the log.

(ii) The gaming day.

(iii) The signature and identification code of the slot attendant assigned the three-part manual jackpot payout book.

(iv) The date and time of issuance of the three-part manual jackpot payout book.

(v) The series of numbers preprinted on the three-part manual jackpot payout book.

(vi) The signature and identification code of the slot shift manager issuing the manual jackpot payout book.

(vii) The date and time the three-part manual jackpot payout book is returned.

(viii) The series of numbers preprinted on the three-part manual jackpot payout book that were completed by the slot attendant.

(ix) The signature and identification code of the slot shift manager receiving the returned manual jackpot payout book.

(18) A requirement that the three-part manual jackpot payout slips be distributed as follows:

(i) The original shall be given to the cashiers' cage to obtain the funds to pay the jackpot to the winning patron or to replenish the imprest funds of the slot attendant that paid the winning patron.

(ii) The second copy shall be retained by the witness of the payout. The witness shall immediately transport the second copy to a locked accounting box.

(iii) The third copy shall be maintained in the manual jackpot payout book. At the end of the slot attendant shift the manual jackpot payout book shall be turned into the slot shift manager and the manual jackpot payout book log shall be completed.

(19) A requirement that the original manual jackpot payout book log be forwarded to the accounting department at the end of the gaming day and that the slot operations department retain a copy of the manual jackpot payout book log.

(20) A requirement that the manual jackpot payout books turned into the slot shift manager at the end of each slot attendant's shift be forwarded to the accounting department; that the accounting department ensure that all three copies of the manual jackpot payout slips contain the same information; and that any discrepancies between the three copies are researched and documented.

(21) A requirement that the manual jackpot payout books are audited to the manual jackpot

payout book log and that any discrepancies between the manual jackpot payout books and the manual jackpot payout book log are researched and documented.

(22) A requirement that the surveillance department is notified of all jackpot payouts when the amount of the jackpot payout is \$1,200 or more. The surveillance department shall log all calls regarding jackpot payouts in the surveillance log.

[ (d) Nothing in this section precludes a slot machine licensee from implementing procedures by which a slot attendant, in the presence of a member of the security departments utilizes an imprest inventory of funds secured in a pouch or wallet to pay a jackpot of less than \$1,200 that is not totally and automatically paid directly from a slot machine.

(e) Prior to the payment of a jackpot payout under subsection (d), each slot machine licensee shall establish a comprehensive system of internal controls addressing this method of jackpot payout, the replenishment of the imprest pouch and the attendant reconciliation process. The internal controls shall be submitted to and approved by the Board under § 465a.2. ]

§ 465a.27. Annuity jackpots.

\* \* \* \* \*

(e) Prior to the payment of an annuity jackpot, each slot machine licensee shall establish a comprehensive system of internal controls addressing the payment of an annuity jackpot. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(1) The internal control procedures developed and implemented by the slot machine licensee must include:

\* \* \* \* \*

(iii) A requirement that the trustee for the trust fund established by the trust agreement be a **banking institution in this Commonwealth**, a slot machine licensee or, for a wide area progressive system offering an annuity jackpot, the slot system operator for that wide area progressive system.

\* \* \* \* \*

§ 465a.28. Merchandise jackpots.

(a) A slot machine licensee may not offer a merchandise jackpot payout unless:

\* \* \* \* \*

(2) The Board has approved the specific offer of the merchandise jackpot. To obtain Board approval, a slot machine licensee shall file an Amendment Waiver and Request Form containing all of the details related to the merchandise jackpot payout[ . ] **including:**

(i) A detailed description of the merchandise jackpot.

(ii) A description of the slot machines that will offer the merchandise jackpot.

(iii) Supporting documentation relating to the valuation of the merchandise offered as the merchandise jackpot.

(b) A merchandise jackpot may consist of:

(1) A combination of merchandise and cash.

(2) Merchandise or an optional cash payment in lieu of the merchandise.

(c) A cash payout made in connection with a merchandise jackpot shall be made in accordance with § 465a.26 (relating to jackpot payouts).

