

# PROPOSED RULEMAKING

## PENNSYLVANIA GAMING CONTROL BOARD

[ 58 PA. CODE CHS. 403a, 435a, 441a, 461a AND 465a ]

### Revised Procedures

The Pennsylvania Gaming Control Board (Board), under the general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers) and specific authority contained in 4 Pa.C.S. §§ 1202, 1207, 1209, 1305, 1322, 1326 and 1331, proposes to amend Chapters 403a, 435a, 441a, 461a and 465a to read as set forth in Annex A.

#### *Purpose of the Proposed Rulemaking*

The proposed rulemaking contains a variety of amendments which correct errors in the existing regulations, clarify a number of requirements, and revise or add new requirements that reflect current practices.

#### *Explanation of Amendments to Chapters 403a, 435a, 441a, 461a and 465a*

In § 403a.6 (relating to delegation of powers), “or order” has been added as one of the ways that the Board may make a delegation of its authority. While most delegations are made by regulation or by resolution, in a few cases, the Board has used orders as well.

In § 435a.1 (relating to general provisions), “any felony offense” is being added to the list of arrests, charges, indictments or convictions that an individual who has a license, permit or registration has a continuing duty to report to the Board. Because felonies, by their very nature, are serious offenses, this information is essential for the Board to determine an individual’s continuing suitability.

In § 441a.5 (relating to license fee payment bond or letter of credit requirements), the incorrect citation to section 1209(c) of the act has been replaced with the correct citations to sections 1209(a) and 1305(d).

In § 461a.10 (relating to automated gaming voucher and coupon redemption machines), subsection (g)(1) is being amended to allow either the slot operations or the security department to maintain the key to the lock securing the compartment housing the storage box. This will give slot machine licensees some additional operational flexibility while still preserving the departmental segregation of duties necessary to protect financial integrity. Additionally, subsection (g)(3) is being deleted. Because of the low risk for theft of coins, a lock on the compartment housing the coin storage containers is not necessary. Similarly, the second sentence in subsection (h), which requires all input/output ports to be secured, is being deleted. Since these ports are all located inside the locked housing, there is no need for additional security.

In § 461a.22 (relating to automated jackpot payout machines), new provisions are being added addressing key control and the physical security of automated jackpot payout machines. These provisions are similar to the requirements for automated gaming voucher and coupon redemption machines.

Section 461a.24 (relating to waivers) is being revised to clarify that written requests for waivers of any of the

requirements in Chapter 461a (relating to slot machine testing and control) are to be submitted to the Board as a petition under § 493a.4 (relating to petitions generally) and that the waiver must be approved by the Board.

In § 465a.2 (relating to internal control systems and audit protocols), revisions are being made to subsections (f), (g) and (i) to further clarify the approval process for amendments to internal controls. Additionally, the requirement in subsection (f) that requests for changes or amendments also be submitted to the Department of Revenue (Revenue) is being deleted. Because of the large volume of changes and the fact that most changes have no impact on Revenue’s responsibilities, there is no need for Revenue to receive all changes. Instead, the Board will notify Revenue when a change is submitted that would impact their responsibilities.

In subsection (h) of § 465a.5 (relating to annual audit; other reports; suspicious activity and currency transaction reporting), the word “license” has been replaced with “licensee.”

In § 465a.6 (relating to retention, storage and destruction of books, records and documents), subsections (b)(2) and (d)(1) and (2) are being revised to clarify that the location of books, records and documents that are required to be retained by a slot machine licensee must be secured and have a fire suppression system. This will apply if the records are stored in the licensed facility or in an approved alternate location. The reference to the Board as the entity that will review and approve request to use an alternate location for records storage has also been replaced with the Office of Gaming Operations.

