

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

**Casino Licensees; Gaming Operation Accounting Controls and Standards; Gaming
Equipment; Rules of the Games**

Proposed New Rule: N.J.A.C. 13:69F-8.7

**Proposed Amendments: N.J.A.C. 13:69C-7.3 and 7.7; 13:69D-1.10, 1.19, and 1.30; 13:69E-
1.13E, 1.18, 1.19B, and 1.20; and 13:69F-1.12, 8.2, and 14.1**

Authorized By: David Rebuck, Director, Division of Gaming Enforcement.

Authority: N.J.S.A. 5:12-69.a, 70.a, 99.a, 100.b, and 100.e.

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

Proposal Number: PRN 2017-162.

Submit written comments by October 6, 2017, to:

Charles F. Kimmel, Deputy Attorney General

Division of Gaming Enforcement

1300 Atlantic Avenue

Atlantic City, NJ 08401

or electronically at: rulecomments@njdge.org

The agency proposal follows:

Summary

The Division of Gaming Enforcement (Division) is proposing amendments and a new rule to N.J.A.C. 13:69F, 13:69C, 13:69D, and 13:69E.

Proposed new N.J.A.C. 13:69F-8.7 authorizes casinos to offer special tournaments or events that are closed to the general public. For example, should a convention of doctors want to

reserve two blackjack tables just for its members to play in tournament format so as to crown their own "champion," this proposed new rule sets forth the requirements that casinos would follow to allow such an event. The rule requires documentation to the Division and internal controls to conduct such events.

The proposed amendment to N.J.A.C. 13:69C-7.3(b) increases the number of alternate gaming pit configurations that a casino may have on file with the Division from four to 15. This amendment will allow for an easier process to make minor changes to a casino floor. The proposed amendment to N.J.A.C. 13:69C-7.7(c) allows a longer period for testing a new pit configuration in conjunction with a new game or wager. The present period of 120 days is increased to 180 days.

A proposed amendment to N.J.A.C. 13:69D-1.10(g) provides casinos with relief from the requirement that they have a photograph of their employees on file at surveillance. Previously, a new picture was required every four years, the amendment increases the time period to five years. An amendment to N.J.A.C. 13:69D-1.19(c) allows dealer tips to be consolidated to make the count down process for each table shorter and easier for table game personnel. \$25.00 chip denominations may now be used rather than the prior limit of \$5.00 chips. In addition, no single consolidation may exceed \$100.00. Proposed amendments to N.J.A.C. 13:69D-1.30 provide clear guidance on how to account for vigorish that was once uncollected but is subsequently paid by a patron.

A proposed amendment to N.J.A.C. 13:69E-1.13E(e) allows for easier consolidation of chips collected as part of a "bad beat" wager. Such chips, typically small in denomination, must be accounted for, and this amendment allows the low denomination chips to be returned to the float while larger denomination chips are substituted. No single consolidation may exceed

\$100.00. Proposed amendments to N.J.A.C. 13:69E-1.18 permit poker cards to be used for eight hours rather than the current six hours. Casinos are also permitted to return poker decks that are not unsealed by the end of the day to storage for use on a different day rather than destroying or cancelling them unused. Individual unused cards may be stored for use as substitute cards should a card or cards from a subsequent deck prove to need a replacement card, so long as game integrity is checked by games and surveillance personnel. Proposed amendments to N.J.A.C. 13:69E-1.19B allow casinos to retain pai gow tiles that are undamaged for use as replacement tiles should a replacement for an individual tile subsequently be required. As pai gow sets are expensive, this change represents cost savings to casino licensees that offer the game of pai gow.

Proposed new N.J.A.C. 13:69E-1.20(d) sets forth a procedure to permit casino licensees to perform clears of random access memory (RAM) of electronic gaming devices. Previously, the Division had to perform all such RAM clears, which could cause a slot machine or other electronic game to sit idle, particularly on a weekend. The amendments set forth specific procedures to be followed, including notice requirements to the Division, to allow casinos to perform this function. This will allow machines whose memory needs to be cleared to be returned to service more expeditiously. Any attempt to perform a RAM clear that is unsuccessful must be reported to the Division. Successful RAM clears must also be documented to the Division. In addition, N.J.A.C. 13:69E-1.20(e) is added to allow casino licensees to prepare an existing gaming device for conversion from one theme to another, MPU or logic board replacements, option modifications, or movements permanently off the casino floor.