**[ (c) ] (d)** Prior to **[ the payment of ]** offering a merchandise jackpot, each slot machine licensee shall establish a comprehensive system of internal controls addressing the payment of a merchandise jackpot. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(e) Whenever a slot machine licensee offers a merchandise jackpot consisting of merchandise or an optional cash payment, the cash equivalent value of the merchandise must equal or exceed the value of the optional cash payment. The cash equivalent value of the merchandise shall be determined as follows:

(1) Merchandise that is sold directly to the public in the normal course of the slot machine licensee's business shall be recorded at an amount based upon full retail price normally charged for the item.

(2) Merchandise which is not offered for sale to the public in the normal course of the slot machine licensee's business but which is provided directly to the patron by the slot machine licensee shall be recorded at an amount based upon the actual cost to the slot machine licensee of providing the item.

(3) Merchandise provided directly or indirectly to the patron on behalf of a slot machine licensee by a third party not affiliated with the slot machine licensee shall be recorded at an amount based upon the actual cost to the slot machine licensee of having the third party provide the item.

(4) Merchandise provided directly or indirectly to the patron on behalf of a slot machine licensee by a third party who is affiliated with the slot machine licensee shall be recorded by the slot machine licensee in accordance with this subsection as if the affiliated party were the slot machine licensee.

(f) Slot machine licensees shall retain and make available to the Board upon request supporting documentation relating to the acquisition and valuation of merchandise offered as a merchandise jackpot.

(g) A merchandise jackpot will be considered to be winnings for the purpose of calculating gross terminal revenue and the payout percentage of any slot machine. The value of the merchandise jackpot will be determined as follows:

(1) For a combination of merchandise and cash, the cash equivalent value of the merchandise as calculated under subsection (e) plus the amount of cash awarded.

(2) For merchandise or an optional cash payment in lieu of the merchandise, the value of the award selected by the winning patron.

(h) Slot machine licensees shall notify the Department of the slot machines that will be offering the merchandise jackpot and the value of each merchandise jackpot awarded.

(i) Advertising of merchandise jackpots must include the following at a minimum:

(1) An accurate description of the merchandise jackpot.

(2) The dates the merchandise jackpot will be offered.

(3) The cash equivalent value of the merchandise jackpot.

(4) The optional cash payment that will be offered in lieu of the merchandise, if an optional cash payment is offered.

(j) Until the merchandise jackpot is won by a patron, a slot machine licensee may not decrease the probability of winning the merchandise jackpot, increase the denomination of a slot machine offering the merchandise jackpot, nor in any other way vary the terms upon which the merchandise jackpot is offered to the public.

(k) Slot machines which are linked to offer the same merchandise jackpot must have the same probability of winning that jackpot.

(l) A slot machine which offers a merchandise jackpot as a payout which is removed from the gaming floor shall be returned to or replaced on the gaming floor within 5 days. If the slot machine is not returned or replaced, the merchandise jackpot shall, within 5 days of the slot machine's removal, be offered as a payout on another slot machine or slot system approved by the Board which offers the same or a greater probability of winning the merchandise jackpot, and accepts a denomination of coin the same or less than the denomination accepted by the slot machine which was removed.

**§ 465a.29. Automated teller machines.**

(a) Automated teller machines may be placed at any location within **[ the ]** a licensed facility.

(b) An automated teller machine must have a label on the top of the automated teller machine and on the front of the automated teller machine that displays a unique identification number of the automated teller machine. The labels must have white lettering on a black background, may not be easily removed and must be easily visible to the surveillance department. The label on the top of the automated teller machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated teller machine must be at least 1 inch by 2.5 inches.

**§ 465a.31. Gaming day.**

\* \* \* \* \*

(c) Any change in a slot machine licensee's hours of operation shall be **[ noticed to the Board ]** submitted as a change to the slot machine licensee's internal controls in accordance with § 465a.2(f) (relating to internal control systems and audit protocols) at least 72 hours in advance of the change **[ in writing ]**.

[Pa.B. Doc. No. 08-396. Filed for public inspection March 7, 2008, 9:00 a.m.]

# STATE BOARD OF EXAMINERS OF NURSING HOME ADMINISTRATORS

[ 49 PA. CODE CH. 39 ]  
Temporary Permits

The State Board of Examiners of Nursing Home Administrators (Board) proposes to amend §§ 39.1, 39.4 and 39.17 (relating to definitions; admission to practice; and temporary permits—statement of policy) to read as set forth in Annex A.