Section 465a.12 has been totally rewritten to eliminate the confusion between the access control and badge system that the slot machine licensees must establish and the emergency and temporary credentials that may be issued by the Board under §§ 435a.7—435a.9 (relating to emergency credentials; temporary credentials for principals and key employees; and temporary credentials for nongaming employees). As outlined in the revisions, the slot machine licensee’s Human Resources Department will be responsible for determining the appropriate access level for each job description based upon the duties in each job description. The slot machine licensee’s Director of Security will be responsible for maintaining the database with the access levels for all employees and monitoring compliance with the access levels. The Board’s representatives will have read-only access to this database. Employees of the slot machine licensee will be required to display their access badges at all times when they are working in the licensed facility. These requirements are consistent with or very similar to the current practice in the operating licensed facilities.

In § 465a.16 (relating to accounting controls for the cashiers’ cage), the word “cashiers” has been replaced with “cashier’s” in subsection (a). Additionally, the provision in subsection (c)(1)(viii), which addresses the functions of the cage cashiers, has been moved to subsection (c)(2), which covers main bank cashier functions, as a new subparagraph (x). This reflects the current industry practice where the issuance of cash to fill these machines is a function of the main bank, not the cage cashiers.

In § 465a.28 (relating to merchandise jackpots), revisions are being made to streamline the review process for merchandise jackpots. The requirement to submit a re-

quest using an Amendment Waiver and Request Form has been replaced with just a written request submitted to the Office of Gaming Operations. Approval of these requests will be made by the Executive Director instead of the Board. This will allow quicker action on these requests, which will in turn, allow licensed facilities to more quickly respond to marketing trends. Additionally, the language in subsection (b) has been revised to provide greater clarity as to what may be included as part of a merchandise jackpot.

In § 465a.29, the phrase "or other color combination approved by the Office of Gaming Operations" is being added to subsection (b). This will make the language used in this subsection the same as the language used in §§ 461a.7 and 461a.22 (relating to slot machine minimum design standards; and automated jackpot payout machines).

As was done in § 461a.24, § 465a.30 (relating to waiver of requirements) the text is being revised to clarify that written requests for waivers of any of the requirements in Chapter 465a (relating to accounting and internal controls) are to be submitted to the Board as a petition under § 493a.4 and that the waiver must be approved by the Board.

*Affected Parties*

This proposed rulemaking will affect slot machine licensees and individuals who hold a license, permit or registration.

*Fiscal Impact*

*Commonwealth*

The clarifications and revised procedures contained in this proposed rulemaking will improve the operations of the Board which may result in some savings. However, the magnitude of these savings is expected to be minimal.

*Political Subdivisions*

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

*Private Sector*

Because most of the changes in this proposed rulemaking reflect current industry practices, provide greater operational flexibility or simplify existing requirements, the net impact of these changes may result in some slight savings for slot machine licensees.

*General Public*

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

*Paperwork requirements*

Slot machine licensees will no longer be required to submit copies of proposed changes to their internal controls to the Revenue.

Individuals who hold a license, permit or registration will be required to notify the Board if they are arrested, charged, indicted or convicted of a felony offense.

*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 Richard Sandusky, Director of Regulatory Review, Pennsylvania Gaming Control

Board, P. O. Box 69060, Harrisburg, PA 17106-9060, Attention: Public Comment on Regulation #125-96.

*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) and (f) of the Regulatory Review Act (71 P. S. § 745.5(a) and (f)), on January 13, 2009, the Board submitted a copy of this proposed rulemaking and a copy of the Regulatory Analysis Form, to the Legislative Reference Bureau for publication of notice of proposed rulemaking in the *Pennsylvania Bulletin*, and to the Independent Regulatory Review Commission (IRRC). Under section 5(f) of the act, the Board will submit the proposed rulemaking and the required material to the Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee (Committee) no later than the second Monday after the date by which both Committee designations have been published in the *Pennsylvania Bulletin*. A copy of this material is available to the public upon request and is available on the Board's web site at www.pgcb.state.pa.us.

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 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:** 125-96. No fiscal impact; (8) recommends adoption.

