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INDEPENDENT REGULATORY REVIEW COMMISSION

IRRC Number: 2572

Regulatory Analysis Form

(1) Agency

Pennsylvania Gaming Control Board

(2) I.D. Number (Governor's Office Use)

125 - 48

(3) Short Title

Chapters 461a and 463a: Slot Machines Testing and Control ; Possession of Slot Machines

(4) PA Code Cite

58 PA. Code
Chapters 461a and 463a

(5) Agency Contacts & Telephone Numbers

Primary Contact: Richard Sandusky
717-214-8111 / rsandusky@state.pa.us

(6) Type of Rulemaking (check one)

- Proposed Rulemaking
- Final Order Adopting Regulation
- Final Order, Proposed Rulemaking Omitted

(7) Is a 120-Day Emergency Certification Attached?

- No
- Yes: By the Attorney General
- Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

Pursuant to the authority granted to the Board under § 1203 of the Pennsylvania Horse Race Development and Gaming Act (Act)(4 Pa.C.S. § 1203), the Board initially adopted Chapter 461 as a temporary regulation on June 16, 2005 (35 Pa.B. 4045) and Chapter 463 as a temporary regulation on November 17, 2005 (35 Pa.B. 6619). Under § 1203(a) of the Act, these temporary regulations will expire on July 5, 2007.

By this rulemaking, the Board is proposing to replace those temporary regulations with permanent regulations.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

§ 1202(b)(30) of the Act (4 Pa.C.S. § 1202(b)(30)) provides the Board with general authority to promulgate regulations the Board deems necessary to carry out the policy and purposes of the Act. §§ 1207 and 1320 (4 Pa.C.S. §§ 1207 and 1320) provide more specific authority for portions of Chapters 461a and 463a.

Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

§ 1203(a) of the Pennsylvania Horse Race Development and Gaming Act (Act)(4 Pa.C.S. § 1203(a)) provides that temporary regulations adopted by the Board shall expire no later than three years following the effective date of the Act. Accordingly, final adoption of the proposed regulations before that date is necessary.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

Promulgation of these regulations is necessary to replace the Board's temporary regulations that will expire and are necessary to carry out the policy and purposes of the Act and to enhance the credibility and the integrity of gaming in the Commonwealth.

These regulations are necessary to establish the standards for slot machines and associated equipment and to provide current information on the movement and location of all slot machines located in the Commonwealth.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

Failure to replace the existing temporary regulations could create disruptions in gaming in the Commonwealth which could reduce future gaming revenues and reduce employment opportunities in the gaming industry.

Additionally, the lack of permanent regulations would eliminate the requirements governing the gaming industry that are designed to protect the public and maintain the integrity of gaming in the Commonwealth.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

These regulations will not create any immediate benefits at this time. After slot licenses are issued and gaming begins, Pennsylvania residents will benefit through wage or property tax reductions; state, county and local governments and horsemen organizations will receive a percentage of the revenues generated; and Pennsylvania residents will benefit from the increased employment opportunities.

Manufacturer, manufacturer designees, supplier and slot machine licensees will benefit from having a clear understanding of the standards and requirements that slot machines and associated equipment will be required to meet.

Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

These regulations will impose significant costs on manufacturers for testing and approval of equipment they wish to offer for sale in Pennsylvania. The cost to each manufacturer will be a function of the number and types of equipment submitted for testing.

There are currently 16 manufacturer licensees.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Manufacturers will be required to meet the testing requirements. Suppliers and manufacturer designees will only be allowed to sell equipments that has been tested and approved. Slot machine licensees will only be able to purchase slot machines and associated equipment that has been tested and approved. Additionally manufacturers, manufacturer designees, suppliers and slot machine licensees and anyone else who possesses slot machines will have to comply with reporting requirements.

There are 11 approved slot machine licensees. There are currently 16 manufacturer licensees and 17 supplier licensees.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

Drafts of the temporary regulations were published in the *Pennsylvania Bulletin* and posted on the Board's website for public comment prior to their adoption.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

Manufacturers will experience significant costs associated with testing equipment. The cost for individual manufacturers will be a function of the number and types of equipment submitted for testing. In the aggregate, these costs could exceed \$1,000,000. Additionally, Section 1320(b) of the Act requires manufacturers to pay for the costs of establishing and operating the Gaming Laboratory.

There will also be some costs associated with reporting the transport and location of slot machines, but they should be minimal.

Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

There are no expected costs or savings projected for local governments as a result of these regulations.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

Most of the costs associated with this proposed rulemaking will be incurred by the Board's Gaming Laboratory Operations Bureau which is responsible for testing slot machines and associated equipment and tracking the location and movement of slot machines.

Law enforcement agencies authorized by the Board to possess slot machines will experience minimal reporting costs.

Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Savings	N/A	N/A	N/A	N/A	N/A	N/A
COSTS:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated Community	\$1,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	\$963,000	\$1,573,000	\$1,623,120	\$1,675,245	\$1,729,455	\$1,785,833
Total Costs	\$1,963,000	\$3,073,000	\$3,123,120	\$3,175,245	\$3,229,455	\$3,285,833
REVENUE LOSSES:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Revenue Losses	N/A	N/A	N/A	N/A	N/A	N/A

(20a) Explain how the cost estimates listed above were derived.

The costs for the Board are based on budget projections for testing equipment and staff for the Gaming Laboratory Operations Bureau.

The costs for the regulated community are based on estimates of the costs related to testing equipment that have been experienced by other states and the requirement in Section 1320(b) of the Act that requires manufacturers to pay for the operation of the Gaming Laboratory.

Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Board Budget	N/A	\$2,900,000	\$13,200,000	\$26,400,000

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

The costs related to these regulations are significant. However they are necessary to insure the integrity of gaming and compliance with the minimum payout and other requirements of the Act.

Once gaming begins, there will be substantial financial benefits for taxpayers, horsemen, county and local governments, and individuals who gain employment in gaming and related industries.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

The only alternative considered was to implement practices based solely on the Act.

Since the Act does not contain enough detail to provide for effective testing and approval of slot machines and associated equipment and for tracking slot machines, regulations were deemed necessary.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No other regulatory schemes were considered.

Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

There are no corresponding Federal requirements.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

Many of the provisions in these regulations are similar to those in other gaming jurisdictions.

Nothing in these chapters will put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

These regulations will replace the existing temporary Chapters 461 and 463 in 58 PA. Code.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

Because the proposed regulations are not significantly different from the existing temporary regulations, no additional hearings or meetings have been scheduled.

Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

The proposed regulations do not change or add new reporting, record keeping or paperwork requirements beyond those that are in the temporary regulations which are described below.

Manufacturers will be required to provide extensive documentation in the form of operating manuals, wiring diagrams, etc. needed to test their equipment.

Manufacturers, manufacturer designees, suppliers and slot machine licensees will be required to complete and submit reports prior to the transportation of slot machines and will have to submit monthly reports specifying the location and other data for all slot machines in their possession.

Educational institutions and law enforcement agencies authorized to possess slot machines will also have to submit monthly reports specifying the location and other data for all slot machines in their possession.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

No special provisions have been added.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

These regulations will be effective upon publication as a final rule in the *Pennsylvania Bulletin*.

It is anticipated that final regulations will be adopted before the July 5, 2007 expiration date of the existing temporary regulations.

(31) Provide the schedule for continual review of the regulation.

No formal review schedule has been established. Instead, the Board will be constantly reviewing its regulations and proposing amendments as the need arises.

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Copy below is hereby approved as to form and legality.
Attorney General

By: _____
(Deputy Attorney General)

DATE OF APPROVAL

Check if applicable
Copy not approved. Objections attached.

Copy below is hereby certified to be true and correct
copy of a document issued, prescribed or promulgated
by:

**Pennsylvania Gaming
Control Board**

FISCAL NOTE NO. : 125-48

DATE OF ADOPTION: 5/1/07

BY: Thomas A. Decker
Thomas Decker, CHAIRMAN

Copy below is hereby approved as to form and legality
Executive or Independent Agencies

BY: Frank Donaghue
Frank Donaghue, Chief Counsel

5/1/07
DATE OF APPROVAL

(Deputy General Counsel)
(Chief Counsel - Independent Agency)
(Strike inapplicable title)

Check if applicable. No Attorney General Approval or
objection within 30 days after submission.

**FINAL-FORM RULEMAKING
COMMONWEALTH OF PENNSYLVANIA**

Subpart E. SLOT MACHINES AND ASSOCIATED EQUIPMENT

CHAPTERS 461a and 463a

COMMENTATORS WHO REQUESTED NOTICE OF THE FINAL-FORM REGULATION

There were no comments submitted for this rulemaking.

FINAL-FORM PREAMBLE FOR CHAPTERS 461a AND 463a

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA.CODE CHAPTERS 461a AND 463a]

SLOT MACHINE TESTING AND CONTROL; POSSESSSION OF SLOT MACHINES

The Pennsylvania Gaming Control Board (Board), under its general authority in 4 Pa.C.S. § 1202(b) (30) (relating to general powers) and the specific authority in 4 Pa.C.S. §§ 1207 and 1320 (relating to regulatory authority of the board; and slot machine testing and certification standards), adopts 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 Final-form Rulemaking

Under the authority granted to the Board under 4 Pa.C.S. § 1203 (relating to temporary regulations), the Board initially adopted Chapter 461 at 35 Pa.B. 4045 (June 16, 2005) and Chapter 463 at 35 Pa.B. 6619 (December 3, 2005). Under 4 Pa.C.S. § 1203(b), the temporary regulations expire on July 5, 2007.

The Board is adopting Chapters 461a and 463a to replace the Board's temporary regulations with the permanent regulations.

Explanation of Chapters 461a and 463a

This final-form rulemaking replaces the temporary Chapter 461 and Chapter 463 regulations that were adopted by the Board on June 16, and December 3 of 2005. Permanent regulations are needed because the temporary regulations will expire on July 5, 2007.

§ 461a.1 (relating to definitions) contains definitions of terms used in Subpart E (relating to slot machines and associated equipment. § 461a.2 (relating to protocol requirements) requires that all slot machines be required to communicate with the Department of Revenue's central control computer.

§ 461a.3 (relating to testing and approval generally) sets forth requirements in 1320 of the act (relating to slot machine testing and certification standards) that all slot machines used in the Commonwealth must be approved by the Board and specifies testing options. This section also requires manufacturers to

pay the costs related to the testing and approval of their products.

§ 461a.4 (relating to submission for testing and approval) provides the details for submission of products to the Board for testing and approval. It provides a list of equipment that must be submitted for testing and what must be submitted if a manufacturer elects to use the abbreviated testing and approval process or when the Board will conduct the full review. It also addresses use of trial periods, emergency modifications to prevent cheating or malfunctions and requires notice to the Board from slot machine licensees of any known or suspected malfunctions.

§ 461a.5 (relating to slot machine conversions) requires that accurate records be kept of all conversions and that the Board be given notice prior to any conversions.

§ 461a.6 (relating to revocations and additional conditions) states that an approval may be revoked or conditions added if the Board determines that the equipment, device or software is not in compliance with the act or Board regulations or that it is not compatible the central control computer.

§ 461a.7 (relating to slot machine minimum design standards) contains detailed design standards that slot machines must meet. It addresses items including payout percentages, required meters, tower lights, reporting errors, communication with the central control computer, payout of jackpots, seating and entry authorization logs.

§ 461a.8 (relating to gaming vouchers) contains the design standards gaming voucher systems must meet. It requires establishment of a system of internal controls for the issuance and redemption of gaming vouchers including how payment will be made if the gaming voucher system is down. It also specifies reporting requirements, accounting procedures for gaming vouchers and how malfunctions and modifications are to be handled.

§ 461a.9 (relating to coupons) sets forth the requirements for the use of coupons. It requires security measures to permit verification of the coupon, information that must be on the coupons and the development of internal controls governing the use of coupons.

§ 461a.10 (relating to automated gaming voucher and coupon redemption machines) establishes the requirements for the use of gaming voucher and coupon redemption machines. These include the capability to check the validity of gaming vouchers and coupons by reconciling them with the gaming voucher and coupon systems, locking systems on the redemption machines, restrictions on access to currency cassettes, protection against transaction or data loss due to power loss, detection and recording of errors and transaction histories and the production of various reports.

§ 461a.11 (relating to automated gaming voucher and coupon redemption machines: accounting controls) requires slot machine licensees to develop internal controls governing the distribution of currency to and removal of currency, gaming vouchers or coupons from automated gaming voucher and coupon redemption machines.

§ 461a.12 (relating to progressive slot machines) contains requirements for progressive slot machines. It covers the types of meters that are required, key control, probability of winning, approvals required from the Board, transfers of jackpots, removal of slot machines offering progressive jackpots and recordkeeping.

§ 461a.13 (relating to wide area progressive systems) contains provisions governing wide area progressive systems which link progressive slot machines at multiple licensed facilities. It lists the items that must be in the slot system agreement governing the operation of the wide area progressive system, who may act as the slot system operator and requirements for the computer monitoring room for the wide area progressive system.

§§ 461a.14 (relating to slot monitoring systems), 461a.15 (relating to casino management systems), 461a.16 (relating to player tracking systems) permit the use of these systems and require them to comply with the act and the Board's regulations and technical standards.

§ 461a.17 (relating to external bonusing systems) allows the use of external bonusing systems and sets limits on the payout percentages that can be used with these systems.

§ 461a.18 (relating to cashless funds transfer systems) permits the use of cashless funds transfer systems if the slot machine licensee has established a system of internal controls

which include the items listed in this section. It also requires a patron access control system, reporting requirements and written notice to the Slot Lab of any adjustments to the amount of credit transferred to a slot machine using this system.

§ 461a.19 (relating to remote system access) establishes the requirements for remote access to various systems by licensed manufacturers.

§§ 461a.20 (relating to server supported slot systems) and 461a.21 (relating to server based slot systems) define what server supported and server based slot systems are and require that these systems be tested and approved by the Board prior to their use. These sections also require the development of internal controls addressing the integrity, security and control of these systems.