## A. *Effective Date*

The proposed amendments will be effective upon publication of final-form rulemaking in the *Pennsylvania Bulletin*.

## B. *Satutory Authority*

Section 14 of the Nursing Home Administrators License Act (act) (63 P. S. § 1114) authorizes the Board to issue temporary permits. The Board is also authorized under section 4(c) of the act (63 P. S. § 1104(c)) to make rules and regulations as may be necessary for the proper performance of its duties.

## C. *Background and Need for Amendments*

The Board is authorized to issue temporary permits to applicants in the event of unusual circumstances affecting the administration of a nursing home. The permits are issued without examination and permit the holder to serve as a nursing home administrator only in the particular facility indicated on the application for a period not to exceed 1 year. The proposed amendments would clarify, update and expand on the temporary permit requirements.

## D. *Description of Proposed Amendments*

### *§ 39.1 (relating to definitions)*

Section 39.1 defines a temporary permit as a permit issued by the Board for up to 1 year in the event of unusual circumstances affecting the administration of a nursing home. The Board proposes to amend the definition to clarify that the permit authorizes a person not licensed by the Board to serve as a nursing home administrator only in the particular facility indicated on the permit application for up to 1 year. The Board believes that this amended definition will remove the ambiguity in the current regulation by specifying that it is an unlicensed person who may be authorized to serve as a nursing home administrator.

### *§ 39.4 (relating to admission to practice; temporary permits)*

The proposed amendments to § 39.4 expand, clarify and refine the conditions and requirements for the issuance of temporary permits. The Board is proposing to add three new substantive subparagraphs to § 39.4(3) and to renumber the remaining subparagraphs.

New subparagraph (iii) would move, refine and clarify the Board's present policy contained in § 39.17 (relating to policy statement regarding temporary permits) that the Board will not issue temporary permits to applicants who fail to pass the nursing home administrators licensing examination. If an individual has previously failed to pass the licensure examination, the Board believes that individual is unqualified to hold a temporary permit and to

act as a nursing home administrator. Because the examination consists of both a National and State component, the Board makes it clear that applicants failing either part will not be granted a temporary permit.

New subparagraph (vi) would provide that a temporary permit will become void if the holder fails to pass any part of the nursing home administrators licensing examination. The Board receives many requests for permits from individuals who apply for licensure as a nursing home administrator either concurrently or subsequent to obtaining a temporary permit. Those individuals will be taking the licensure examination. As stated previously, if an individual fails to pass the licensure examination, that individual is unqualified to hold a temporary permit and to act as a nursing home administrator.

New subparagraph (vii) would clarify the current policy of the Board, which requires the temporary permit holder to relinquish and return the permit once the condition which necessitated the issuance of the temporary permit ceases or when the permit holder fails any part of the examination.

The Board proposes to retain and renumber the subparagraphs requiring public notice of the grant of temporary permit and requiring that the applicant and owner or representative of the governing body of the nursing home must appear before the Board prior to the issuance of a temporary permit.

### *§ 39.17 (relating to temporary permits—statement of policy)*

Current § 39.17 is a policy statement regarding temporary permits. Subsection (a) clarifies that temporary permits will not be issued to fill positions that have been vacated due to intracompany promotions and transfers. The Board believes that temporary permits are for the benefit of facilities experiencing an unusual situation affecting the immediate administration of the nursing home and that intracompany transfers do not satisfy this requirement.

Subsection (b) clarifies that experience gained while holding a temporary permit will not be credited toward the experience requirement in § 39.5 (relating to requirements for admission to licensing examination; examination procedures). The Board believes that the temporary permit is for the benefit of the facility experiencing an unusual circumstance and not for the benefit of an individual applying to take the nursing home administrator examination. The Board has carefully considered the examination requirements and does not want those requirements circumvented with the use of a temporary permit.

## E. *Fiscal Impact*

The proposed amendments will have no adverse fiscal impact on the Commonwealth or its political subdivisions because the costs of the Board's activities are supported by fees charged to licensees and others who benefit from specific activities of the Board.