**Annex A**

**TITLE 58. RECREATION**

**PART VII. GAMING CONTROL BOARD**

**Subpart A. GENERAL PROVISIONS**

**CHAPTER 403a. BOARD OPERATIONS AND ORGANIZATION**

**§ 403a.6. Delegation of powers.**

\* \* \* \* \*

(b) A delegation of Board authority will be effected by promulgation of a regulation or the adoption of **an order** or a **[ formal ]** resolution at a public meeting of the Board. The regulation, **order** or resolution will specify:

\* \* \* \* \*

(c) Delegations of authority made under this section will remain in effect indefinitely unless otherwise specified in the implementing regulation, **order** or resolution.

(d) A delegation of authority adopted by the Board may be modified or rescinded by the Board through promulgation of a regulation or the adoption of a subsequent **order** or **[ formal ]** resolution at a public meeting of the Board.

\* \* \* \* \*

**Subpart B. LICENSING, PERMITTING, CERTIFICATION AND REGISTRATION**

**CHAPTER 435a. EMPLOYEES**

**§ 435a.1. General provisions.**

\* \* \* \* \*

(c) An individual who receives a license, permit or registration under this part shall have the continuing duty to report to the Board an arrest, charge, indictment or conviction for:

\* \* \* \* \*

(5) **Any felony offense.**

(6) Comparable offenses in other states or foreign jurisdictions.

\* \* \* \* \*

**Subpart C. SLOT MACHINE LICENSING**

**CHAPTER 441a. SLOT MACHINE LICENSES**

**§ 441a.5. License fee payment bond or letter of credit requirements.**

(a) An application for a slot machine license shall at all times throughout the period in which the application is on file with the Board include original payment bonds or original irrevocable letters of credit, or some combination thereof, that include draw instructions guaranteeing the applicant's payment of the slot machine license fee required by [section 1209(c)] sections 1209(a) and 1305(d) of the act (relating to slot machine license fee; and Category 3 slot machine license) if the license is approved and issued.

\* \* \* \* \*

**Subpart E. SLOT MACHINES AND ASSOCIATED EQUIPMENT**

**CHAPTER 461a. SLOT MACHINE TESTING AND CONTROL**

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

\* \* \* \* \*

(g) An automated gaming voucher and coupon redemption machine must have, at a minimum, the following:

(1) One lock securing the compartment housing the storage box and one lock securing the storage box within the compartment, the keys to which must be different from each other. The key to the lock securing the compartment housing the storage box shall be controlled by the slot operations or security department. The key to the lock securing the storage box within the compartment shall be controlled by the finance department.

\* \* \* \* \*

(3) [ One lock securing the compartment housing the coin storage container, the key to which shall be controlled by the finance department.

(4) ] One lock securing the contents of the storage box, the key to which must be different from the keys referenced in paragraphs (1)[—(3)] and (2). This key shall be controlled by an employee of the finance department other than the employee controlling the keys referenced in paragraphs (1)[—(3)] and (2).

(h) An automated gaming voucher and coupon redemption machine must be designed to resist forced illegal entry. [ The slot machine licensee shall secure all

input/output ports on an automated gaming voucher and coupon redemption machine. ]

\* \* \* \* \*

**§ 461a.22. Automated jackpot payout machines.**

\* \* \* \* \*

(e) An automated jackpot payout machine must have, at a minimum, the following:

(1) One lock securing the outer cabinet housing the operating components of the automated jackpot payout machine, the currency cassettes and the coin storage container. The key to the lock securing the outer cabinet shall be controlled by the slot operations or security department.

(2) One lock securing the compartment housing the currency cassettes, the key to which shall be controlled by the finance department.

(f) An automated jackpot payout machine must be designed to resist forced illegal entry.

(g) An automated jackpot payout machine's currency cassettes must be designed to preclude access to the interior of the currency cassettes. Access to each currency cassette shall be controlled by the finance department.

**§ 461a.24. Waivers.**

\* \* \* \* \*

(b) A manufacturer may submit a written request to the Board for a waiver for one or more of the requirements in this chapter or the technical standards applicable to slot machines and associated equipment adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site. The request must [ included ]:

(1) Be submitted as a petition under § 493a.4 (relating to petitions generally).