§ 461a.22 (relating to automated jackpot payout machines) allows for the use of automated jackpot payout machines to pay jackpots not paid by a slot machine. This section requires compliance with Board standards and the development and approval of internal controls governing the payout of jackpots and distribution of funds to these machines.

§ 461a.23 (relating to slot machines and associated equipment utilizing alterable storage media) defines what is considered to be alterable storage media and requires it to comply with Board standards.

§ 461a.24 (relating to waivers) specifies when the Board may waive a requirement of this subpart and describes how a waiver may be requested by a manufacturer or slot machine licensee.

§ 461a.25 (relating to disputes) sets forth the responsibilities of slot machine licensees when a patron dispute arises concerning payment of alleged winnings. It also requires slot machine licensees to notify the Board in writing if the dispute is not resolved within 7 days.

§ 461a.26 (relating to testing and software installation on the live gaming floor) requires 72 hour advanced notice to the Slot Lab prior to the testing or installation of new software on the live gaming floor. It also sets forth the information that must be provided in the notice.

§ 463a.1 (relating to possession of slot machines) outlines who may possess slot machines in this Commonwealth, for what purpose, and how Board approval may be requested.

§ 463a.2 (relating to transportation of slot machines into, within and out of this Commonwealth) sets forth the information that must be submitted to the Bureau of Gaming Laboratory Operations when slot machines are moved into out of or within the Commonwealth.

§ 463a.3 (relating to slot machine location) requires the location of each slot machine on a gaming floor to be identified by number and that the numbered location appear on the Slot Machine Master List.

§ 463a.4 (relating to connection to the central control computer system) requires each slot machine on the gaming floor to be connected to the central control computer system as required by section 1323 of the act (relating to central control computer system).

§ 463a.5 (relating to slot machine master list) requires slot machine applicants and licensees to maintain a Slot Machine Master List and specifies the information that must be contained in the list. It also requires maintenance of a slot machine movement log and specifies the information that must be included in this log. Finally, it requires anyone other than slot machine applicants or licensees who is authorized to possess slot machines to also submit a Slot Machine Master list within three days of receipt of slot machines and month updates thereafter.

§ 463a.6 (relating to notice to the central computer) requires slot machine licensees to report the placement, movement and removal of slot machines to the Department of Revenue to insure accurate recording of meter information.

§ 463a.7 (relating to off premises storage of slot machines) set forth the process for slot machine licensees to request permission to store slot machines in a location off the premises of the licensed facility and the information that must be included in a request.

Comment and Response Summary

Notice of proposed rulemaking was published at 36 Pa.B. 6517 (October 28, 2006).

The Board received comments on the proposed rulemaking from the Independent Regulatory Review Commission (IRRC). Those comments were reviewed by the Board and are discussed in detail below.

IRRC requested that the Board provide additional information pertaining to the need for the regulation and the fiscal impact in the preamble and Regulatory Analysis Form. Additional information has been included. However, the Board notes that because gaming is new to the Commonwealth and licenses have just been issued, the fiscal information available is somewhat limited.

IRRC also urged the Board to review a number of phrases which it thought were vague. These phrases were contained in Appendix A of IRRC's comments.

The Board has reviewed Appendix A and as suggested by IRRC, has deleted phrases such as "when applicable," "in a manner approved by the Board" and "in a manner prescribed by the Board."

The Board has not deleted the phrase "additional documentation requested by the Board" which appears in several sections. While the Board has attempted to provide comprehensive guidance to manufacturers as to what information the Board needs to evaluate their products, there will be times when the Board will need additional information from a manufacturer. This is particularly true when new products are submitted. However, the Board has added language to make it clear that the additional information requested must relate to the product that is being reviewed.

Most of the phrases referring to "approved by the Board" have also been deleted; they were intended to refer back to the approval process in §§ 461a.3 and 461a.4 and are not needed. For other approvals, the Board has added cross-references to the specific sections where the approval process is specified or added an approval process in the section.

IRRC also questioned the incorporation of technical standards, which are not contained in these regulations, as binding requirements. Use of "...this approach would allow an agency or department to bypass the formal regulatory review process..."

Use of binding technical standards to supplement the Board's regulations is not an attempt by the Board to bypass the regulatory review process. It is merely intended as a means by which the Board can keep pace with changes in gaming technology.

Due to the dynamic nature of the industry, new games and new equipment are constantly being brought to market. Because it takes a minimum of six months to promulgate a regulation, use of the technical standards is the only way the Board can develop new standards for these new products in a timely manner.

The technical standards are not intended to be permanent rules. As a technology matures, it is the Board's intention to initiate proposed rulemakings which will bring the applicable technical standards into the body of its regulations. The Board is also examining the possibility incorporating national standards such as those developed by the Gaming Standards Association as an alternative to Pennsylvania specific technical standards.

Technical standards are used extensively in other gaming jurisdictions for the same reason the Board is proposing to use them here, which is to promote rapid approval of new games and equipment. Without technical standards, manufacturers would face long delays before they could offer their products in Pennsylvania and slot machine licensees would not be able to offer the newest games or take advantage of new systems or equipment as quickly as their competitors in other states. In an industry as competitive as gaming, not using technical standards would result in significant loss of revenue to slot machine licensees and the Commonwealth.

For these reasons the Board has retained the references to technical standards in these regulations. However, the Board has added references to specific existing technical standards in several sections to add clarity. Where technical standards have not yet been developed, the Board has added the phrase "and published in the *Pennsylvania Bulletin* and posted on the Board's website." This will insure that the regulated public has access to all of the standards that the Board is using to evaluate new products.

IRRC had concerns with the definitions of the terms "conversion" and "player tracking system." They asked if "conversion" also applied to associated equipment and suggested the last sentence in the definition of "player tracking system" be deleted.

Use of the term "conversion" in the industry is restricted to slot machines only. Accordingly, the definition has not been revised to include associated equipment.

Concerning the definition of "player tracking system" it was not the Board's intent that the last sentence be a substantive provision. It was intended to include both general and individual systems within the scope of the term. Therefore, the definition has been revised to clarify this fact.

Concerning § 461a.3, IRRC suggested that the Board provide more detail on how the costs of testing and approval of slot machines would be calculated.

The Board agrees with this suggestion and has revised subsections (d) and (e) to clarify that the general costs will be billed to manufacturers quarterly based on the proportion of products reviewed and specific costs will be based on the time required to conduct the review of each product.

In § 461a.4, IRRC noted that the term "periodically" which appeared in subsections (e) and (f) is vague and should be deleted.

The Board agrees with IRRC and "periodically" has been deleted in both subsections. Additionally, (f) was revised to require an attestation that the product was properly and completely tested by the manufacturer prior to its submission to the Board.

In § 461a.12(m) IRRC asked what the basis was for the \$1200 threshold.

The \$1200 is the threshold for federal withholding. However, after further consideration, the Board does not believe this provision is needed. Therefore, subsections (m) and (n) have been deleted.

In § 461a.24 IRRC recommended that the procedures for requesting a waiver be included in the regulations.

The Board concurs with this recommendation and has revised this section to address IRRC's concern and to provide greater clarity of the waiver process. Subsection (a) outlines the circumstances where the Board, on its own initiative, may waive

a requirement and subsection (b) outlines how a manufacturer may request a waiver.

In § 461a.25 IRRC suggested that in a dispute over alleged winnings, the patron be given written notice of how they may contact the Board.

The Board agrees with this suggestion and has revised subsection (a) to require the slot machine licensee to provide the patron with a Patron Dispute/Complaint Form and Instructions for Submitting a Patron Dispute/Complaint.

In § 463a.6 IRRC has suggested that this section be deleted because it is the responsibility of the Department of Revenue to establish its reporting requirements.

The Board agrees that the Department of Revenue has authority to establish its own reporting requirements. However, the Board, under its general authority, can also establish reporting requirements. The purpose of this section was simply to require that notice be given to the Department of Revenue and to provide a basis for the Board to initiate an enforcement action against a slot machine licensee who fails to provide this notice. To clarify the Board's intent, this section has been revised accordingly.

IRRC also suggested that the Board add definitions for 27 terms and phrases that are used in these chapters.

Definitions have been added for 21 of these terms. Rather than adding definitions, the terms "promotional program," "progressive rate," "pay table" and "high-boy" have been deleted and replaced with clarifying language. / Additionally, a definition of "double up" is already in § 461a.1, so the Board does not believe a definition of "double up games" is necessary. Similarly, the term "Slot Machine Master List" is described extensively in § 463a.5, so no definition is needed.

Finally, IRRC suggested that the references to temporary regulations be deleted.

The Board discussed this issue with the Legislative Reference Bureau (LRB) prior to the publication of this proposed rulemaking and this is how the LRB has instructed the Board to reference other chapters. The Board will update these citations as permanent regulations are finalized.

Additional Revisions

In addition to the revisions discussed above, the Board has made some additional revisions.

Throughout these chapters, the term "slot accounting department" has been changed to "finance department." "Finance department" is the more commonly used term in the industry for this department.

A new § 461a.26 has been added to address testing and installation of new software on a live gaming floor. Before either of these can occur, the slot machine licensee will be required to provide specific information relating to the testing or software installation at least 72 hours in advance.

In § 463a.1, new subsections (c) and (d) have been added which contain the process the Board will use to accept and review requests to possess slot machines from entities other than slot machine licensees.

Additionally, a new § 463a.7 has been added which establishes provisions governing the off premises storage of slot machines. This section sets forth the process for requesting permission for off premises storage, the information that must be provided to the Board and requires an inspection of the storage location before the Board will act on the request.

Finally, the Board will be renumbering the statement of policy at Chapter 461a Technical Standards, §§ 461a.1 - 461a.5. The current numbering will be changed to Chapter 461b Technical Standards, §§ 461b.1 - 461b.5.

Affected Parties

This final-form rulemaking imposes performance standards that slot machines and associated equipment will have to meet before manufacturers can offer their products for sale and use in Pennsylvania. Suppliers, manufacturer designees and slot machine licensees also will be affected because they can only sell or purchase products that have been tested and approved for use in Pennsylvania.

Fiscal Impact

Commonwealth

Most of the Commonwealth's costs associated with this final-form rulemaking will be incurred by the Board's Gaming Laboratory Operations Bureau which is responsible for testing slot machines and associated equipment and tracking the location and movement of slot machines.

The Department of Revenue will also experience some cost related to the testing of slot machines for compliance and compatibility with the central control computer system.

Law enforcement agencies authorized by the Board to possess slot machines will experience some reporting costs.

Political Subdivisions

This final-form rulemaking will have no significant fiscal impact on political subdivisions of the Commonwealth.

Private Sector

Manufacturers will experience significant costs associated with the testing and approval of their products by the Board. The Board is charging manufacturers based upon the time required for the testing of various types of equipment. Therefore the costs incurred by any individual manufacturer will be a function of the number of products they submit for testing. Costs for the Gaming Laboratory that are not covered by fees will be assessed on all manufacturers as required by 4 Pa.C.S. § 1320(b).

Manufacturers, suppliers, manufacturer designees and slot machine licensees will experience some costs associated with the submission of reports prior to the transportation of slot machines and submission of monthly reports specifying the location and other data for all slot machines in their possession.

Educational institutions and others authorized by the Board to possess slot machines will experience some reporting costs.

General Public

This final-form rulemaking will have no fiscal impact on the general public.

Paperwork requirements

This final-form rulemaking will require manufacturers to provide extensive documentation in the form of operating manuals, wiring diagrams, etc. needed to test their equipment.

Manufacturers, suppliers, manufacturer designees and slot machine licensees will be required to complete and submit reports prior to the transportation of slot machines and will have to submit monthly reports specifying the location and other data for all slot machines in their possession.

Educational institutions and law enforcement agencies authorized to possess slot machines will also have to submit monthly reports specifying the location and other data for all slot machines in their possession.

Effective Date

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

Contact Person

The contact person for questions about this final-form rulemaking is Richard Sandusky, Director of Regulatory Review, 717-214-8111.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on September 27, 2006, the Board submitted a copy of the proposed rulemaking, published at 36 Pa.B. 6517 (October 28, 2006), and a copy of the Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Tourism and Recreational Development Committee and the Senate Committee on Rules and Executive Nominations for review and comment.

Under section 5(c) of the Regulatory Review Act (71 P.S. § 745.5(c)), IRRC and the Committees were provided with copies of the comments received during the public comment period, as well as other documents when requested. In preparing the final-form rulemaking, the Board has considered all comments received from IRRC and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P.S. § 745.5a(j.2)), on **Month, day, year**, the final-form

rulemaking was deemed approved by the House Gaming Oversight Committee and the Senate Committee on Community, Economic and Recreational Development. Under section 5.1(e) of the Regulatory Review Act (71 P.S. § 745.5a(e)) IRRC met on **Month, day, year** and approved the final-form rulemaking.

Findings

The Board finds that:

- (1) Public notice of intention to adopt these chapters was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201 and 1202) and the regulations thereunder, 1 Pa. Code §§ 7.1 and 7.2.
- (2) The final-form rulemaking is necessary and appropriate for the administration and enforcement of the Pennsylvania Race Horse Development and Gaming Act, as amended (4 Pa.C.S. §§ 1101 - 1904).

Order

The Board, acting under the Pennsylvania Race Horse Development and Gaming Act (4 Pa.C.S. §§ 1101 - 1904), orders that:

- (a) The regulations of the Board, 58 Pa. Code Part VII, are amended by deleting Chapters 461 and 463 and adding Chapters 461a and 463a to read as set forth in Annex A.
- (b) The statement of policy at Chapter 461a Technical Standards, §§ 461a.1 - 461a.5 be renumbered as Chapter 461b Technical Standards, §§ 461b.1 - 461b.5.
- (c) The Chairperson of the Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (d) This order shall take effect upon publication in the *Pennsylvania Bulletin*.