A proposed amendment to N.J.A.C. 13:69F-1.12(a)6 increases the number of points to be made by a shooter in the game of craps before surveillance must be notified to monitor fire bets. The fire bet requires all six different points to be made without a seven being thrown. The prior

rule required surveillance to be notified if a shooter made four of the six available points. This amendment increases that to five of the required six, allowing surveillance to continue to perform other monitoring up until the shooter has only one more point to make. A proposed amendment to N.J.A.C. 13:69F-8.2(a) allows casinos, if they choose, to have a greater spread between the minimum and maximum bets allowed at a table. Finally, a proposed amendment to N.J.A.C. 13:69F-14.1 defines a "brush" as a poker dealer may perform additional functions such as poker chip redemptions. This permits a greater flexibility in the assignment of poker personnel.

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 new rule and amendments provide casino licensees with broad regulatory relief related to floor plans and configurations, surveillance requirements, slot machine random access memory clears, tip acceptance by employees, uncollected table game vigorish, use and storage of equipment, and special event tournaments. Such regulatory relief may create a more dynamic atmosphere for casino patrons and, as such, could increase the entertainment options available for such patrons.

Economic Impact

The proposed new rule and amendments provide broad regulatory relief to casino licensees and, as such, could generate cost savings. To the extent such licensees use such

savings to produce more options for their patrons, this could lead to additional gaming tax revenue for the State.

Federal Standards Statement

A Federal standards analysis is not required because the proposed new rule and amendments are authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and are not subject to Federal law.

Jobs Impact

The proposed new rule and amendments will not have any impact on the number of jobs in the State of New Jersey.

Agriculture Industry Impact

The proposed new rule and amendments will have no impact on the agriculture industry in New Jersey.

Regulatory Flexibility Statement

The proposed new rule and amendments will only affect the operations of New Jersey casino licensees, none of which qualify 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 new rule and amendments will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the proposed amendments and new rule would evoke a change in the average costs associated with housing because the rules concern floor plans and configurations, surveillance requirements, slot machine random access memory clears, tip acceptance by employees, uncollected table game vigorish, use and storage of equipment, and special event tournaments.

Smart Growth Development Impact Analysis

The proposed new rule and amendments 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 amendments and new rule concern floor plans and configurations, surveillance requirements, slot machine random access memory clears, tip acceptance by employees, uncollected table game vigorish, use and storage of equipment, and special event tournaments.

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

CHAPTER 69C

CASINO LICENSEES

SUBCHAPTER 7. OPERATION CERTIFICATE

13:69C-7.3 Floor plans of the casino floor, casino simulcasting facility, and any restricted areas

(a) (No change.)

(b) Each floor plan required by (a) above shall be filed with the Division, shall be drawn to one-eighth inch scale (1/8 inch = one foot) or such other scale approved by the Division, shall be prepared by an architect licensed to practice in New Jersey, shall be approved by the New Jersey Department of Community Affairs and evidence such approval, and shall depict, at a minimum, the location of the following:

1. (No change.)

2. Each gaming pit and its pit location number and, at the casino licensee's option, a maximum of [four] **15** alternate configurations or locations for that pit, and the alternate pit location number for each (for example, Pit 2A);

3. - 24. (No change.)

(c) (No change.)

13:69C-7.7 Temporary amendments for pit and slot zone reconfigurations or reconstitutions

(a) - (b) (No change.)

(c) In accordance with the specific terms of the notice, the casino licensee shall implement the reconfiguration or reconstitution for a period of no more than [120] **180** consecutive days.

Notwithstanding the foregoing, the Division may approve the implementation of a reconfiguration of a pit in conjunction with the test of a new table game or table game wager pursuant to N.J.A.C. 13:69F-8.4 for a period up to 270 days from the day such test commences.

Each such reconfigured pit shall not:

1. - .2 (No change.)

(d) – (e) (No change.)

CHAPTER 69D

GAMING OPERATION ACCOUNTING CONTROLS AND STANDARDS

SUBCHAPTER 1. GENERAL PROVISIONS

13:69D-1.10 Closed circuit television system; surveillance department control; surveillance department restrictions

(a) - (f) (No change.)

(g) A surveillance monitoring room shall:

1. - 2. (No change.)