(2) Include supporting documentation demonstrating how the slot machine or associated equipment for which the waiver has been requested will still meet the operational integrity requirements of the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(3) Be approved by the Board.

**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 the change or amendment electronically to the Office of Gaming Operations using the **Internal Controls Amendment [ and Waiver ] Request Form** posted on the Board's web site ([www.pgcb.state.pa.us](http://www.pgcb.state.pa.us)). A request for a change or amendment must include electronic copies of the attestations required under [ subsections ] subsection (b)(1) and (2). [ The slot machine licensee shall also submit a written copy of the change or amendment and the required attestations to the Department. ] The slot machine licensee may implement the change or amendment upon receipt of written notice of approval from the Board's Executive Director or 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 **or written notice of disapproval from the Board's Executive Director.**

(g) If during the 30-day review period in subsection (f), the 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, the Office of Gaming Operations, by written notice to the slot machine licensee, will:

\* \* \* \* \*

(2) Direct that the 30 calendar day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved **[ by the Executive Director ] under subsection (i).**

\* \* \* \* \*

(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 the Office of Gaming Operations. The slot machine licensee may implement the revised change or amendment **upon receipt of written notice of approval from the Board's Executive Director** or on the 30th calendar day following the filing of the revision unless it receives written notice under subsection (g) tolling the change or amendment **or written notice of disapproval from the Board's Executive Director.**

\* \* \* \* \*

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

\* \* \* \* \*

(h) If the slot machine **[ license ] licensee**, 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 a notice to the Bureau of Licensing when it files 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 notice must include a listing of the reports or forms filed and the date of the filing. The notice to the Bureau of Licensing shall be made within 10 days of the time of filing with the applicable Commission or regulatory agency.

\* \* \* \* \*

**§ 465a.6. Retention, storage and destruction of books, records and documents.**

\* \* \* \* \*

(b) Original books, records and documents pertaining to the operation of a licensed facility shall be:

\* \* \* \* \*

(2) Retained **[ on the site of ] in a secure location** in the licensed facility **that is equipped with a fire suppression system** or at another **[ secure ]** location approved under subsection (d).

\* \* \* \* \*

(d) A slot machine licensee may request, in writing, that the **[ Board ] Office of Gaming Operations** approve a location outside the licensed facility to store original books, records and documents. The request must include the following:

(1) A detailed description of the proposed **[ offsite facility ] location**, including security and fire **[ safety ] suppression** systems.

(2) The procedures under which the Board, the Department and the Pennsylvania State Police will be able to gain access to the original books, records and documents retained at the **[ offsite facility ] location outside the licensed facility.**

\* \* \* \* \*

**§ 465a.12. Access badges [ and temporary access credentials ].**

(a) **[ For the purposes of this section, an access badge is a form of identification issued by a slot machine licensee and worn by a slot machine licensee employee, for purposes of identifying the areas of the licensed facility where the employee may obtain access in the course of the performance of the employee's normal duties.**

(b) Slot machine licensees shall establish procedures, in writing, for readily identifying each person permitted, during the normal course of performing his duties, to have access to one or more restricted areas within the licensed facility.

(1) The procedures must include the requirement that persons wear an access badge in a visible location.

(2) The procedures must also include a methodology for updating the access badge procedures to reflect changes and amendments in the slot machine licensee's table of organization and the positions approved with respect thereto.

(3) The procedures must further include provisions expressly addressing access by employees of licensed manufacturers, licensed manufacturer designees, licensed suppliers and registered and certified vendors.

(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.

(1) The procedures must include the requirement that those persons wear a temporary access badge in a visible location.

(2) The procedures must also include a methodology for updating the temporary access badge procedures to reflect changes and amendments in the slot machine licensee's table of organization and the positions approved with respect thereto.