THOMAS A. DECKER,
Chairperson

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.
- § 461a.2. Protocol requirements.
- § 461a.3. Testing and approval generally.
- § 461a.4. Submission for testing and approval.
- § 461a 5. Slot machine conversions.
- § 461a.6. Revocations and additional conditions.
- § 461a.7. Slot machine minimum design standards.
- § 461a.8. Gaming vouchers.
- § 461a.9. Coupons.
- § 461a.10. Automated gaming voucher and coupon redemption machines.
- § 461a.11. Automated gaming voucher and coupon redemption machines: accounting controls.
- § 461a.12. Progressive slot machines.
- § 461a.13. Wide area progressive systems.
- § 461a.14. Slot monitoring systems.
- § 461a.15. Casino management systems.
- § 461a.16. Player tracking systems.
- § 461a.17. External bonusing systems.

- § 461a.18. Cashless funds transfer systems.
- § 461a.19. Remote system access.
- § 461a.20. Server supported slot systems.
- § 461a.21. Server based slot systems.
- § 461a.22. Automated jackpot payout machines.
- § 461a.23. Slot machines and associated equipment utilizing alterable storage media.
- § 461a.24. Waivers.
- § 461a.25. Disputes.
- § 461a.26. Testing and software installation on the live gaming floor.

CHAPTER 463a. POSSESSION OF SLOT MACHINES

- § 463a.1. Possession of slot machines generally.
 - § 463a.2. Transportation of slot machines into, within, and out of this Commonwealth.
 - § 463a.3. Slot machine location.
 - § 463a.4. Connection to the central control computer system.
 - § 463a.5. Slot machine master list.
 - § 463a.6. Notice to central control computer system.
 - § 463a.7. Off premises storage of slot machines.
- § 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 by a slot machine licensee for the purpose of tracking the slot machine while owned by the slot machine licensee.

Automated jackpot payout machine - The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of a jackpot that is not totally and automatically paid directly from a slot machine.

Bonus award - An award of cash or credits to a randomly selected player that is not generated by the slot machine.

Cashless funds transfer system - The collective hardware, software, communications technology and other ancillary equipment used to facilitate the electronic transfer of cashable or noncashable credits to a patron at a slot machine [in connection with a promotional program].

Casino management system - The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, report and audit data with regard to activity at slot machines, inclusive of slot machine level accounting transactions, player tracking and productivity analysis.

Common carrier - An entity that transports persons or goods, and offers its services to the general public.

Conversion - A change or alteration to a slot machine that does not affect the manner or mode of play or operation of the slot machine.

Coupon - An instrument issued by a slot machine licensee under which cashable or noncashable slot machine credits are provided directly or indirectly to a patron with or without regard to the identity of the patron or their level of gaming activity.

Coupon system - The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of coupons, the acceptance of a coupon by a slot machine or its redemption at an automated coupon redemption machine, cashiers' cage or other locations[, and in an alternative manner approved by the Board].

Currency cassette - A container that holds banknotes that are available for dispensing.

Double-up - An optional wager on a slot machine in which the player has a mathematically equal probability of winning or losing the wager.

Educational institution - A facility that teaches and certifies students in slot machine design, operation, repair or servicing.

External bonusing system - The collective hardware, software, communications technology and other ancillary equipment used in

conjunction with slot machines to deliver randomly selected player incentives (bonus awards) to active slot machine players and to effect the accurate metering of the bonus award event on the slot machine.

Finance department - The department that is responsible for the management of the financial and accounting activities relating to slot machines being utilized on an approved gaming floor.

Gaming day - A period of time not to exceed 24 hours corresponding to the beginning and ending times of gaming activities for the purpose of accounting reports and determination by the central control computer system of gross terminal revenue.

Gaming voucher - An instrument that upon insertion into a slot machine bill validator entitles the patron inserting the gaming voucher to cashable or noncashable credits on a slot machine corresponding to the value printed on the gaming voucher.

Gaming voucher system - The collective hardware, software, communications technology, and other ancillary equipment used to facilitate the issuance of gaming vouchers and the redemption of gaming vouchers by slot machines, automated gaming voucher redemption machines, the cashiers' cage or in other locations[, and in alternative manners, as approved by the Board].

Hand pay - The payment of credits that are not totally and automatically paid directly from a slot machine.

Manufacturer's par sheet - A document supplied by the manufacturer that shows payable information including, but not limited to, theoretical payout percentage, winning combinations, awards, and reel strips.

Modification - A change or alteration in a slot machine or associated equipment that affects the manner or mode of play or operation of the slot machine or associated equipment.

(i) The term includes a change to control or graphics programs and to the theoretical hold percentage.

(ii) In the case of slot machines, the term does not include:

(A) A conversion.

(B) Replacement of one approved component with an identical component.

(iii) In the case of a wide area progressive system, the term includes a change in:

(A) A system name or theme.

(B) The odds to win the progressive payout.

(C) The reset amount.

(D) The [progressive] rate at which a progressive award increases.

(E) The wager necessary to win the progressive payout.

Paytables - A selectable part of a slot machine program that contains slot machine characteristics including, but not limited to, the theoretical payback percentage, reel strips and awards.

Player tracking system - The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, authorize, report and audit data with regard to player activity generally or on an individual basis at slot machines. [Player activity may be tracked generally or on an individual player basis].

Progressive awards - The award to be paid out when the event in the progressive game that triggered the award occurs.

Progressive payout - A slot machine payout that increases in a monetary amount based on the amounts wagered in a progressive system.

Pseudo random number generator - Software, hardware or both, that ensures the randomness of slot machine outcomes.

Randomness - The observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

Reel strips - components of a slot machine which display symbols.

Related systems - systems which interface with slot machines or slot monitoring systems.

Remote system access - Connectivity to casino systems from outside the slot machine licensee's network.

Reset amount - the award value that a progressive award will revert to after the progressive award is paid out.

Skill - The application of intelligence and specific knowledge to achieve the best result when a slot machine offers a choice of options during game play.

Slot Lab - The Bureau of Gaming Laboratory Operations [Bureau] of the Board.

Slot machine bill validator - A component, made up of software and hardware that accepts and reads instruments such bills, vouchers and coupons, into gaming devices such as slot machines and automated gaming voucher and coupon redemption machines.

Slot monitoring system - The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, authorize, report and audit data with regard to activity at slot machines, inclusive of slot machine meter readings, error conditions, slot machine security, accounting, player tracking and productivity analysis.

Slot operations department - The department that is responsible for all operations in any area of the licensed facility where slot machines are kept.

Slot System Operator - A person or persons designated in a slot system agreement as being responsible for the operation and administration of a wide area progressive system.

Strategy choice - A particular play option on a slot machine that requires the use of skill to consistently achieve the best result.

Theme - A concept, subject matter and methodology of design of a slot machine.

Theoretical payout percentage - The 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.

Wager - Placing at risk in a slot machine a coin, bill, ticket, gaming voucher, coupon, or similar object or, upon payment of any consideration, including the use of cashless funds transfer systems and external bonusing systems.

Wide area progressive system - Linked progressive slot machines which are located at two or more licensed facilities.

§ 461a.2. Protocol requirements.

In accordance with section 1324 of the act (relating to protocol information), manufacturer licensees, **manufacturer designee licensees** and supplier licensees shall be required to enable all slot machines to communicate with the Department's central control computer for the purpose of transmitting

auditing program information and activating and disabling slot machines.

§ 461a.3. Testing and approval generally.

(a) In accordance with section 1320 of the act (relating to slot machine testing and certification standards), the Board will determine the manner and scope in which slot machines and **associated equipment** are to be tested and approved prior to operation and use in a licensed facility in this Commonwealth.

(b) Slot machines and **associated equipment** operated in this Commonwealth must be approved by the Board.

(c) The Board has the authority to require one or more of the following procedures:

(1) An abbreviated testing and approval process in accordance with § 461a.4(g) (relating to submission for testing and approval).

(2) Testing and approval in accordance with § 461a.4(i).

(3) Utilize the services of a Board-approved private slot machine testing facility to conduct the testing until a slot machine testing facility is established by the Board.

(d) [On or before July 5, 2007, the Board will establish and maintain an independent slot machine testing facility.] The **general** cost of establishment and operation of the **Board's testing** facility shall be paid by each manufacturer licensee [in

accordance with a schedule adopted by the Board] on a quarterly basis based upon each manufacturer's proportion of the total number of products reviewed.

(e) The Board will require payment of all costs for the testing and approval of slot machines and associated equipment [in accordance with a schedule adopted by the Board] submitted by manufacturers or installed at a licensed facility based on the actual direct costs incurred by the Board.

(f) The Board will require a manufacturer licensee seeking approval of a slot machine or associated equipment to pay all costs of transportation, inspection and testing.

§ 461a.4. Submission for testing and approval.

(a) A slot machine or associated equipment identified in subsection (c) (collectively referred to as "products" or "equipment, device or software"), or a modification thereto, may not be offered for sale, lease or distribution for ultimate use by a slot machine licensee in this Commonwealth unless a prototype identical in all mechanical, electrical, electronic and other respects has been tested and approved by the Board.

(b) When an applicant for, or holder of, a slot machine license develops software or a system that is functionally equivalent to any of the slot systems enumerated in subsection (c), that software or system shall be subject to the testing and approval process of this subpart to the same extent as if the

software or system were developed by an applicant for, or holder of, a manufacturer license. Any reference in this subpart to the responsibilities of a manufacturer applies to an applicant for, or holder of, a slot machine license developing software or systems subject to testing and approval under this subpart.

(c) For the purposes of this section, slot machines and associated equipment that shall be submitted for testing and Board approval include:

- (1) Slot machines, including bill validators and printers.
- (2) Slot monitoring systems, to the extent the systems interface with slot machines and related systems.
- (3) Casino management systems, to the extent the systems interface with slot machines and related systems.
- (4) Player tracking systems, to the extent the systems interface with slot machines and related systems.
- (5) Progressive systems, including wide area progressive systems.
- (6) Gaming voucher systems.
- (7) External bonusing systems.
- (8) Cashless funds transfer systems.
- (9) Machines performing gaming voucher, coupon or jackpot payout transactions.

(10) Coupon systems, to the extent the systems interface with slot machines and related systems.

(11) Other [associated equipment specifically identified by the Board] **related systems.**

(d) Slot machine prototypes and associated equipment prototypes, and any modifications thereto, which are subject to testing and approval under this section will be evaluated by the Board for overall operational integrity and compliance with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website. In addition, with regard to any slot machine, or modification thereto, the Board will test for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines.

(e) The Board may [periodically] prescribe a standard product submission checklist, together with supplemental product specific submission checklists for completion by an applicant for, or holder of, a manufacturer license, to facilitate the examination and analysis of a prototype or modification.

(f) The Board may [periodically prescribe certification requirements, to be executed by] **require** the chief engineer of the applicant for, or holder of, a manufacturer license or the engineer in charge of the division of the manufacturer responsible for producing the product submitted[, unless otherwise noted, to obtain sufficient assurances from the manufacturer] **to attest** that the product was properly and completely tested by the manufacturer prior to its submission to the Board.

(g) Notwithstanding the terms of subsection (d), the Board may utilize an abbreviated testing and approval process in accordance with section 1320 of the act (relating to slot machine testing and certification standards).

(h) When an applicant for, or holder of, a manufacturer license seeks to utilize, during the applicable period, the abbreviated testing and approval process for a slot machine prototype, associated equipment prototype or any modification thereto, it shall submit to the Slot Lab the following:

(1) A prototype of the equipment, device or software accompanied by a written request for abbreviated testing and approval which identifies the jurisdiction within the United States upon which the applicant for, or holder of, a manufacturer license proposes the Board rely ("named jurisdiction"). The manufacturer shall transport the equipment

device or software at its own expense and shall deliver it to the offices of the Slot Lab.

(2) A certification executed by the chief engineer of the applicant for, or holder of, a manufacturer license or the engineer in charge of the division of the manufacturer responsible for producing the equipment, device or software submitted ("professional") asserting that:

(i) The specific prototype or modification is identical in all mechanical, electrical, electronic and other respects to one which has been tested and approved by the testing facility operated by the named jurisdiction or a private testing facility on behalf of the named jurisdiction.

(ii) The manufacturer is licensed and in good standing in the named jurisdiction and that the subject product has all regulatory approvals prerequisite to sale or distribution in the named jurisdiction.

(iii) In the professional's opinion, the testing standards of the named jurisdiction are comprehensive and thorough and provide similar adequate safeguards as those required by this subpart.

(iv) In the professional's opinion, the equipment, device or software complies with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's

website including requirements related to the central control computer.

(3) An executed copy of a current product submission checklist, and any product specific supplemental submission checklists applicable to the submitted equipment, device or software unless a substantially similar checklist was filed with the named jurisdiction and is included in the submission package required by paragraph (4).

(4) Copies of the submission package, and any amendments thereto, filed with the named jurisdiction, copies of any correspondence, review letters or approvals issued by the testing facility operated by the named jurisdiction or a private testing facility on behalf of the named jurisdiction and, as applicable, a copy of the final regulatory approval issued by the named jurisdiction.

(5) A disclosure that lists any conditions or limitations placed by the named jurisdiction on the operation or placement of the equipment, device or software at the time of approval or subsequently thereafter.

(6) A complete, comprehensive and technically accurate description of the manner in which the slot machine was tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control

computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines.

(7) Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Slot Lab to conduct the abbreviated testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(8) Additional documentation requested by the Board which is necessary to evaluate the slot machine, associated equipment or modification thereto.

(i) When an applicant for, or holder of, a manufacturer license seeks Board approval of a slot machine prototype, associated equipment prototype, or any modification thereto for which the abbreviated testing process in subsection (g) is not applicable, it shall submit to the Slot Lab the following:

(1) A prototype of the equipment, device or software accompanied by a written request for testing and approval. The manufacturer shall transport the equipment, device or software at its own expense and deliver it to the offices of the Board's Slot Lab in accordance with instructions provided.

(2) Certifications required under subsection (f) providing assurances from the manufacturer that the product was properly and completely tested and emulated by the manufacturer prior to its submission to the Board and that the product, device or software complies with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website, including applicable requirements related to the central control computer.

(3) An executed copy of a current product submission checklist, and any product specific supplemental submission checklists applicable to the submitted equipment, device or software.