3. Contain an updated photo library, consisting of photographs that are no more than [four] **five** years old, of all current employees of the casino licensee, which photo library shall be available to the Division upon request; and

4. (No change.)

(h) - (l) (No change.)

13:69D-1.19 Acceptance of tips or gratuities from patrons

(a) - (b) (No change.)

(c) If a casino elects to use the alternatives in (b)1i or ii above, the chips placed in the tube or chip conversion area shall only be up to a [\$5.00] **\$25.00** denomination and visible to the CCTV system. The exchange of chips in the tube or chip conversion area from the chip reserve compartment may be authorized and shall be observed by a casino supervisor, **provided,**

however, that no chip exchange may exceed \$100.00. The dealer shall count and place the chips in the chip reserve compartment and then immediately deposit the equivalent value chip(s) in the locked tip box. When a table closes, any chips remaining in the tube or the chip conversion area on the lock box shall be immediately deposited in the locked box;

(d) – (h) (No change.)

13:69D-1.30 Uncollected table game vigorish

(a) (No change.)

(b) Upon completion of the Uncollected Vigorish form, the dealer shall deposit the original in the drop box. [The] **If the patron has terminated his or her play, the** casino clerk or casino supervisor shall deposit the duplicate in a locked accounting box for forwarding to the casino accounting department at the end of the gaming day. **If the patron continues play at a different gaming table, the duplicate shall be deposited in the drop box of the gaming table where the patron continues his or her play.**

(c) **Whenever a casino licensee is paid, in whole or in part, uncollected vigorish accrued by a patron, a casino clerk or casino supervisor shall prepare a sequentially numbered, two-part Vigorish Recovery form. The form shall include, at a minimum, the information required by (a)1 through 6 above. The original shall be deposited in the gaming table drop box and the duplicate shall be deposited in a locked accounting box for forwarding to casino accounting.**

[(c)] **(d)** The casino accounting department shall agree the original and duplicate Uncollected Vigorish **and Vigorish Recovery** forms and report an increase to table game revenue in a manner approved by the Division.

CHAPTER 69E

GAMING EQUIPMENT

SUBCHAPTER 1. GENERAL PROVISIONS

13:69E-1.13E Poker table; physical characteristics

(a) – (d) (No change.)

(e) If a casino licensee offers a bad beat payout at a designated poker table, a transparent locked box or container shall be attached to the table on the same side as the drop box and shall be used to hold the pot contributions that fund the bad beat payout. **A casino licensee offering a bad beat jackpot may, consistent with internal controls, place chips contributed to the bad beat payout in the tube or chip conversion area, which shall be visible to the CCTV system. The licensee may exchange chips in the tube or chip conversion area with higher denomination chips, not to exceed \$25.00, from the reserve compartment provided, however, that chip exchange may not exceed \$100.00.**

13:69E-1.18 Cards; receipt, storage, inspections, and removal from use

(a) – (f) (No change.)

(g) Any cards [which] **that** have been opened and placed on a gaming table shall be changed at least every 24 hours. Notwithstanding the foregoing:

1.- 5. (No change.)

6. Cards opened for use on a poker table shall be changed at least every [six] **eight** hours;

and

7. (No change.)

(h) - (l) (No change.)

(m) At the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the casino licensee, and at such other times as may be necessary, a table games shift manager or casino supervisor thereof may collect all extra decks in card reserve. If the casino maintains a separate storage area for poker cards, a poker shift supervisor or supervisor thereof may collect all extra decks in card reserve for the game of poker. [If collected, all sealed decks shall either be cancelled or destroyed or returned to the storage area.] **Such collected decks shall be either cancelled or destroyed, provided however, that a licensee shall be permitted to return unsealed decks to the storage area for poker decks and use such decks at a different time.**

(n) (No change.)

(o) If a deck of plastic cards has been reused 12 or more times and the deck has been determined to be suitable for reuse by the individual performing the inspection procedures required by (n)3 above, before that deck may be reused at a poker table, the deck must be inspected by a poker shift supervisor or floorperson. A satisfactory inspection shall be documented by the poker shift supervisor or floorperson. If the poker shift supervisor or floorperson determines that the deck may not be reused, the deck shall be placed in a sealed envelope or container, with a label attached which identifies the date and time and shall be signed by the poker shift supervisor or floorperson. At the end of the gaming day or at such other times as may be necessary, said envelope or container shall be collected by a casino security officer and be returned to the casino security department [for destruction or cancellation pursuant to (p) below].