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

(d) The procedures required in subsection (b) are to be designed, implemented and enforced by the security department in collaboration with the human resources department or its functional equivalent. The procedures in subsection (c) are to be

designed, implemented and enforced by the security department. Procedures addressing both access badges and temporary access badges shall be retained in the security department and be made immediately available to the Board and the Pennsylvania State Police upon request. The slot machine licensee shall cooperate with the Board in making amendments to its procedures to improve the effectiveness of its access badge and temporary access badge systems. ] Slot machine licensees shall develop an access control matrix that indicates the restricted areas in a licensed facility that an employee may access for each employee job description. Access to restricted areas by an employee shall be limited to the restricted areas that the employee needs to access in the course of the performance of the employee's normal duties listed in the employee's job description.

(b) The human resources department shall be responsible for determining the appropriate level of access for each job description and updating the level of access when a job description changes. The human resources department shall transmit the level of access information for each employee to the security department.

(c) The director of security, or a designee, shall develop and maintain an electronic database system, or its functional equivalent, which contains the access level of all employees of the slot machine licensee. The electronic database system must be capable of tracking who enters or changes the access level assigned to each employee.

(d) The director of security, or a designee, shall be responsible for entering or making changes to the access level of employees of the slot machine licensee in the electronic database system.

(e) Read-only access to the electronic database system maintained by the security department shall be made available through secure computer access to the Board's representatives at the licensed facility.

(f) Slot machine licensees shall develop an access badge system consisting of a badge that contains the employee's name and a color, code or symbol that indicates the areas in the licensed facility that the employee is allowed to access.

(g) Employees of a slot machine licensee shall be required to wear an access badge in a visible location at all times while they are working in a licensed facility.

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

(a) The assets for which slot cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, slot cashiers assigned to the outgoing shift shall record on a cashiers' count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory. Each [ cashiers' ] cashier's count sheet shall be signed by the preparing cashier attesting to the accuracy of the information thereon.

\* \* \* \* \*

(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:

\* \* \* \* \*

[ (viii) The issuance of cash to automated bill breaker, gaming voucher, coupon redemption and jackpot payout machines in exchange for proper documentation. ]

(2) Main bank cashier functions include the following:

\* \* \* \* \*

(x) The issuance of cash to automated bill breaker, gaming voucher, coupon redemption and jackpot payout machines in exchange for proper documentation.

\* \* \* \* \*

**§ 465a.28. Merchandise jackpots.**

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

\* \* \* \* \*

(2) The [ Board ] Executive Director has approved the specific offer of the merchandise jackpot. To obtain [ Board ] the Executive Director's approval, a slot machine licensee shall file [ an Amendment Waiver and Request Form ] a written request with the Office of Gaming Operations containing all of the details related to the merchandise jackpot payout including:

\* \* \* \* \*

(b) A merchandise jackpot may consist of one of the following:

(1) A [ combination of ] payout that consists of both merchandise and cash.

(2) [ Merchandise or ] A payout of merchandise only with an optional cash [ payment ] payout that the patron may elect to receive in lieu of receiving the merchandise.

\* \* \* \* \*

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

\* \* \* \* \*

(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 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 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.30. Waiver of requirements.**

\* \* \* \* \*

(b) A slot machine licensee may submit a [ written ] request to the Board for a waiver for one or more of the requirements in this chapter or the technical standards applicable to accounting and internal controls adopted by

the Board and published in the *Pennsylvania Bulletin* and posted on the Board's [ website ] web site. The request must [ be ]:

**(1) Be filed [ on a Amendment Waiver and Request Form and include ] as a petition under § 493a.4 (relating to petitions generally).**

**(2) Include** supporting documentation demonstrating how the accounting and internal controls for which the waiver has been requested will still meet the operational integrity requirements of the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

**(3) Be approved by the Board.**

[Pa.B. Doc. No. 09-113. Filed for public inspection January 23, 2009, 9:00 a.m.]

### [ 58 PA. CODE CHS. 461a AND 463a ] Slot Machine Master Lists

The Pennsylvania Gaming Control Board (Board), under the general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers) and specific authority contained in 4 Pa.C.S. § 1207 (relating to regulatory authority of board) proposes to amend Chapters 461a and 463a (relating to slot machine testing and control; and possession of slot machines) to read as set forth in Annex A.