## F. *Paperwork Requirements*

The proposed amendments will impose no additional paperwork requirements upon the Commonwealth or its political subdivisions or the private sector.

## G. *Sunset Date*

The Board continuously monitors the effectiveness of its regulations. Therefore, no sunset date has been assigned.

H. Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on February 27, 2008, the Board submitted a copy of this proposed rulemaking and a copy of a Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the Senate Consumer Protection and Professional Licensure Committee and the House Professional Licensure Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections shall specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly and the Governor of comments, recommendations or objections raised.

I. Public Comment

Interested persons are invited to submit written comments, suggestions or objections regarding this proposed rulemaking to Christina Stuckey, Administrator, State Board of Examiners of Nursing Home Administrators, P. O. Box 2649, Harrisburg, PA 17105-2649, (cstuckey@state.pa.us) within 30 days following publication of this proposed rulemaking in the Pennsylvania Bulletin. Please reference No. 16A-629 (Temporary Permits) when submitting comments.

BARRY S. RAMPER, II, NHA,
Chairperson

Fiscal Note: 16A-629. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS

PART I. DEPARTMENT OF STATE

Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS

CHAPTER 39. STATE BOARD OF EXAMINERS OF NURSING HOME ADMINISTRATORS

GENERAL

§ 39.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

\* \* \* \* \*

Temporary permit—A permit [ which may be ] issued by the Board which authorizes a person not licensed by the Board to serve as a nursing home administrator only in the particular facility indicated on the permit application for up to 1 year in the event of unusual circumstances affecting the administration of a nursing home, such as the death, disability, resignation or dismissal of the licensed administrator or other emergency as determined by the Board.

§ 39.4. Admission to practice; temporary permits.

Admission to the practice of nursing home administration in this Commonwealth will be granted by the Board as follows:

\* \* \* \* \*

(3) By issuance of a temporary permit to an applicant who meets the requirements of section 14 of the act (63

P. S. § 1114) and of this chapter. The issuance of a temporary permit is subject to the following conditions:

\* \* \* \* \*

(ii) The issuance of a temporary permit will not be construed to mean that the holder qualifies to sit for the nursing home administrators licensing examination.

(iii) The Board will not issue a temporary permit to an applicant who has failed to pass any part of the nursing home administrators licensing examination.

(iv) Public notice of the issuance of a temporary permit will be given by the Board in accordance with 45 Pa.C.S. §§ 301—310 (relating to the Newspaper Advertising Act), with the cost of advertising the notice to be paid by the holder of the temporary permit. The public notice concerning the temporary permit will be advertised in a daily newspaper published in the county where the nursing home is located, once a week for 3 consecutive weeks, and will contain the following information: the name and address of the holder of the temporary permit, the name and address of the nursing home which the holder of the temporary permit is permitted to serve, the reason for the issuance of the temporary permit, the period for which the temporary permit is issued, the date the temporary permit expires and other information the Board may require as relevant.

[ (iv) ] (v) Prior to the issuance of a temporary permit, the applicant shall appear before the Board accompanied by the manager, owner or representative of the governing body of the facility in which the applicant will be acting as a nursing home administrator if the permit is issued.

(vi) A temporary permit becomes void if either the holder fails to pass any part of the nursing home administrators licensing examination or the facility obtains the services of a licensed nursing home administrator and the holder must cease performing his duties as a temporary nursing home administrator immediately upon the occurrence of either event.

(vii) The temporary permit holder shall notify the Board and immediately return the temporary permit to the Board if the holder fails to pass any part of the nursing home administrators licensing examination or when the facility obtains the services of a licensed nursing home administrator.

§ 39.17. [ Policy statement regarding temporary ] Temporary permits—statement of policy.

(a) The Board will not issue temporary permits to applicants who wish to fill positions that have been vacated for reasons such as intracompany promotions and transfers. [ The Board will not extend or reissue temporary permits to applicants who fail to pass the Nursing Home Administrators Licensing Examination. ]

(b) The issuance of a temporary permit is not intended to create a suitable candidate for licensure. The Board will not consider any experience gained in the practice of nursing home administration while serving under a temporary permit to qualify an applicant for licensure by examination under § 39.5 (relating to requirements for admission to licensing examination; examination procedures).

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