(4) A complete, comprehensive and technically accurate description of the equipment, device or software, accompanied by applicable diagrams, schematics and specifications, together with documentation with regard to the manner in which the product was tested and emulated by the manufacturer prior to its submission to the Board.

(5) Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Slot Lab to conduct the testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board and published in the

Pennsylvania Bulletin and posted on the Board's website. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(6) In the case of a slot machine prototype the following additional information:

(i) A copy of all executable software, including data and graphics information, on electronically readable, unalterable media.

(ii) A copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a slot machine, on electronically readable, unalterable media.

(iii) A copy of all graphical images displayed on the slot machine including reel strips, rules, instructions and paytables.

(iv) A mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, where a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(v) Hardware block diagrams of the major subsystems.

(vi) A complete set of schematics for all subsystems.

(vii) A wiring harness connection diagram.

(viii) A technical and an operator manual.

(ix) A description of security methodologies incorporated into the design of the slot machine including, when applicable, encryption methodology for all alterable media, auto-authentication of software and recovery capability of the slot machine for power interruption.

(x) For meters required by this subpart or technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website, a cross reference of product meters to the required meters, if necessary.

(xi) A description of tower light functions indicating the corresponding condition.

(xii) A description of error conditions and the corresponding action required by the operator.

(xiii) A description of the use and function of available dip switch settings or configurable options.

(xiv) A description of the pseudo random number generator or generators used to determine game outcome, including a detailed explanation of operational methodology, and a description of the manner by which the pseudo random number generator and random number selection process is impervious to outside influences, interference from electro-magnetic,

electrostatic, and radio frequencies, and influence from ancillary equipment via data communications. Test results in support of representations shall be submitted. For the purposes of this section, "game outcome" means the results of a wager.

(xv) Specialized hardware, software or testing equipment, inclusive of technical support and maintenance, needed to complete the evaluation, which may include an emulator for a specified microprocessor, PCs, extender cables for CPU boards, target reel strips and door defeats. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xvi) A compiler, or reasonable access to a compiler, for the purpose of building applicable code modules.

(xvii) Program storage media including eproms, eeproms, and any type of alterable media for slot machine software.

(xviii) Technical specifications for any microprocessor or microcontroller.

(xix) A complete, comprehensive and technically accurate description of the manner in which the slot machine was tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program

information, real time information retrieval and activation and disabling of slot machines.

(xx) Additional documentation requested by the Board relating to the slot machine.

(7) In the case of a modification to a slot machine prototype, including a change in theme, the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the slot machine prototype, accompanied by applicable diagrams, schematics and specifications.

(ii) When a change in theme is involved, a copy of the graphical images displayed on the slot machine including reel strips, rules, instructions and paytables.

(iii) When a change in the manner in which the theoretical payout percentage is achieved is involved, a mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, where a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(iv) A complete, comprehensive and technically accurate description of the manner in which the slot machine was

tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines.

(v) Additional documentation requested by the Board relating to the modification of the slot machine.

(8) In the case of a slot monitoring system, casino management system, player tracking system, wide area progressive system, gaming voucher system, external bonusing system, cashless funds transfer system, automated gaming voucher, coupon redemption or jackpot payout machine, coupon system or any other equipment or system required to be tested and approved under subsection (c):

(i) A technical and an operator manual.

(ii) A description of security methodologies incorporated into the design of the system to include, when applicable, password protection, encryption methodology and its application, auto-authentication, network redundancy, back-up and recovery procedures.

(iii) A complete schematic or network diagram of the system's major components accompanied by a description of each component's functionality and a software object report.

The description must disclose the functions performed by each component.

(iv) A description of the data flow, in narrative and in schematic form, including specifics with regard to data cabling and, when appropriate, communications methodology for multi-site applications.

(v) A list of computer operating systems and third party software incorporated into the system together with a description of their interoperability.

(vi) System software and hardware installation procedures.

(vii) A list of available system reports.

(viii) When applicable, features for each system which may include patron and employee card functions, promotions, reconciliation procedures and patron services.

(ix) A description of the interoperability testing including test results for each submitted system's connection to, as applicable, slot machines, voucher, coupon redemption and jackpot payout machines, computerized systems for counting money, vouchers and coupons. This list must identify the tested products by manufacturer, model and software identification and version number.

(x) A narrative describing the method used to authenticate software.

(xi) [When requested by the Board, a] All source code.

(xii) [When applicable, a] A complete, comprehensive and accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a voucher and the redemption options available.

(xiii) [When applicable, a] A complete, comprehensive and technically accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a coupon and the redemption options available.

(xiv) Any specialized hardware, software or other equipment, inclusive of technical support and maintenance applicable thereto, required by the Slot Lab to conduct the testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xv) Additional documentation requested by the Board related to the equipment or system being tested.

(9) In the case of a modification to any of the systems identified in paragraph (8), the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the system, accompanied by applicable diagrams, schematics and specifications.

(ii) A brief narrative disclosing the purpose for the modification.

(iii) Additional documentation requested by the Board relating to the modification.

(j) At the conclusion of testing of a prototype or modification by the Slot Lab, but prior to a decision to approve a prototype or modification, the Board may require a trial period of scope and duration as it deems appropriate to assess the operation of the prototype or modification in a live gaming environment. The conduct of the trial period shall be subject to compliance by the licensed manufacturer, **licensed manufacturer designee**, applicable licensed suppliers, and the slot machine licensee with specific terms and conditions as may be required by the Board, which may include development and implementation of product specific accounting and internal controls, periodic data reporting to the Board and compliance with technical standards on trial periods or the prototype or modification adopted by the Board and **published in the Pennsylvania Bulletin and posted on the Board's website**. The Board may authorize the receipt of compensation by a licensed manufacturer, **licensed**

manufacturer designee or licensed supplier during the trial period. The Board may order termination of the trial period if it determines that the licensed manufacturer, **licensed manufacturer designee**, applicable licensed suppliers or the slot machine licensee conducting the trial period has not complied with the terms and conditions required by the Board or that the product is not performing as expected.

(k) At the conclusion of testing of a prototype or modification, the Slot Lab will report to the Board the results of its testing. Upon receipt of the Slot Lab's report, the Board will:

(1) Approve, approve with conditions or reject the submitted prototype or modification.

(2) Require additional testing or a trial period under subsection (j).

(1) Board approval of a prototype or modification does not constitute a guarantee of the prototype or modification's safety.

(m) A slot machine licensee is prohibited from installing in its licensed facility a slot machine or associated equipment, or modification thereto, required to be tested and approved under subsection (c) unless the equipment, device or software has been approved by the Board. A slot machine licensee may not modify, alter or tamper with an approved slot machine or

associated equipment. A slot machine or associated equipment installed in a licensed facility in contravention of this requirement will be subject to seizure by the Board.

(n) Notwithstanding subsection (m), the Board may authorize installation of a modification to a slot machine prototype or associated equipment prototype on an emergency basis to prevent cheating or malfunction, upon the written request of a licensed manufacturer [in the manner prescribed by the Board]. The request must expressly detail the name and employer of any persons to be involved in the installation of the modification and the manner in which it is to be effected. Within 15 days of receipt of any authorization to install an emergency modification, the manufacturer shall submit the modification for full testing and approval in accordance with this subpart.

(o) A slot machine licensee shall immediately notify the Board[, in a manner and form the Board prescribes,] of any known or suspected defect or malfunction in any slot machine or associated equipment installed in its licensed facility. The slot machine licensee shall comply with any instructions issued by the Board with regard to the continued operation of the slot machine or associated equipment.

(p) Concurrent with the initial receipt of slot machines, an applicant for, or holder of, a slot machine license shall

file a slot machine master list as required by § 463a.5

(relating to slot machine master list).

(q) The testing of equipment, devices or software under this subpart may require the dismantling of the product and testing that may result in damage to, or destruction of, one or more systems or components. Once submitted for testing, equipment, devices or software will not be returned to the manufacturer [unless otherwise determined by the Board].

§ 461a.5. Slot machine conversions.

A slot machine licensee shall:

(1) Maintain complete and accurate records of all conversions.

(2) Give prior notice of a slot machine conversion to the Slot Lab in writing [in the manner prescribed by the Board].

(3) Notice the Department in accordance with § 463a.6 (relating to notice to central control computer system).

§ 461a.6. Revocations and additional conditions.

The Board may revoke the approval of or impose additional conditions on a slot machine prototype, associated equipment prototype, or modification thereto, if the equipment, device or software meets either of the following criteria:

(1) The equipment, device or software is not in compliance with the act, this subpart or technical standards

adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(2) The slot machine, or modification thereto, is not compatible with, or compliant with the central control computer and protocol specifications approved by the Department or is unable to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines.

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

(a) A slot machine may not be set to pay out less than the theoretical payout percentage, which may not be less than 85% or equal or exceed 100%. The theoretical payout percentage for the total value of slot machine wagers will be calculated using the following:

(1) The defined set of all symbols that will be displayed using spinning reels or video displays or both.

(2) The finite set of all possible combinations which shall be known as the cycle of the game. All possible combinations in a slot machine cycle shall be independent of each other and of all possible combinations from cycles in other slot machines.

(3) The value of each winning combination that corresponds with the set from paragraph (2) which, whether by

reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing the slot machine to a jackpot.

(4) A payout of merchandise or anything of value provided a cash equivalent award for the merchandise is offered. The value of the cash equivalent will contribute to the calculation of the theoretical payout percentage.

(5) A payout in the form of an annuity will contribute to the calculation of the theoretical payout percentage by dividing the initial or reset amount of the jackpot payout by the number of years over which the jackpot will be paid.

(6) The odds of any winning combination may not exceed 50 million to 1.

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

(1) The amount of any progressive jackpot in excess of the initial or reset amount.

(2) A cash or noncash complimentary issued under to § 465.8 (relating to complimentary services or items).

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

(c) A play offered by a slot machine may not have a theoretical payout percentage which is less than, when calculated to one hundredth of a percentage point, the

theoretical payout percentage for any other play offered by that slot machine which is activated by a slot machine wager in a lesser amount than the slot machine wager required for that play. Notwithstanding the foregoing, the theoretical payout percentage of one or more particular plays may be less than the theoretical payout percentage of one or more plays which require a lesser wager provided that:

(1) The aggregate total of the decreases in the theoretical payout percentage for plays offered by the slot machine is not more than 1/2 of 1%.

(2) The theoretical payout percentage for every play offered by the slot machine is equal to or greater than the theoretical payout percentage for the play that requires the lowest possible wager that will activate the slot machine.

(d) In addition to the requirements of subsections (a), (b) and (c), the volatility of a slot machine must verify that the theoretical payout percentage equals or exceeds the minimum payout requirement of 85% within 10 million plays. The criteria used to calculate the volatility must be in accordance with technical standards applicable to volatility under § 461b.1 (relating to slot machine minimum design standards) [adopted by the Board].

(e) The selection from the set of all possible combinations of symbols shall be made applying a pseudo random number

generator. At a minimum, a pseudo random number generator must adhere to the following criteria:

(1) The random selection process must meet a 95% confidence interval.

(2) [As determined by the Board, a] A random number generator must pass a standard chi-squared test for goodness of fit.

(3) Each possible slot machine combination which produces winning or losing slot machine outcomes must be available for random selection at the initiation of each play.

(4) A slot machine payout percentage that may be affected by reason of skill must meet the theoretical payout requirements of this subpart when evaluated by the Board using a method of play that will provide the greatest return to the player.

(5) Once a random selection process has occurred, the slot machine must:

(i) Display an accurate representation of the randomly selected outcome.

(ii) Not make a secondary decision which affects the result shown to the person playing the slot machine.

(f) A slot machine is prohibited from automatically altering any function of the slot machine based on internal computation of the hold percentage.

(g) The available winning combinations and applicable rules of play for a slot machine shall be available at all times the slot machine is idle to the patron playing the slot machine. The award schedule of available winning combinations may not include possible aggregate awards achievable from free plays. A slot machine that includes a strategy choice must provide mathematically sufficient information for a patron to use optimal skill. Information regarding a strategy choice need not be made available for any strategy decisions whenever the patron is not required, in addition to the initial wager, to make an additional wager and, where as a result of playing a strategy choice, the patron can not lose any credits earned thus far during that game play.

(h) Slot machines approved for use in a licensed facility must be equipped with the following meters that comply with the technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website:

(1) *Coin in*. A meter that accumulates the total value of all wagers, whether the wager results from the insertion of currency, gaming vouchers, coupons, downloaded credits, credits won or any other means. This meter must:

(i) Not include subsequent wagers of intermediate winnings accumulated during game play sequence such as those acquired from "double up" games.

(ii) For multi-game and multi-denomination/multigame slot machines, monitor the information necessary, on a per [pay table] **paytable** basis, to calculate a weighted average actual payout percentage.

(2) *Coin out.* A meter that accumulates the total value of all amounts directly paid by the slot machine as a result of winning wagers, whether the payout is made directly from the printer by issuance of a gaming voucher, directly to a credit meter or by any other means. This meter may not record amounts awarded as the result of an external bonusing system or a progressive payout.

(3) *Attendant paid jackpots.* A meter that accumulates the total value of credits paid by an attendant resulting from a single winning alignment or combination, the amount of which is not capable of being paid by the slot machine itself. This meter may not record amounts awarded as the result of an external bonusing system or a progressive payout. This meter is to record only amounts specifically listed in the manufacturer's par sheet.

(4) *Attendant paid cancelled credits.* A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the slot machine.

(5) *Bill in*. A meter that accumulates the total value of currency accepted. The slot machine must also have a specific meter for each denomination of currency accepted that records the number of bills accepted for each denomination.

(6) *Voucher in - cashable/value*. A meter that accumulates the total value of all cashable gaming vouchers accepted by the slot machine.

(7) *Voucher in - cashable/count*. A meter that accumulates the total number of cashable gaming vouchers accepted by a slot machine.

(8) *Voucher out - cashable/value*. A meter that accumulates the total value of all cashable gaming vouchers issued by the slot machine.