#### *Purpose of the Proposed Rulemaking*

This proposed rulemaking updates the requirements for filing slot machine master lists by renaming each list, revising the lists of required information for each list and requiring that all of these lists be submitted electronically.

#### *Explanation of Amendments to Chapters 461a and 463a*

In § 461a.1 (relating to definitions), definitions of the terms "machine displayed payout percentage" and "minimum payout percentage" have been added. Additionally, the definition of the term "paytable" has been amended to replace the word "payback" with "payout" which is the word that is used throughout the Board's regulations.

Revisions to § 463a.3 (relating to slot machine location) delete unnecessary language and replace the old list name "Slot Machine Master List" with the new list name "Gaming Floor Slot Machine Master List."

In § 463a.5 (relating to slot machine master lists), numerous revisions have been made to enhance the clarity of this section and to update the various reporting requirements. The generic references to the "Slot Machine Master List" have been replaced with more descriptive names for each list. The "Slot Machine Master List" for games on the gaming floor is now called the "Gaming Floor Slot Machine Master List," the list for slot machines in the possession of a slot machine licensee that are not on the gaming floor is called the "Restricted Area/Off-Premises Slot Machine Master List" and the list for non-slot machine licensees authorized to possess slot machines will retain the name "Slot Machine Master List."

The list of items required to be included in the "Gaming Floor Slot Machine Master List" has been updated and expanded to include additional information that the Bureau of Gaming Laboratory Operations needs to monitor

the operation of slot machines on the gaming floor and protect the integrity of gaming. The items required in the Restricted Area/Off-Premises Slot Machine Master List and the "Slot Machine Master List" consist of subsets of the items required for the "Gaming Floor Slot Machine Master List." Less information is needed about these slot machines because they are not being used for gaming.

Finally, all of these reports will now be required to be submitted electronically using formats approved by the Bureau of Gaming Laboratory Operations. To simplify the submission process, the Bureau of Gaming Laboratory Operations has developed Excel templates that can be used for each of the required reports.

#### *Affected Parties*

This proposed rulemaking alters what information is required to be included in the reports that slot machine licensees and other entities that are authorized by the Board to possess slot machines currently file.

#### *Fiscal Impact*

##### *Commonwealth*

Under this proposed rulemaking, the Board will receive all of this information electronically which should reduce administrative costs. However, the reduction in costs is not anticipated to be significant.

##### *Political Subdivisions*

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

##### *Private Sector*

There may be some minor cost to slot machine licensees and other entities required to file these reports because of the additional information that must be provided. However, these costs may be offset by the savings that will result from the reduction in the amount of information that must be provide for slot machines that are not on the gaming floor and the use of electronic filing.

##### *General Public*

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

##### *Paperwork requirements*

Slot machine licensees and other entities required to file these reports will be able to reduce paperwork through the use of electronic filing.

##### *Effective Date*

The proposed rulemaking will become effective 60 days after 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 Richard Sandusky, Director of Regulatory Review, Pennsylvania Gaming Control Board, P. O. Box 69060, Harrisburg, PA 17106-9060, Attention: Public Comment on Regulation #125-94.

##### *Contact Person*

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

##### *Regulatory Review*

In accordance with section 5(a) and (f) of the Regulatory Review Act (act) (71 P.S. § 745.5(a) and (f)), on January 9, 2009, the Board submitted a copy of this

proposed rulemaking and a copy of the Regulatory Analysis Form, to the Legislative Reference Bureau for publication of notice of proposed rulemaking in the *Pennsylvania Bulletin*, and to the Independent Regulatory Review Commission (IRRC). In accordance with section 5(f) of the act, the Board will submit the proposed rulemaking and the required material to the Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee no later than the second Monday after the date by which both committee designations have been published in the *Pennsylvania Bulletin*. A copy of this material is available to the public upon request and is available on the Board's web site at [www.pgcb.state.pa.us](http://www.pgcb.state.pa.us).

Under section 5(g) of the 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 must specify the regulatory review criteria which have not been met. The 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:** 125-94. No fiscal impact; (8) recommends adoption.