(p) (No change.)

(q) Individual cards utilized in the game of poker that are of sufficient quality for reuse may, at the discretion of the casino licensee and consistent with internal controls, be retained for purposes of reconstituting or completing partial decks of poker cards for subsequent use.

(r) To ensure the integrity or fairness of the game, or at the request of the Division, any deck of cards that has been reconstituted shall be inspected by games personnel and surveillance personnel prior to being placed into service. Prior to placing reconstituted decks of cards into service games personnel and surveillance personnel shall certify that game integrity is not compromised by using the reconstituted decks of cards.

13:69E-1.19B Pai gow tiles; receipt; storage; inspections and removal from use

(a) – (e) (No change.)

(f) If during the course of play, any damaged tiles [is] **are** detected, the entire set of tiles shall be immediately replaced. The dealer or floorperson shall request that the pit boss bring a substitute set of tiles to the table from the reserve in the pit stand.

1. - 2. (No change.)

(g) – (l) (No change.)

(m) If, after completing the inspection procedures required in (l) above, it is determined that a complete set of 32 tiles removed from a gaming table is free from tampering, markings, or alterations, that set may be returned to the pai gow storage area for subsequent gaming use in accordance with the casino licensee's internal control procedures. [In no event may individual tiles from different sets be used to make a complete set for subsequent gaming use.]

(n) (No change.)

(o) Other than tiles retained for Division inspection **and tiles retained for purposes of reconstituting sets of tiles**, tiles shall be cancelled or destroyed within 72 hours of collection by the security department. In addition, once tiles retained as evidence by the Division are released to the security department, the tiles shall immediately be destroyed or cancelled, **unless retained pursuant to (p) below.**

1. - 3. (No change.)

(p) If, after completing the inspection procedures required in (l) above, it is determined that a complete set of 32 tiles removed from a gaming table is not free from tampering, markings, or alterations, those tiles that exhibit evidence of tampering, markings, or alterations shall be removed and destroyed within 72 hours. The remaining tiles may, consistent with internal controls, be retained for use in reconstituting sets of tiles for subsequent use.

(q) Casino licensees may, consistent with their internal controls, utilize tiles retained pursuant to (p) above to reconstitute sets of tiles found to contain one or more tiles not free from tampering, markings, or alterations by replacing the defective tile or tiles with one or more of the retained tiles.

(r) To ensure the integrity or fairness of the game, or at the request of the Division, any set of tiles that has been reconstituted shall be inspected by games personnel and surveillance personnel prior to being placed into service. Prior to placing reconstituted tile sets into service, games personnel and surveillance personnel shall certify that game integrity is not compromised by using the reconstituted set of tiles.

13:69E-1.20 Inspection and approval of gaming equipment and related devices and software

(a) - (c) (No change.)

(d) A licensee may initiate a random access memory clear ("RAM clear" or "ram clear") to return a gaming device to service by breaking the Division seal on the game operating system program or such other program or port that would permit a ram clear to occur. Any gaming device subjected to a ram clear by the licensee shall be inspected by the Division and shall take priority over any other regularly scheduled inspection requested by the licensee. A gaming device ram clear shall only be used by the licensee to return the gaming device back to the most recently approved state of condition. No other changes or modifications to options shall be permitted.

1. Prior to initiating the ram clear, a slot department supervisor (Dual rate supervisors shall not be permitted to act as a slot department supervisor for the purposes of this section) of the licensee shall:

i. Provide written notification of the pending RAM reset to the Division at

ramclears@njdgc.org. The notification shall include, at a minimum:

(1) The date and projected time of the RAM reset;

(2) The name of the slot technician who will be performing the ram clear, in the presence of the slot shift supervisor, and the name of the slot shift supervisor;

(3) The asset and location of the gaming device; and

(4) A signature area for both the slot technician and the slot department supervisor. The notification shall be submitted to the Division;

ii. Notify the surveillance department that a RAM reset will be conducted prior to the slot technician entering the device;

iii. For progressive games only, record the progressive display meter reading(s) to be used, if applicable, for the meter reading reestablishment upon conclusion of the ram clear;

iv. Upon entering the gaming device, if any Division seal is observed broken, the gaming device shall be rendered inoperable and the surveillance department shall be notified to monitor the gaming device via a dedicated surveillance camera, which shall be recorded until the camera is released by the Division; and

v. Complete the machine entry access log (M.E.A.L.) in accordance with the Division's rules.