(9) *Voucher out - cashable/count*. A meter that records the total number of all cashable gaming vouchers issued by a slot machine.

(10) *Voucher out - noncashable/value*. A meter that accumulates the total value of all noncashable gaming vouchers issued by the slot machine.

(11) *Voucher out - noncashable/count*. A meter that records the total number of all noncashable gaming vouchers issued by the slot machine.

(12) *Cashable electronic in*. A meter that accumulates the total value of cashable credits electronically transferred

to the slot machine by means of an external connection between the slot machine and a cashless funds transfer system.

(13) *Noncashable electronic in.* A meter that accumulates the total value of noncashable credits electronically transferred to the slot machine by means of an external connection between the slot machine and a cashless funds transfer system.

(14) *Coupon in - cashable/value.* A meter that accumulates the total value of all cashable coupons accepted by the slot machine.

(15) *Coupon in - cashable/count.* A meter that accumulates the total number of all cashable coupons accepted by the slot machine.

(16) *Coupon in - noncashable/value.* A meter that accumulates the total value of all noncashable coupons accepted by the slot machine.

(17) *Coupon in - noncashable/count.* A meter that accumulates the total number of noncashable coupons accepted by the slot machine.

(18) *Slot machine paid external bonus payout.* A meter that accumulates the total value of additional amounts awarded as a result of an external bonusing system and paid by the slot machine.

(19) *Attendant paid external bonus payout.* A meter that accumulates the total value of additional amounts awarded as a result of an external bonusing system and paid by a slot attendant.

(20) *Slot machine paid progressive payout.* A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the slot machine. This meter may not record awards paid as a result of an external bonusing system.

(21) *Attendant paid progressive payout.* A meter that accumulates the total value of credits paid by a slot attendant as a result of progressive awards that are not capable of being paid by the slot machine. This meter may not include awards paid as a result of an external bonusing system.

(22) *Additional requirements.* Other meters required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(i) A slot machine that does not meter one or more of the events required to be metered under subsection (h) may be approved where a slot machine licensee's system of internal controls establishes that the meter is not required to capture all critical transactions occurring on the slot machine.

(j) The meters required under subsection (h) must continuously and automatically increment in units equal to the

denomination of the slot machine or, in the case of a slot machine configured for multi-denomination play, must display the required information in dollars and cents.

(k) A slot machine approved for use in a licensed facility must be equipped with the following noncumulative meters:

(1) *Credits wagered*. A meter, visible from the front exterior of a slot machine, known as a credit wagered meter that advises the patron of the total value of amounts wagered in a particular game or round of slot play.

(2) *Win meter*. A meter, visible from the front exterior of the slot machine, known as a win meter that advises the patron of the total value of amounts won in the immediately concluded game or round of slot play.

(3) *Credits paid*. A meter, visible from the front exterior of the slot machine, known as a credits paid meter that advises the patron of the total value of the last:

(i) Cash out initiated by the patron.

(ii) Attendant paid jackpot.

(iii) Attendant paid cancelled credit.

(4) *Credit meter*. A meter, visible from the front exterior of the slot machine and specifically labeled as a credit meter, which advises the patron as to the number of credits or monetary value available for wagering on the slot

machine. The credit meter need not distinguish between cashable credits and noncashable credits.

(l) A slot machine must have a meter which stores the number of games played, in the manner and for a duration specified in this subpart or in technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website, since the following events:

(1) Power reset.

(2) Door close.

(3) Game initialization (random access memory (RAM) clear).

(m) A slot machine must be equipped with a device, mechanism or method for retaining the total value of all meters required under subsection (h) for a period of 72 hours subsequent to a power loss.

(n) The required meters on a slot machine must be accessible and legible without access to the interior of the slot machine.

(o) A slot machine must be equipped with a tower light capable of effectively communicating the status of the slot machine in accordance with technical standards on tower lights and error conditions under § 461b.2 (relating to slot machine tower lights and error conditions) [adopted by the Board].

(p) A slot machine must be equipped with a device, mechanism or method for detecting, displaying and communicating to a slot monitoring system error conditions. The error conditions detected, displayed and communicated by a slot machine, and the method to be utilized to clear the message with regard to the error condition, must be in accordance with technical standards on tower lights and error conditions **under § 461b.2** [adopted by the Board].

(q) A slot machine must, in accordance with section 1324 of the act (relating to protocol information), comply with the comprehensive protocol specifications necessary to enable the slot machine to communicate with the Department's central control computer as that protocol is amended or supplemented, for the purpose of transmitting auditing program information, real time information retrieval and slot machine activation and disabling.

(r) A slot machine must lock up and preclude further play whenever a jackpot occurs that is not able to be paid completely by the slot machine and requires a hand pay. When the jackpot occurs, the slot machine can offer a predetermined number of double-up wagers before the slot machine locks up.

(s) Printers incorporated into a slot machine must be:

(1) Designed to allow the slot machine to detect and report a low paper level, paper out, presentation error, printer

failure and paper jams.

(2) Mounted inside a lockable compartment within the slot machine.

(t) Seating made available by a slot machine licensee for use during slot play must be fixed and stationary in nature. Slot seating must be installed in a manner that effectively precludes its ready removal by a patron but permits controlled removal, for example for American With Disabilities Act of 1990 (ADA) (42 U.S.C.A. §§ 12101 - 12213) purposes, by slot operations department personnel.

(u) Unless a slot machine licensee's slot monitoring system is configured to automatically record all of the information required by this subsection, the slot machine licensee shall be required to physically house in each slot machine the following entry authorization logs:

(1) A machine entry authorization log that documents each time a slot machine or any device connected thereto which may affect the operation of the slot machine is opened. The log must contain, at a minimum, the date, time, purpose for opening the slot machine or device and the signature and license or permit number of the person opening and entering the slot machine or device. Each log must have recorded thereon a sequence number and the manufacturer's serial number or the

asset number corresponding to the slot machine in which it is housed.

(2) A progressive entry authorization log that documents each time a progressive controller not housed within the cabinet of the slot machine is opened. The log must contain, at a minimum, the date, time, purpose for accessing the progressive controller and the signature and license or permit number of the person accessing the progressive controller. Each log must be maintained in the progressive controller unit and have recorded thereon a sequence number and the manufacturer's serial number of the progressive controller.

(v) A slot machine must be equipped with a lock controlling access to the card cage door securing the microprocessor, the key to which must be different from any other key securing access to the slot machine's components including its belly door or main door, bill validator or slot cash storage box. Access to the key securing the microprocessor shall be limited to a supervisor in the slot operations department, which department shall establish a sign out and sign in procedure with regard to this key.

(w) A slot machine must be equipped with a mechanism for detecting and communicating to a slot monitoring system any activity with regard to access to the card cage door securing its microprocessor.

§ 461a.8. Gaming vouchers.

(a) A slot machine licensee may utilize gaming vouchers and a gaming voucher system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) The design specifications for a gaming voucher, the expiration terms applicable thereto, the voucher verification methodologies utilized, and any limitation on the value of a gaming voucher must be in compliance with technical standards on gaming vouchers under § 461b.3 (relating to gaming vouchers) [adopted by the Board].

(c) The design specifications for a gaming voucher system must be in compliance with technical standards on gaming voucher systems under § 461b.3 [adopted by the Board].

(d) Prior to issuing a gaming voucher, a slot machine licensee shall establish a system of internal controls for the issuance and redemption of gaming vouchers. The internal controls shall be submitted and approved by the Board under § 465.3 (relating to internal control systems and audit protocols) and address:

(1) Procedures for assigning a slot machine's asset number and identifying other redemption locations in the system, and enabling and disabling voucher capabilities for slot machines and redemption locations.

(2) Procedures for issuance, modification, and termination of a unique system account for each user in accordance with technical standards under § 461b.3 [adopted by the Board].

(3) Procedures used to configure and maintain user passwords in accordance with technical standards under § 461b.3 [adopted by the Board].

(4) Procedures for restricting special rights and privileges, such as administrator and override capabilities, in accordance with technical standards under § 461b.3 [adopted by the Board].

(5) The duties and responsibilities of the information technology, internal audit, slot operations and [slot accounting] finance departments, respectively, and the level of access for each position with regard to the gaming voucher system.

(6) A description of physical controls on all critical hardware such as locks and surveillance, including the location and security protocols applicable to each piece of equipment [as approved by the Board].

(7) Procedures for the backup and timely recovery of critical data in accordance with technical standards under § 461b.3 [adopted by the Board].

(8) Logs used to document and maintain the details of Board-approved hardware and software modifications upon implementation.

(e) The system of internal controls required to be submitted and approved by the Board under subsection (d) must also include the procedures to be applied in the following instances:

(1) The slot machine licensee chooses to pay a patron the value of a gaming voucher notwithstanding the fact that the gaming voucher system is inoperable rendering it unable to determine the validity of the gaming voucher at the time of payment.

(2) The slot machine licensee chooses to pay a patron the value of a gaming voucher notwithstanding the fact that the gaming voucher system failed to verify and electronically cancel the gaming voucher when it was scanned.

(f) At the end of each gaming day, the gaming voucher system must generate reports[, as approved by the Board,] which reports are provided to the [slot accounting] **finance** department, either directly by the system or through the information technology department, and which, at a minimum, contain the following information:

(1) A report of all gaming vouchers that have been issued which includes the asset number and the serial number of

the slot machine, and the value, date and time of issuance of each gaming voucher.

(2) A report of all gaming vouchers that have been redeemed and cancelled by redemption location, including the asset number of the slot machine or location if other than a slot machine, the serial number, the value, date and time of redemption for each voucher, the total value of all gaming vouchers redeemed at slot machines, and the total value of all gaming vouchers redeemed at locations other than slot machines.

(3) The unredeemed liability for gaming vouchers.

(4) The readings on gaming voucher related slot machine meters and a comparison of the readings to the number and value of issued and redeemed gaming vouchers, as applicable.

(5) Exception reports and audit logs.

(g) A slot machine licensee shall immediately report to the Board[, in a manner prescribed by the Board,] any evidence that a gaming voucher has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, reliability or suitability of the gaming voucher.

(h) Upon presentation of a gaming voucher for redemption at a slot machine, the total value of which gaming voucher cannot be completely converted into an equivalent value of credits that match the denomination of the slot machine, the slot machine must perform one of the following procedures:

(1) Automatically issue a new gaming voucher containing the value that cannot be completely converted.

(2) Not redeem the gaming voucher and immediately return the gaming voucher to the patron.

(3) Allow for the additional accumulation of credits on an odd cents meter or a meter that displays the value in dollars and cents.

(i) A slot machine licensee that utilizes a system or a slot machine that does not print a test gaming voucher that is visually distinguishable from a valid gaming voucher whenever the slot machine is tested on the gaming floor must have in place internal controls approved by the Board under § 465.3 for the issuance of test currency from the cashiers' cage and the return and reconciliation of the test currency and any gaming vouchers printed during the testing process.

(j) Except as provided in subsection (n) with regard to employee redemption of gaming vouchers, a gaming voucher shall be redeemed by a patron for a specific value of cash, slot machine credits, or, at the request of the patron, a check issued by the slot machine licensee in the amount of the gaming voucher surrendered. Notwithstanding the forgoing, a slot machine licensee may not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or has reason to know, that the gaming voucher:

(1) Is materially different from the sample of the gaming voucher approved by the Board.

(2) Was previously redeemed.

(3) Was printed as a test gaming voucher.

(k) Notwithstanding the requirements of subsection (j), if a patron requests to redeem a gaming voucher by mail, the slot machine licensee may effectuate the redemption. However, the gaming voucher may only be redeemed by a cage supervisor in accordance with internal controls approved by the Board under § 465.3, which include the following:

(1) Procedures for using the gaming voucher system to verify the validity of the serial number and value of the voucher, which, if valid, must be immediately cancelled electronically by the system.

(2) Procedures for the issuance of a check equal to the value of the voucher.

(1) Gaming vouchers redeemed at cashiering locations shall be transferred to the [slot accounting] **finance** department on a daily basis. Gaming vouchers redeemed by slot machines shall be counted in the count room and forwarded to the [slot accounting] **finance** department upon the conclusion of the count process. Gaming vouchers redeemed at automated gaming voucher redemption machines shall be forwarded to [slot accounting] **finance** upon the conclusion of the cashiers' cage reconciliation process.

[Slot accounting] Finance department representatives with no incompatible functions shall perform, at a minimum, the following:

(1) On a daily basis:

(i) Compare gaming voucher system report data to any count room system report data available for that gaming day to ensure proper electronic cancellation of the gaming voucher.

(ii) Calculate the unredeemed liability for gaming vouchers, either manually or by means of the gaming voucher system.

(2) On a weekly basis, compare appropriate slot machine meter readings to the number and value of issued and redeemed gaming vouchers per the gaming voucher system. Meter readings obtained through a slot monitoring system may be utilized to complete this comparison.

(m) A slot machine licensee shall provide written notice to the Slot Lab of any adjustment to the value of any gaming voucher. The notice shall be made prior to, or concurrent with, the adjustment.

(n) Employees of a slot machine licensee who are authorized to receive gratuities under § 465.20 (relating to acceptance of tips or gratuities from patrons) may only redeem gaming vouchers given as gratuities at a cashiers' cage. Gaming vouchers valued at more than \$100 shall only be redeemed at the cashiers' cage

with the approval of the supervisor of the cashier conducting the redemption transaction.

(o) A gaming voucher system must be configured to alert a slot machine licensee to any malfunction. Following a malfunction of a system, a slot machine licensee shall [immediately] notify the Board within 24 hours of the malfunction and may not utilize the system until the malfunction has been successfully eliminated. Notwithstanding the foregoing, the Board may permit[, in accordance with approval procedures the Board prescribes,] a slot machine licensee to utilize the system prior to its being successfully restored, for a period not to exceed 72 hours, provided that:

(1) The malfunction is limited to a single storage media device, such as a hard disk drive.

(2) In addition to the malfunctioning storage media device, the system contains a backup storage media device not utilized in the normal operation of the system. The backup device must immediately and automatically replace the malfunctioning device to permit a complete and prompt recovery of all information in the event of an additional malfunction.