**Annex A**

**TITLE 58. RECREATION**

**PART VII. GAMING CONTROL BOARD**

**Subpart E. SLOT MACHINES AND ASSOCIATED EQUIPMENT**

**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:

\* \* \* \* \*

**Machine displayed payout percentage**—The selectable payout percentage that is set by the slot machine licensee during the initial configuration or a subsequent reconfiguration of a slot machine and is displayed in the slot machine's service menu during normal operation.

\* \* \* \* \*

**Minimum payout percentage**—The lowest aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

\* \* \* \* \*

**[ Paytables ] Paytable**—A selectable part of a slot machine program that contains slot machine characteristics including, but not limited to, the theoretical **[ payback ]** payout percentage, reel strips and awards.

\* \* \* \* \*

**CHAPTER 463a. POSSESSION OF SLOT MACHINES**

**§ 463a.3. Slot machine location.**

\* \* \* \* \*

(b) A slot machine **[ in a slot machine area ]** on a gaming floor shall be placed at a location, which location may contain no more than one slot machine, identified by number on a gaming floor plan approved by the Board under section 1322 of the act (relating to slot machine accounting controls and audits) and § 467a.1 and shall also be identified by this slot machine location number and an asset number on **[ a Slot Machine Master List ] the Gaming Floor Slot Machine Master List**.

§ 463a.5. Slot machine master **[ list ]** lists.

(a) Prior to the commencement of operations at a licensed facility, **[ an applicant for, or holder of, ]** a slot machine **[ license ]** licensee shall file the following 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. ]** Bureau of Gaming Laboratory Operations:

(1) Gaming Floor Slot Machine Master List.

(2) Restricted Area/Off Premises Slot Machine Master List.

(b) **[ The ]** A Gaming Floor Slot Machine Master List must **[ contain the following information which, for those ]** list all slot machines located on the gaming floor **[ , must be presented for each slot machine ]** in consecutive order by the slot machine location number under § 463a.3 (relating to slot machine location) and contain the following information:

(2) A description of each slot machine **[ by ]** which includes:

(i) **[ Asset number and model and manufacturer's serial number ]** The zone/location number.

(ii) **[ Denomination, if configured for multiple denominations, a list the denominations ]** The asset number.

(iii) **[ Manufacturer and machine type, noting cabinet type, or if it is a progressive or a wide area progressive slot machine ]** The manufacturer's serial number.

(iv) **[ An indication as to whether the slot machine is configured to communicate with a cashless funds transfer system ]** The base denomination, or if configured for multiple denominations, a list the denominations.

(v) **[ An indication as to whether the slot machine is configured to communicate with a gaming voucher system ]** The game software/program ID.

- (vi) The operating system/base ROM.
- (vii) The manufacturer.
- (viii) The slot machine model.
- (ix) The model type (reel or video).
- (x) The game theme/description.
- (xi) The minimum payout percentage.
- (xii) The machine displayed payout percentage.
- (xiii) The payable ID.
- (xiv) Is the slot machine in a smoking area?
- (xv) Is the slot machine a progressive; if it is, the type of progressive.
- (xvi) If it is a progressive, the progressive controller type.
- (xvii) If it is a progressive, the progressive software.
- (xviii) The fund transfer/voucher system software.

[ (3) For those slot machines located off the gaming floor, an indication as to whether the slot machine is in a restricted area off the gaming floor but within the licensed facility approved by the Board under § 465a.8 or in a Board-approved storage location in this Commonwealth off the premises of the licensed facility approved by the Board under § 463a.7.

(4) Additional documentation requested by the Board related to the location of slot machines. ]

(c) If a slot machine is configured to allow a patron to select from multiple game themes, each game theme, minimum and machine displayed payout percentages and payable ID must be listed in the Gaming Floor Slot Machine Master List. Instead of listing each game theme, minimum and machine displayed payout percentage and payable ID for a slot machine configured to offer multiple game themes with the slot machine, a slot machine licensee may use a unique generic code for the game theme and attach an appendix which lists the game themes, minimum and machine displayed payout percentages and payable IDs that correspond to each unique generic game theme code.

