

**Proposed Amendment: N.J.A.C. 13:69E-1.28A**

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**Standards for the Approval of a Slot Machine Game**

Authorized By: David L. Rebeck, Director, Division of Gaming Enforcement.

Authority: N.J.S.A. 5:12-69.a, 69.e, 70.a(7), 70.a(10), and 76.g.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2016-066.

Submit written comments by July 1, 2016, to:

Robert A. Moncrief, Jr., Deputy Attorney General  
Division of Gaming Enforcement  
1300 Atlantic Ave. - 4th Floor  
Atlantic City, NJ 08401  
or electronically at: [rulecomments@njdge.org](mailto:rulecomments@njdge.org)

The agency proposal follows:

**Summary**

The proposed amendment would eliminate the percentage threshold of 33 percent of the theoretical return to player in slot machine games with an extended play feature where the player is collecting something either towards triggering a bonus or for an additional payout in the bonus. The elimination of the percentage threshold does not affect the statutorily required hold percentage of slot machines. The percentage threshold requirement is found in N.J.A.C. 13:69E-1.28A(t). The remainder of N.J.A.C. 13:69E-1.28A, specifically subsections (a) - (s) and (u) - (y) would remain unchanged. This amendment will give more flexibility to game designers without adversely affecting the fundamental requirement that each slot machine have a theoretical payout percentage of 83 percent.

This notice of proposal is not required to be referenced in a rulemaking calendar since a public

comment period of 60 days is being provided. See N.J.A.C. 1:30-3.3(a)5.

### **Social Impact**

The proposed amendment is not anticipated to have any social impact independent of a possible greater variety of slot machines games that could be approved as a result of the amendment and the resulting public interest in such variety of games. The proposed amendment does not reflect any social judgments made by the Division. It is anticipated that the implementation of the amendment may generate patron interest in any additional games to be approved due to the elimination of the percentage threshold to theoretical return to player, but it is uncertain whether new or additional patrons will be attracted to Atlantic City as a result of the introduction of the additional games.

### **Economic Impact**

Implementation of any amendment may cause casino licensees and slot machine manufacturers to offer a greater variety of slot machine games, which may result in increased sales for slot machine manufacturers and increased casino revenue for casino licensees by increased play of those new games. Moreover, to the extent new games generate increased casino revenues, senior and disabled citizens of New Jersey will benefit from the additional tax revenues that will be collected. As noted above, however, any attempt to quantify the effects of the amendment would be highly speculative at this time.

It is not anticipated that the proposed amendment will require either the Division of Gaming Enforcement to incur additional costs in introducing, testing, or otherwise regulating slot machines in Atlantic City.

### **Federal Standards Statement**

A Federal standards analysis is not required because the proposed amendment is mandated by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and is not subject to any Federal requirements or standards.

### **Jobs Impact**

The proposed amendment may create new jobs in the gaming industry if new games authorized by this amendment prove to be popular with casino patrons. However, any attempt to predict the impact of new games upon the number of jobs in the gaming industry would be speculative at this time.

### **Agriculture Impact**

The proposed amendment will have no impact on agriculture in New Jersey.

### **Regulatory Flexibility Statement**

The proposed amendment will only affect the operations of New Jersey casino licensees, none of which qualifies as a "small business" as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., because they employ more than 100 persons full-time in the State of New Jersey. Accordingly, a regulatory flexibility analysis is not required.

### **Housing Affordability Impact Analysis**

The proposed amendment will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the proposed amendment would evoke a change in the average costs associated with housing because the rule concerns the technology employed in slot machines at New Jersey casinos.

### **Smart Growth Development Impact Analysis**

The proposed amendment will not have an impact on smart growth and there is an extreme unlikelihood that the proposed amendment would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment plan in New Jersey because the proposed amendment concerns the technology employed in slot machines at New Jersey casinos.

**Full text** of the proposal follows (deletions indicated in brackets [thus]):

#### **SUBCHAPTER 1. GENERAL PROVISIONS**

13:69E-1.28A Standards for the approval of a slot machine game

(a)-(s) (No change.)

(t) Slot machines may contain a game with an extended play feature where the player is collecting something either towards triggering a bonus, or for an additional payout in the bonus. [If the collected items are required to enter the bonus, then the entire bonus cannot be more than 33 percent of the theoretical RTP.]

(u)-(y) (No change.)