(3) Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(p) Other than a modification to a gaming voucher system required on an emergency basis to prevent cheating or malfunction and approved by the Board under § 461a.4(m), a modification to a gaming voucher system may not be installed without the gaming voucher system having undergone the testing and approval process required under § 461a.4.

§ 461a.9. Coupons.

(a) A slot machine licensee may utilize coupons and a coupon system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval) and complies with technical standards on coupon systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(b) The design specifications for a coupon, the expiration terms applicable thereto, the coupon verification methodologies utilized, and any limitation on the value of a coupon must be in compliance with technical standards on coupons adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(c) A coupon shall be designed and manufactured with sufficient graphics or other security measures, to permit the proper verification of the coupon. A coupon must contain, at a minimum, the following information:

(1) The name or trade name of the slot machine licensee. If the slot machine licensee is affiliated with a casino licensee in any other jurisdiction with an identical or similar name or trade name, the name of the Pennsylvania location must be evident on the coupon.

(2) The value of the coupon, in both numbers and words.

(3) A unique serial number, which is automatically generated by the system in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(4) The locations where the coupon may be redeemed and restrictions regarding redemption.

(5) An indication of the date on which the coupon becomes invalid.

(6) A bar code or magnetic strip which enables the coupon system to establish the validity of the coupon and its value in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(d) Prior to issuing a coupon, a slot machine licensee shall establish a system of internal controls for the issuance and redemption of coupons. The internal controls shall be

submitted to, and approved by the Board under § 465.3 (relating to internal control systems and audit protocols).

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

(a) A slot machine licensee may utilize an automated gaming voucher and coupon redemption machine that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(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 § 465.10 (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.

(c) An automated gaming voucher and coupon redemption machine must have the capability of establishing the validity of a gaming voucher or coupon by comparing the instrument's unique serial number, automatically generated by the respective gaming voucher or coupon system in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website with

electronic records within the gaming voucher system or coupon system.

(d) The method or methods utilized to comply with the requirements of subsection (c) shall be submitted to and approved by the Board under § 461a.4 in the context of the testing of a gaming voucher system or coupon system.

(e) An automated gaming voucher and coupon redemption machine may function as a bill breaker changing bills of one denomination into bills of a smaller denomination.

(f) An automated gaming voucher and coupon redemption machine must contain a lockable gaming voucher, coupon and currency storage box which retains any gaming vouchers, coupons or currency accepted by the machine. The gaming voucher, coupon and currency storage box located inside the machine must also have imprinted, affixed or impressed thereon the asset identification number of the corresponding machine.

(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 department. The key to the lock securing the storage box within

the compartment shall be controlled by the [slot accounting] **finance** department.

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

(3) One lock securing the compartment housing the coin storage container, the key to which shall be controlled by the [slot accounting] **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). This key shall be controlled by an employee of the [slot accounting] **finance** department other than the employee controlling the keys referenced in paragraphs (1) - (3).

(h) An automated gaming voucher and coupon redemption machine must be designed to resist forced illegal entry. The slot machine licensee must secure all input/output ports on an automated gaming voucher and coupon redemption machine.

(i) An automated gaming voucher and coupon redemption machine's currency cassettes must be designed to preclude access to its interior. Access to each currency cassette shall be controlled by the [slot accounting] **finance** department.

(j) Access controls relating to the operating system or applications of the automated gaming voucher and coupon

redemption machine, and ancillary systems, applications and equipment associated with the reconciliation thereof, must employ security measures that require authentication of the user and recording and maintaining of data regarding access and modifications made. Authentication must be in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(k) A gaming voucher or coupon accepted by an automated gaming voucher and coupon redemption machine shall be cancelled immediately upon exchange in a manner that effectively prevents its subsequent redemption by the cashiers' cage, another automated gaming voucher and coupon redemption machine or its acceptance in a slot machine bill validator. The method or methods utilized to comply with this requirement shall be in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(l) An automated gaming voucher and coupon redemption machine must be designed to be impervious to outside influences, interference from electro-magnetic, electro-static and radio frequencies and influence from ancillary equipment.

(m) An automated gaming voucher and coupon redemption machine must include a means to protect against transaction failure and data loss due to power loss.

(n) An automated gaming voucher and coupon redemption machine must detect, display and record electronically the following error conditions: power reset; door open; door just closed; and system communication loss. These error conditions may be automatically cleared by the automated gaming voucher and coupon redemption machine when the condition no longer exists and upon completion of a new transaction.

(o) An automated gaming voucher and coupon redemption machine must detect, display and record electronically the error conditions in paragraphs (1) - (4). These error conditions must disable the automated gaming voucher and coupon redemption machine and prohibit new transactions and may only be cleared by either the [slot accounting] **finance** department or slot operations department.

(1) Failure to make payment, if the gaming voucher or coupon is not returned and no receipt is issued.

(2) Failure to make complete payment if a receipt for the unpaid amount is not issued.

(3) Bill validator failure.

(4) Printer failure due to printer jam or lack of paper.

(p) An automated gaming voucher and coupon redemption machine must be designed to evaluate whether sufficient funds are available before stacking the voucher and completing the transaction.

(q) An automated gaming voucher and coupon redemption machine must be capable of maintaining synchronization between its real time clock and that of the gaming voucher system and coupon system.

(r) An automated gaming voucher and coupon redemption machine must be equipped with electronic digital storage meters that accumulate the following information. The information must be readily available through system reports. Where a value is maintained, the value must be in dollars and cents.

(1) *Physical coin out.* The total value, by denomination, of all coins paid by the automated gaming voucher and coupon redemption machine.

(2) *Voucher in - value.* The value of all cashable gaming vouchers accepted.

(3) *Voucher in - count.* The number of cashable gaming vouchers accepted.

(4) *Coupon in - value.* The value of all cashable coupons accepted.

(5) *Coupon in - count.* The number of cashable coupons accepted.

(6) *Bill in.* The value of all currency accepted by the automated gaming voucher and coupon redemption machine. An automated gaming voucher and coupon redemption machine must also have specific meters for each denomination of currency accepted that records the number of bills accepted.

(7) *Bill out.* The total value of currency dispensed. An automated gaming voucher and coupon redemption machine must also provide for specific meters for each denomination of currency dispensed that record the number of bills dispensed.

(8) *Additional requirements.* Other meters as may be required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(s) An automated gaming voucher and coupon redemption machine must have the capacity to record and retain, in an automated transaction log, all critical transaction history for at least 30 days. Transaction history must include records with the date, time, amount and disposition of each complete and incomplete transaction, error conditions, logical and physical access and attempted access to the automated gaming voucher and coupon redemption machine. If an automated gaming voucher and coupon redemption machine is capable of redeeming multiple vouchers and coupons in a single transaction, the transaction

history must include a breakdown of the transaction with regard to the individual gaming vouchers and coupons.

(t) An automated gaming voucher and coupon redemption machine or ancillary systems, applications and equipment associated with the reconciliation thereof, must be capable of producing the following reports upon request:

(1) Gaming voucher transaction report. The report must include the disposition (paid, partial pay, unpaid) of gaming vouchers accepted by an automated gaming voucher and coupon redemption machine which must include the validation number, the date and time of redemption, amount requested and the amount dispensed. This information must be available by reconciliation period which may be by day, shift or drop cycle.

(2) Coupon transaction report. This report must include the disposition (paid, partial pay, unpaid) of coupons accepted by an automated gaming voucher and coupon redemption machine which must include the unique serial number, the date and time of redemption, amount requested and the amount dispensed. The information must be available by reconciliation period which may be by day, shift or drop cycle.

(3) Reconciliation report. The report must include the following:

(i) Report date and time.

(ii) Unique asset identification number of the machine.

(iii) Total cash balance of the currency cassettes.

(iv) Total count of currency accepted by denomination.

(v) Total dollar amount of vouchers accepted.

(vi) Total count of gaming vouchers accepted.

(vii) Total dollar amount of coupons accepted.

(viii) Total count of coupons accepted.

(4) Gaming voucher, coupon and currency storage box report. The report must be generated, at a minimum, whenever a gaming voucher, coupon and currency storage box is removed from an automated gaming voucher and coupon redemption machine. The report must include the following:

(i) Report date and time.

(ii) Unique asset identification number of the machine.

(iii) Unique identification number for each storage box in the machine.

(iv) Total value of currency dispensed.

(v) Total number of bills dispensed by denomination.

(vi) Total dollar value of gaming vouchers

accepted.

(vii) Total count of gaming vouchers accepted.

(viii) Total dollar value of coupons accepted.

(ix) Total count of coupons accepted.

(x) Details required to be included in the gaming voucher transaction report required by paragraph (1) and the coupon transaction report required in paragraph (2).

(5) Transaction report. The report must include all critical patron transaction history including the date, time, amount and disposition of each complete and incomplete transaction. If an automated gaming voucher and coupon redemption machine is capable of redeeming multiple vouchers or coupons in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers and coupons accepted.

§ 461a.11. Automated gaming voucher and coupon redemption machines: accounting controls.

Prior to commencing use of an automated gaming voucher redemption machine, an automated coupon redemption machine, bill breaker or some combination thereof, a slot machine licensee shall establish a comprehensive system of internal controls addressing the distribution of currency or coin, or both, to the machines, the removal of gaming vouchers, coupons or currency accepted by the machines and the reconciliations associated

therewith. The internal controls shall be submitted to, and approved by the Board under § 465.3 (relating to internal control systems and audit protocols).

§ 461a.12. Progressive slot machines.

(a) A progressive slot machine is a slot machine that offers a jackpot that may increase in value based upon wagers as the slot machine is played. A progressive slot machine may stand alone, be linked or interconnected with other progressive slot machines. Progressive slot machines located at a licensed facility that are linked or interconnected with progressive slot machines at another licensed facility are collectively referred to as a wide area progressive system.

(b) A slot machine that offers a progressive jackpot which may increase in value based upon wager and is adjusted and displayed by a device other than the approved program that controls the operation of the slot machine, referred to herein as a progressive controller, must have the following features:

(1) For each progressive jackpot offered by the slot machine, a mechanical, electrical or electronic device, to be known as a progressive meter, visible from the front of the slot machine, which may increase in value based upon wagers, that advises the player of the amount which can be won if the slot machine symbols that award the progressive jackpot appear as a result of activation of play of the slot machine.

(2) A slot machine paid progressive payout meter in accordance with § 461a.7(h) (relating to slot machine minimum design standards).

(3) A slot attendant paid progressive payout meter in accordance with § 461a.7(h).

(4) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by the slot machine or by a slot attendant.

(5) A key and key switch to reset the progressive meter or meters or other reset mechanism [as may be approved by the Board].

(6) A key locking the compartment housing the progressive meter or meters or other means by which to preclude any unauthorized alterations to the progressive meters. The key or alternative security method must be different than the key or reset mechanism in paragraph (5).

(7) Dual key control by the security department and [slot accounting] **finance** department, or alternative key controls [as the Board approves,] of the compartment housing the microprocessor or other unit that controls the progressive meter or meters. The compartment shall be in a **secure** location [approved by the Board].

(c) A slot machine that is connected to a common progressive meter for the purpose of offering the same progressive jackpot on two or more slot machines must:

(1) Have the same probability of hitting the combination that will award the progressive jackpot as every other slot machine linked to the common progressive meter.

(2) Require that the same amount in wager be invested to entitle the player to a chance at winning the progressive jackpot and that each increase in wager increment the progressive meter by the same rate of progression as every other slot machine linked to the common progressive meter.

(3) Have its program or progressive controller that controls the common display for the progressive meter housed in a location and subject to dual key controls approved by the Board.

(d) Notwithstanding the provisions of subsection (c), [:

(1) T] two or more linked slot machines offering the same progressive jackpot may be of different denominations or have different wagers, or both, required to win the progressive jackpot, provided that:

[(i)] (1) The probability of winning the progressive jackpot is directly proportional to the wager required to win that jackpot.

[(ii)] (2) A notice [approved by the Board] indicating the proportional probability of hitting the progressive jackpot on the [a] linked progressive system is conspicuously displayed on each linked slot machine.

[(2) The probability of winning a progressive jackpot offered on linked slot machines may vary among the slot machines when necessary to enable a slot machine licensee or, as applicable, a slot system operator, to institute a change in the probability which is otherwise permitted by this subpart, if the change is completed expeditiously in accordance with procedures that have been filed with and approved by the Board.]

(e) A slot machine licensee seeking to utilize a linked slot machine shall submit to the Board for approval the location and manner of installing any progressive meter display mechanism.

(f) A slot machine that offers a progressive jackpot may not be placed on the gaming floor until the slot machine licensee or, as applicable, the slot system operator, has submitted to the Board[, in a manner the Board directs,] and the Board has approved, the following:

(1) The initial and reset amounts at which the progressive meter or meters will be set.

(2) The proposed system for controlling the keys and applicable logical access controls to the slot machines.

(3) The proposed rate of progression for each progressive jackpot.

(4) The proposed limit for the progressive jackpot, if any.

(5) The calculated probability of winning each progressive jackpot. The probability may not exceed 50 million to 1. Notwithstanding the foregoing, this paragraph does not apply to a jackpot with a probability that may exceed 50 million to 1 during the game cycle due solely to the intervening occurrence of free play awards between the activation of a play and the award of the jackpot.

(g) Progressive meters may not be turned back to a lesser amount unless one of the following occurs:

(1) The amount indicated has been actually paid to a winning patron.

(2) The progressive jackpot amount won by the patron has been recorded in accordance with a system of internal controls approved under § 465.3 (relating to internal control systems and audit protocols).

(3) The progressive jackpot has, [with prior] upon Board approval, been transferred to another progressive slot machine or wide area progressive system in accordance with this subpart.

(4) The change is necessitated by a slot machine or meter malfunction, in which case[:

(i) F] for progressive jackpots governed by subsection (b), an explanation shall be entered on the progressive slot summary required by this subpart and the Board shall be notified of the resetting in writing [in a manner the Board directs.