(d) A Restricted Area/Off Premises Slot Machine Master List must include all slot machines located off the gaming floor but within a restricted area in the licensed facility approved by the Board under § 465a.8(b) (relating to licensed facility), or 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) grouped by the each location where the slot machines are located. A Restricted Area/Off Premises Slot Machine Master List must include the following information:

- (1) The date the list was prepared.
- (2) A description of each slot machine which includes:
  - (i) The location of the slot machine.
  - (ii) The asset number.

- (iii) The manufacturer's serial number.
- (iv) The game software/program ID.
- (v) The operating system/base ROM.
- (vi) The game theme/description.
- (vii) The manufacturer.
- (viii) The slot machine model.
- (ix) The model type (reel or video).

(e) Once a slot machine has been placed in an authorized location on the gaming floor or is stored in a restricted area off the gaming floor but within the licensed facility approved by the Board under § 465a.8 or in a location in this Commonwealth off the premises of the licensed facility approved by the Board under § 463a.7, all subsequent movements of that slot machine [ within the licensed facility ] shall be recorded by a slot department member in a slot machine movement log which includes the following:

\* \* \* \* \*

(2) The date and time of the movement.

\* \* \* \* \*

[ (d) ] (f) Documentation summarizing slot machine movements [ within a licensed facility ] shall be submitted to the Bureau of Gaming Laboratory Operations, in [ writing or in ] an electronic format approved by the [ Board ] Bureau of Gaming Laboratory Operations, on a daily basis.

[ (e) ] (g) On the first Tuesday of each month following the initial filing of [ a Slot Machine Master List, an applicant for, or holder of ] the Gaming Floor Slot Machine Master List and the Restricted Area/Off Premises Slot Machine Master List, a slot machine [ license ] licensee shall file with the Bureau of Gaming Laboratory Operations, in [ writing or in ] an electronic format approved by the [ Board ] Bureau of Gaming Laboratory Operations, an updated [ Slot Machine Master List ] Gaming Floor Slot Machine Master List and an updated Restricted Area/Off Premises Slot Machine Master List containing the information, required in [ subsection (b) ] subsections (b)—(d).

[ (f) ] (h) Manufacturer [ licensees ], manufacturer designee [ licensees, ] and supplier licensees[ , ] and educational institutions, [ Board-authorized ] manufacturers, manufacturer [ designee ] designees and suppliers not licensed within this Commonwealth and regulatory and law enforcement agencies [ that ] authorized by the Board to possess slot machines under § 463a.1 (relating to possession of slot machines generally) shall file with the Bureau of Gaming Laboratory Operations, [ in writing or ] in an electronic format approved by the [ Board ] Bureau of Gaming Laboratory Operations, a complete list of slot machines possessed by the person. The list shall [ be ]:



**(1) Be** denoted as a Slot Machine Master List [ , **shall be** ].

**(2) Be** filed within 3 business days of the initial receipt of slot machines [ **and contain** ].

**(3) Contain** the following information:

[ **(1)** ] **(i)** The date on which the list was prepared.

[ **(2)** ] **(ii)** A description of each slot machine [ **by** ] **including**:

[ **(i) Model and manufacturer's serial number.**

**(ii) Manufacturer and machine type, noting cabinet type, or if it is a progressive or a wide area progressive slot machine. ]**

**(A) The manufacturer.**

**(B) The manufacturer's serial number.**

**(C) The slot machine model.**

**(D) The model type (reel or video).**

**(E) Whether or not the slot machine is a progressive, and if it is, the type of progressive.**

[ **(g)** ] **(i)** On the first Tuesday of each month following the initial filing of a Slot Machine Master List, those persons enumerated in subsection [ **(f)** ] **(h)** shall file with the Bureau of Gaming Laboratory Operations, [ **in writing or** ] in an electronic format approved by the [ **Board** ] **Bureau of Gaming Laboratory Operations**, an updated Slot Machine Master List containing the information, required in subsection [ **(f)** ] **(h)**.

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