(ii) For progressive jackpots governed by subsection (m), an explanation shall be entered on the machine entry authorization log required under this subpart unless the slot machine automatically addresses the malfunction in a manner approved by the Board].

(h) Once an amount appears on a progressive meter, the probability of hitting the combination that will award the progressive jackpot may not be decreased unless the progressive jackpot has been won by a patron or the progressive jackpot has been transferred to another progressive slot machine or wide area progressive system or removed in accordance with subsection (j).

(i) When a slot machine has a progressive meter with digital limitations on the meter, the slot machine licensee shall set a limit on the progressive jackpot not to exceed the display capability of the progressive meter.

(j) A slot machine licensee or, as applicable, a slot system operator, may limit, transfer or terminate a progressive jackpot offered on a gaming floor only under the following circumstances:

(1) A slot machine licensee may establish a payout limit for a progressive jackpot provided that the payout limit is greater than the then current payout amount on the progressive jackpot meter. The slot machine licensee shall **provide** notice to the Board[, in a manner the Board directs,] of the imposition of a payout limit on a progressive meter or a modification thereto concurrent with the setting of the payout limit.

(2) A slot machine licensee may terminate a progressive jackpot concurrent with the winning of the progressive jackpot provided its slot machine program or progressive controller was configured prior to the winning of the progressive jackpot to establish a fixed reset amount with no progressive increment.

(3) A slot machine licensee may immediately and permanently remove one or more linked slot machines from a gaming floor, provided that:

(i) When the slot machine is part of a wide area progressive system offered at multiple licensed facilities, the

slot machine licensee retains at least one linked slot machine offering the same progressive jackpot on its gaming floor.

(ii) When the progressive jackpot is only offered in a single licensed facility, at least two linked slot machines offering the same progressive jackpot remain on the gaming floor.

(4) A slot machine licensee may transfer a progressive jackpot amount on a stand alone slot machine or the common progressive jackpot on an entire link of slot machines with a common progressive meter, including a wide area progressive system, from a gaming floor provided the progressive jackpot is:

(i) Transferred in its entirety.

(ii) Transferred to one of the following:

(A) The progressive meter for a slot machine or wide area progressive system with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot (cash, annuity, annuity/cash option or a combination/alternate jackpot). However, if no other slot machine or wide area progressive system meets all of these qualifications, the Board may authorize a transfer of the jackpot to the progressive meter of the most similar slot machine or wide area progressive system

available [if the Board finds the transfer would be in the public interest].

(B) The progressive meters of two separate slot machines or wide area progressive systems, provided that each slot machine or wide area progressive system to which the jackpot is transferred individually satisfies the requirements of clause (A).

(iii) Notice of intent to transfer the progressive jackpot is conspicuously displayed on the front of each slot machine for at least 30 days.

(iv) Notice of intent to transfer the progressive jackpot is provided in writing to the Board[, in a manner the Board directs,] at least 30 days prior to the transfer of the progressive jackpot.

(5) A slot machine licensee may immediately and permanently remove a progressive jackpot on a stand alone progressive slot machine, the common progressive jackpot on an entire link of slot machines with a common progressive meter or an entire wide area progressive system from a gaming floor provided notice of intent to remove the progressive jackpot is:

(i) Conspicuously displayed on the front of each slot machine for at least 30 days.

(ii) Provided in writing to the Board[, in a manner the Board directs,] at least 30 days prior to the removal of the progressive jackpot.

(k) The amount indicated on the progressive meter or meters and coin in meter on each slot machine governed by subsection (b) shall be recorded on a progressive slot summary report at least once every 7 calendar days and each report shall be signed by the preparer. If not prepared by the [slot accounting] **finance** department, the progressive slot summary report shall be forwarded to the [slot accounting] **finance** department by the end of the gaming day on which it is prepared. A representative of the [slot accounting] **finance** department shall be responsible for calculating the correct amount that should appear on a progressive meter. If an adjustment to the progressive meters is necessary, the adjustment shall be made by a member of the slot operations department as follows:

(1) Supporting documentation shall be maintained to explain any addition or reduction in the registered amount on the progressive meter. The documentation must include the date, asset number of the slot machine, the amount of the adjustment and the signatures of the [slot accounting] **finance** department member requesting the adjustment and of the slot operations department member making the adjustment.

(2) The adjustment must be effectuated within 48 hours of the meter reading.

(1) Except as otherwise authorized by this section, a slot machine offering a progressive jackpot that is removed from the gaming floor shall be returned to or replaced on the gaming floor within 5 gaming days. The amount on the progressive meter or meters on the returned or replacement slot machine may not be less than the amount on the progressive meter or meters at the time of removal. If a slot machine offering a progressive jackpot is not returned or replaced, any progressive meter amount at the time of removal shall, within 5 days of the slot machine's removal, be added to a slot machine offering a progressive jackpot approved by the Board which slot machine offers the same or a greater probability of winning the progressive jackpot and requires the same wager or less than the wager required to win the progressive jackpot on the slot machine that was removed. This subsection does not apply to the temporary removal by a slot machine licensee, for a period not to exceed 30 days, of all linked slot machines that are part of a particular wide area progressive system, provided that the progressive jackpot offered by the temporarily removed slot machines remains available on slot machines that are part of the same wide area progressive system in another licensed facility.

(m) [A slot machine that offers a progressive jackpot controlled by a slot machine program with a fixed initial and reset amount, rate of progression and progressive jackpot limit which cannot be changed by the slot machine licensee must limit the progressive jackpot to an amount which is less than \$1,200.

(n) A progressive jackpot governed by subsection (m) is not subject to subsections (j)(4), (k) or (l).

(o) Where a slot machine is located adjacent to a slot machine offering a progressive jackpot, the slot machine licensee shall conspicuously display on the slot machine a notice advising patrons that the slot machine is not participating in the progressive jackpot of the adjacent slot machine.

§ 461a.13. Wide area progressive systems.

(a) Two or more slot machine licensees may, with the prior written approval of the Board **as required under subsection (c)**, operate linked progressive slot machines that are interconnected between two or more participating licensed facilities. The slot machines participating in the link shall be collectively referred to as wide area progressive system.

(b) A wide area progressive system shall at all times be installed and operated in accordance with relevant requirements of the act, this subpart and technical standards on wide area

progressive systems under § 461b.4 (relating to wide area progressive systems) [adopted by the Board].

(c) A wide area progressive system shall be operated and administered by participating slot machine licensees in accordance with the terms and conditions of a written agreement executed by the participating slot machine licensees. The agreement shall be referred to as a slot system agreement. Slot system agreements must be [approved] submitted in writing and approved by the Board prior to implementation and comply with the act, this subpart and technical standards on wide area progressive systems under § 461b.4 [adopted by the Board].

(d) Slot machine licensees participating in a slot system agreement may delegate, in whole or in part, the operation and administration of a wide area progressive system to a licensed manufacturer provided that the slot system agreement is executed by the licensed manufacturer and its express terms are [determined] approved by the Board [to be in compliance with the act, this subpart and technical standards on wide area progressive systems adopted by the Board]. The person or persons designated in a slot system agreement as being responsible for the operation and administration of a wide area progressive system shall be referred to as the slot system operator.

(e) An agreement between a licensed manufacturer and a slot machine licensee under which a licensed manufacturer sells,

leases or services a wide area progressive system will not constitute a slot service agreement unless the agreement also covers operation and administration of the wide area progressive system.

(f) Slot system agreements must address:

(1) Details with regard to the terms of compensation for the slot system operator. In specific, the agreement must address to what extent, if any, the slot system operator is receiving compensation based, directly or indirectly, on an interest, percentage or share of a slot machine licensee's revenue, profits or earnings from the operation of the wide area progressive system.

(2) Responsibility for the funding and payment of all jackpots, fees and gross terminal revenue taxes associated with the operation of the wide area progressive system.

(3) Control and operation of the computer monitoring room required under **subsection (g)** [this subpart].

(4) Other requirements [requested by the Board, including those required to comply with] **in the technical standards on wide area progressive systems under § 461b.4** [adopted by the Board].

(g) A wide area progressive system shall be controlled and operated from a computer monitoring room [approved by the Board]. The computer monitoring room must:

(1) Be under the sole possession and control of, and maintained and operated by, employees of the slot system operator designated in the slot system agreement for that system. The employees [shall be licensed or permitted as the Board deems appropriate based on an analysis of specific duties and responsibilities] of the slot system operator may be required to obtain a license or permit if the Board determines, after a review of the work being performed, the employees require a license or permit for the protection of the integrity of gaming.

(2) Have its monitoring equipment subjected to surveillance coverage either by the surveillance system of a slot machine licensee participating in the slot system agreement or by a dedicated surveillance system maintained by the slot system operator. Surveillance coverage must be in accordance with technical standards under § 461b.4 [adopted by the Board].

(3) Be accessible through a locked door. The door must be alarmed in a manner that audibly signals the surveillance monitoring room for the surveillance system elected under paragraph (2).

(4) Have a computer monitoring room entry log. The log must be:

(i) Kept in the computer monitoring room.

(ii) Maintained in a book with bound numbered pages that cannot be readily removed.

(iii) Signed by each person entering the computer monitoring room who is not an employee of the slot system operator expressly employed in the computer monitoring room on his assigned shift. Entries must contain:

(A) The date and time of entering and exiting the room.

(B) The name, department or employer, where applicable, license number of the person entering and exiting the room and of the person authorizing the entry.

(C) The reason for entering the computer monitoring room.

(5) Reside within a participating licensed facility or other location [approved by the Board].

§ 461a.14. Slot monitoring systems.

(a) A slot machine licensee may utilize a slot monitoring system which has an interface between it and slot machines and related systems that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A slot monitoring system must comply with the act, this subpart and technical standards on slot monitoring systems

adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

§ 461a.15. Casino management systems.

(a) A slot machine licensee may utilize a casino management system which has an interface between it and slot machines and related systems tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A casino management system must comply with the act, this subpart and technical standards on casino management systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

§ 461a.16. Player tracking systems.

(a) A slot machine licensee may utilize a player tracking system which has an interface between it and slot machines and related systems tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) 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 website.

§ 461a.17. External bonusing systems.

(a) A slot machine licensee may utilize an external bonusing system that has been tested and approved by the Board

under § 461a.4 (relating to submission for testing and approval).

(b) The combination of the slot machine theoretical payout percentage plus the bonus awards generated by an external bonusing system cannot equal or exceed 100% of the theoretical payout for a slot machine on which the external bonus award is available.

(c) A slot machine connected to an external bonusing system must satisfy the minimum theoretical payout percentage required under this subpart without the contribution of any external bonus award available on the slot machine.

(d) An external bonusing system must comply with the act, this subpart and technical standards on external bonusing systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

§ 461a.18. Cashless funds transfer systems.

(a) A slot machine licensee may utilize a cashless funds transfer system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A cashless funds transfer system must comply with the act, this subpart and technical standards on cashless funds transfer systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(c) Prior to utilizing a cashless funds transfer system, a slot machine licensee must establish a system of internal controls applicable to the cashless funds transfer system. The internal controls shall be submitted to and approved by the Board under § 465.3 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee must address the integrity, security and control of its cashless funds transfer system and include:

- (1) An overview of the system design.
- (2) System access controls and restrictions.
- (3) Override policies and restrictions.
- (4) Backup and recovery procedures.
- (5) Logical and physical access controls and

restrictions.

- (6) Network security.
- (7) Procedures for handling customer disputes.

(d) Transfer of electronic credits to a slot machine under this section shall be initiated by a patron using an access control [approved by the Board]. Access controls must require the use of a unique access code for each patron. The access code shall be selected by and only available to the patron.

(e) A record of every transfer of electronic credits to a slot machine under this section shall be maintained by the slot machine licensee and shall be identified by, at a minimum, the

date, time and the asset number of the slot machine to which the transfer occurred and an identification number assigned to the patron who initiated the transaction. The identification number assigned to a patron for the purposes of this section must be different from the unique access code selected by the patron as part of an access control.

(f) On at least a monthly basis, a slot machine licensee using a cashless funds transfer system shall provide a statement to a patron who has participated in the system that month. The statement shall include, at a minimum, the patron's beginning monthly balance, credits earned, credits transferred to a slot machine pursuant to this section and the patron's monthly ending balance. With the written authorization of the patron, the mailing of a monthly statement may be omitted or be issued electronically to the patron. Notwithstanding the foregoing, a monthly statement is not required for transfers of temporary electronic credits or transfers of electronic credits from a temporary anonymous account.

(g) A slot machine licensee shall notice the Slot Lab in writing of any adjustment to the amount of a credit transferred to a slot machine by means of a cashless funds transfer system. The notice shall be made on or before the date of adjustment.

§ 461a.19. Remote system access.

(a) In emergency situations or as an element of technical support, an employee of a licensed manufacturer may perform analysis of, or render technical support with regard to, a slot machine licensee's slot monitoring system, casino management system, player tracking system, external bonusing system, cashless funds transfer system, wide area progressive system, gaming voucher system or other Board-approved system from a remote location.

(b) Remote system access shall be performed in accordance with technical standards on remote system access under § 461b.5 (relating to remote computer access) [adopted by the Board].

(c) A slot machine licensee authorizing access to a system by a licensed manufacturer under this section shall be responsible for implementing a system of access protocols and other controls over the physical integrity of that system and the remote access process sufficient to insure appropriately limited access to software and the system wide reliability of data.

§ 461a.20. Server supported slot systems.

(a) The following terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise:

Server supported slot machine - A slot machine connected to, and administered by, a server supported slot system.

Slot machine server - A computer configured to:

(i) Receive, store, authenticate and download to server supported slot machines Board-approved slot machine games and other approved software. A slot machine server may also be used to effect changes in a server supported slot machine's configuration.

(ii) Receive, store and authenticate Board-approved slot machine games and other approved software for use on server based slot machines.

Server supported slot system - A system comprised of one or more server supported slot machines connected to a slot machine server and its ancillary computer network for the ultimate purpose of downloading Board-approved slot machine games and other approved software to server supported slot machines.

(b) A slot machine licensee may utilize a server supported slot system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(c) A server supported slot system must comply with the act, this subpart and technical standards on server supported slot systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(d) Results from the play or operation of a server supported slot machine connected to a server supported slot system must be determined solely by the individual server

supported slot machine and not by the server supported slot machine server or any other ancillary computer network.

(e) Prior to utilizing a server supported slot system, a slot machine licensee shall establish a system of internal controls applicable to the server supported slot system. The internal controls shall be submitted to and approved by the Board under § 465.3 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee must address the integrity, security and control of the server supported slot system.

§ 461a.21. Server based slot systems.

(a) The following terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise:

Server based slot machine - A slot machine accessing a server based slot system.

Slot machine server - A computer configured to:

(i) Receive, store, authenticate and download to server supported slot machines Board-approved slot machine games and other approved software. A slot machine server may also be used to effect changes in a server supported slot machine's configuration.

(ii) Receive, store and authenticate Board-approved slot machine games and other approved software for use on server based slot machines.

Server based slot system - A system comprised of one or more server based slot machines connected to a server based slot machine server and its ancillary computer network for the purpose of facilitating access by a server based slot machine to Board-approved slot machine games and other approved software residing on the server based slot machine server.

(b) A slot machine licensee may utilize a server based slot system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(c) A server based slot system must comply with the act, this subpart and technical standards on server based slot systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

(d) Results from the play or operation of a server based slot machine must be determined solely by the server based slot machine server and not by the individual server based slot machine.

(e) Prior to utilizing a server based slot system, a slot machine licensee shall establish a system of internal controls applicable to the server based slot system. The internal

controls shall be submitted to and approved by the Board under § 465.3 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee must address the integrity, security and control of its server based slot system.

§ 461a.22. Automated jackpot payout machines.

(a) A slot machine licensee may utilize an automated jackpot payout machine that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) 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 website.

(c) 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 § 465.3 (relating to internal control systems and audit protocols).

§ 461a.23. Slot machines and associated equipment utilizing alterable storage media.

(a) Definition. The following term, when used in this section, has the following meaning, unless the context clearly indicates otherwise:

Alterable storage media - Memory or other storage medium, such as an EEPROM, flash, optical or magnetic storage device, that is contained in a slot machine or associated equipment subject to approval under § 461.4 (relating to submission for testing and approval), that allows the modification of programs or data on the storage media during the normal operation of the slot machine or associated equipment. The term does not include:

(i) Memory or other storage medium typically considered to be alterable but through either software or hardware means approved by the Board have been rendered unalterable and remain verifiable by the central control computer system.

(ii) Associated equipment using alterable storage media that the Board determines are incapable of influencing the integrity or outcome of game play.

(b) Use of alterable storage media. Any use of alterable storage media in a slot machine or associated equipment must be in compliance with the act, this subpart and technical standards on alterable storage media adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

§ 461a.24 Waivers.

(a) The Board may, on its own initiative, waive 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 website upon a determination that the nonconforming slot machine or associated equipment or modification as configured meets 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 website.

(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 website. The request must 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 website.

§ 461a.25. Disputes.

(a) If a dispute arises with a patron concerning payment of alleged winnings, the slot machine licensee shall [notify the

patron in writing, concurrent with its initial receipt of notice of the dispute, that the patron has the right to contact the Board with regard to the dispute] provide the patron with a PGCB Patron Dispute/Complaint Form and Instructions for Submitting a Patron Dispute/Complaint.

(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.

§ 461a.26. Testing and software installation on the live gaming floor.

(a) Prior to the testing of slot machines, associated equipment and displays on a live gaming floor during a slot machine licensee's normal hours of operation, the slot machine licensee shall notify the Board's Gaming Lab in writing at least 72 hours prior to the test date. The notification must include the following:

(1) A detailed narrative description of the type of testing to be conducted, including the reason for the testing, a list of individuals conducting the testing and the slot machine licensee's procedures for conducting the testing.

(2) The date, time and approximate duration of the testing.

(3) The model, slot machine location number and asset number of the slot machine or machines to be tested.

(4) The location within the licensed facility where the testing will occur.

(b) A slot machine licensee shall notify the Board's Gaming Lab at least 72 hours prior to the installation of any new software or the installation of any change in previously approved software for:

(1) Automated gaming voucher and coupon redemption machines.

(2) Wide area progressive systems.

(3) Slot monitoring systems.

(4) Casino management systems.

(5) Player tracking systems.

(6) External bonusing systems.

(7) Cashless funds transfer systems.

(8) Server supported slot systems.

(9) Server based slot systems.

(10) Automated jackpot payout machines.

(c) The notification required under subsection (b) must include:

(1) A description of the reasons for the new installation or change in previously approved software.

(2) A list of the computer components and programs or versions to be modified or replaced.

(3) A description of any screens, menus, reports, operating processes, configurable options, or settings that will be affected.

(4) The method to be used to complete the proposed installation.

(5) The date that the proposed modification will be installed and the estimated time for completion.

(6) The name, title, and employer of the person(s) performing the installation.

(7) A diagrammatic representation of the proposed hardware design change.

(8) Restrictions on "update" access to the production code to the person implementing the installation.

(9) Procedures to ensure that user and operator manuals are updated to reflect changes in policies and procedures resulting from the proposed installation.

CHAPTER 463a. POSSESSION OF SLOT MACHINES

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

(a) Except as otherwise provided in this section and 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.), a

person may not possess any slot machine within this Commonwealth that may be used for gambling activity.

(b) The following persons and any employee or agent acting on their behalf may possess slot machines in this Commonwealth for the purposes described herein[, subject to the terms and conditions imposed by the Board, provided that the slot machines are stored in secure locations specifically approved in writing by the Board and] **provided** that [any] slot machines located outside of a licensed facility shall not be used for gambling activity:

(1) An applicant for, or holder of a slot machine license, for the purpose of maintaining for use, training or operating slot machines in a licensed facility.

(2) The holder of a manufacturer license for the purpose of manufacturing, exhibiting, demonstrating, training or preparing for transfer to a **manufacturer designee licensee or supplier licensee**.

(3) The holder of a **manufacturer designee license or supplier license** for the purpose of distributing, repairing, servicing, exhibiting or demonstrating slot machines and any training with regard thereto.

(4) An educational institution[, as authorized in writing by the Board,] for the purpose of teaching slot machine design, operation, repair or servicing.

(5) A manufacturer, **manufacturer designee** or supplier of slot machines not licensed within this Commonwealth[, as authorized in writing by the Board,] for the limited purpose of temporary exhibition or demonstration.

(6) A common carrier, for the purpose of transporting slot machines in accordance with § 463a.2 (relating to the transportation of slot machines into, within and out of this Commonwealth).

(7) An employee or agent of the Board, the Department, the Pennsylvania State Police or any law enforcement agency of this Commonwealth for the purpose of fulfilling official duties or responsibilities.

(8) Other persons [authorized in writing by the Board] upon a finding that the possession of slot machines by those persons in this Commonwealth is not contrary to the goals and objectives of the act.

(c) Persons seeking to possess slot machines under subsection (b) shall submit a written request to the Board which must contain:

- (1) The purpose for having the slot machines.
- (2) The proposed location of the slot machines.
- (3) The time period for which the slot machines will be kept.
- (4) How the slot machines will be secured.

(d) The Board will approve or disapprove requests within 60 days. Requests approved by the Board may be subject to specific terms and conditions imposed by the Board.

§ 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 [Board's Director of] **Bureau of Gaming Laboratory 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:

(1) The name and address of the person shipping or moving the slot machine.

(2) The name and address of the person who owns the slot machine, if different from the person shipping or moving the machine.

(3) The name and address of a new owner if ownership is being changed in conjunction with the shipment or movement.

(4) The method of shipment or movement and the name and address of the common carrier or carriers, if applicable.

(5) The name and address of the person to whom the slot machine is being sent and the destination of the slot machine, if different from that address.

(6) The quantity of slot machines being shipped or moved and the manufacturer's serial number of each machine.

(7) The expected date and time of delivery to, or removal from, any authorized location within this Commonwealth.

(8) The port of entry, or exit, if any, of the slot machine if the origin or destination of the slot machine is outside the continental United States.

(9) The reason for transporting or moving the slot machine.

§ 463a.3. Slot machine location.

(a) A gaming floor must consist of one or more areas within a licensed facility approved by the Board **under § 467.1**

(relating to gaming floor plan) for the placement and operation of slot machines.

(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 § 467.1 [(relating to gaming floor plan)] and shall also be identified by this slot machine location number and an asset number on a Slot Machine Master List.

§ 463a.4. Connection to the central control computer system.

Prior to utilization for gambling activity, a slot machine on a gaming floor shall be connected or linked to a central control computer system having the capabilities and in compliance with the terms of section 1323 of the act (relating to central control computer system).

§ 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 [Board's Director of] **Bureau of Gaming Laboratory 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 [Board-approved] restricted areas off the gaming floor but within the licensed facility **approved by the Board under § 465.8(b) (relating to licensed facility)**, and in [Board-approved] 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.

(b) The Slot Machine Master List shall contain the following information which, for those 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):

(1) The date the list was prepared.

(2) A description of each slot machine by:

(i) Asset number and model and manufacturer's serial number.

(ii) Denomination, if configured for multiple denominations, a list the denominations.

(iii) Manufacturer and machine type, noting [whether the machine is a high-boy,] **cabinet type, or if it is a progressive or a wide area progressive slot machine**

(iv) An indication as to whether the slot machine is configured to communicate with a cashless funds transfer system.

(v) An indication as to whether the slot machine is configured to communicate with a gaming voucher system.

(3) For those slot machines located off the gaming floor, an indication as to whether the slot machine is in a [Board-approved] restricted area off the gaming floor but within the licensed facility **approved by the Board under § 465.8** 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) Once a slot machine has been placed in an authorized location on the gaming floor or is stored in a [Board-approved] restricted area off the gaming floor but within the licensed facility approved by the Board under § 465.8, all subsequent movements of that slot machine within the licensed facility shall be recorded by a slot department member in a machine movement log which includes the following:

(1) The asset number and model and manufacturer's serial number of the moved slot machine.

(2) The date and time of movement.

(3) The location from which the slot machine was moved.

(4) The location to which the slot machine was moved.

(5) The date and time of any required notice to the Department in connection with activation or disabling of the slot machine in the central control computer system.

(6) The signature of the slot shift manager and the lead technician verifying the movement of the slot machine in compliance with this section.

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

(e) On the first Tuesday of each month following the initial filing of a Slot Machine Master List, an applicant for, or holder of, a slot machine license shall file with the [Board's Director of] **Bureau of Gaming Laboratory Operations**, in writing or in an electronic format approved by the Board, an updated Slot Machine Master List containing the information, required in subsection (b).

(f) **Manufacturer licensees, manufacturer designee licensees**, supplier licensees, educational institutions, Board-authorized manufacturers, **manufacturer designee** and suppliers not licensed within this Commonwealth and regulatory and law enforcement agencies that possess slot machines under § 463a.1 (relating to possession of slot machines generally) shall file with the [Board's Director of] **Bureau of Gaming Laboratory Operations**, in writing or in an electronic format approved by the Board, a complete list of slot machines possessed by the person. The list shall be denoted as a Slot Machine Master List, shall be filed within 3 business days of the initial receipt of slot machines and contain the following information:

- (1) The date on which the list was prepared.

(2) A description of each slot machine by:

(i) Model and manufacturer's serial number.

(ii) Manufacturer and machine type, noting [whether the machine is a high-boy,] **cabinet type**, or if it is a progressive or a wide area progressive slot machine.

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

§ 463a.6. Notice to central control computer system.

To insure activation or disabling, as appropriate, in the central control computer system and the retrieval of real time meter information from the slot machine coincident with the movement of a slot machine, the slot machine licensee shall provide the Department with **written** notice of the slot movement, [in a form and pursuant to a time frame prescribed by the Department. The notice is required] prior to any of the following:

(1) Placement of a slot machine on the gaming floor.

(2) Movement of a slot machine between slot machine locations on the gaming floor.

(3) Removal of a slot machine from the gaming floor.

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

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

(b) A slot machine licensee seeking to store slot machines off the premises of the licensed facility shall file a written request for off premise storage with the Board. The request shall include:

(1) The location and a physical description of the proposed storage facility.

(2) A description of the type of surveillance system that has been or will be installed at the facility.

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

(4) The number and manufacturer of the slot machines that will be stored at the facility.

(5) The date that the slot machines are expected to arrive at the facility.

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

(c) Before acting on a request for off premise storage of slot machines, the Board will inspect the proposed storage facility.

(d) The Board will approve or disapprove requests within 60 days. Requests approved by the Board may be subject to specific terms and conditions imposed by the Board.

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT**

RECEIVED
2007 MAY -1 PM 2:43

I.D. NUMBER: 125-48

DATE: May 1, 2007

INDEPENDENT REGULATORY
REVIEW COMMISSION

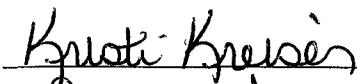
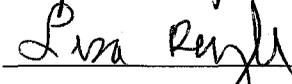
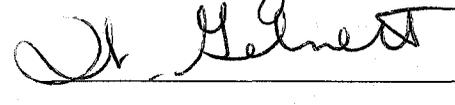
SUBJECT: Subpart E. Chapters 461a and 463a

AGENCY: Pennsylvania Gaming Control Board

TYPE OF REGULATION

- Proposed Regulation
 - Final Regulation
 - Final Regulation with Notice of Proposed Rulemaking Omitted
 - 120-day Emergency Certification of the Attorney General
 - 120-day Emergency Certification of the Governor
 - Delivery of Tolled Regulation
- a. With Revisions b. Without Revisions

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
1. 5/1/07		House Gaming Oversight Committee
2. 5/1/07		
3. 5/1/07		Senate Community, Economic & Recreational Committee
4. 5/1/07		
5. 5/1/07		Independent Regulatory Review Commission
6. _____	_____	Legislative Reference Bureau