2. If the initial effort (which includes the initial attempt and any subsequent attempt without a break in the continuous effort) to successfully perform the ram clear fails, then the gaming device must remain out of operation and the Division shall be notified immediately at ramclears@njdgc.org of the reason why a successful RAM reset could not be performed.

3. Notification shall be submitted to the Division regardless of the success of the ram clear attempt. The slot supervisor shall sign the post ram clear procedure notification and shall acquire the slot technician's signature who performed the RAM reset.

(e) To prepare an existing gaming device for conversion from one theme to another, MPU or logic board replacements, option modifications, or movements permanently off the

casino floor, a casino licensee slot department shift supervisor, or his or her designee, may break Division seals by providing a minimum 24-hour notice together with the filing of current and proposed options, themes, and programs listed on the Slot Log. Applicable Appendix E' forms shall also be submitted. Upon breaking seals, the games(s) shall not be made available for patron play until they are re-inspected by the Division. The notice to the Division shall be sent to DGESLOTS@njdge.org.

1. The notice to the Division shall also include, at a minimum, for each gaming device affected:

i. The date and projected time of the seal break;

ii. The name of the slot technician who will be performing the seal break and the name of the slot supervisor who will be observing the seal break;

iii. The asset number and location of the gaming device;

iv. An attestation by both the slot department supervisor and the slot department technician that none of the Division seals were observed broken at the time the gaming device was opened. If a Division seal is observed broken the gaming device shall be rendered inoperable and the surveillance department shall be notified to monitor the gaming device via a dedicated surveillance camera, which shall be recorded until the camera is released by the Division;

2. The slot department shift supervisor, or his or her designee, shall notify the surveillance department that a seal break will be conducted prior to the slot technician entering the gaming device.

3. For progressive games only, record the progressive display meter reading(s).

4. Complete the machine entry access log (M.E.A.L.) in accordance with the Division's rules.

CHAPTER 69F

RULES OF THE GAMES

SUBCHAPTER 1. CRAPS AND MINI-CRAPS

13:69F-1.12 Additional procedures and rules for the fire bet

(a) If a casino licensee elects to offer the fire bet in the game of craps as permitted by N.J.A.C.

13:69F-1.2(a)40, the following additional procedures shall be observed:

1. – 5. (No change.)

6. Once [four] **five** different (unique) points are made, the surveillance department shall be notified for the purpose of confirming all fire bets and payouts.

(b) (No change.)

SUBCHAPTER 8. REGULATIONS CONCERNING ALL GAMES

13:69F-8.2 Minimum and maximum wagers; additional wagering requirements

(a) Except as otherwise specifically provided in this chapter, the minimum and maximum wagers permitted at any authorized table game in a casino or casino simulcasting facility shall be established by the casino licensee[; provided, however, that any required minimum wager of \$100.00 or less which has corresponding payout odds of 5 to 1 or less shall be required to have a maximum wager which is least 10 times the amount of the minimum wager].

(b)-(f) (No change.)

13:69F-8.7 Special event tournament

(a) A casino licensee may conduct a special event tournament for any game approved by the Division pursuant to N.J.S.A. 5:12-5.

(b) No special event tournament shall be conducted, unless the casino licensee files internal controls describing each specific special event tournament or tournaments. Such internal controls shall provide for notice to the public that the tournament is a special private event and not available to the gaming public.

(c) A special event tournament may be requested by a patron or patrons. The casino licensee shall document the request including:

- 1. The name or names of the patron(s) requesting the special event tournament;**
- 2. The date of the tournament;**
- 3. The duration of the tournament, including the starting and ending times; and**
- 4. The location of the tournament.**

(d) A written notice shall be provided to the Division at the Division's Regulatory Enforcement Bureau office in the establishment within 24 hours of the commencement of the special event tournament, which notice shall include, the information required by N.J.A.C. 13:69F-8.6(b).

(e) A casino licensee may impose a fee for special event tournaments requested pursuant to (c) above. Any such fee shall be included in gross revenue.

13:69F-14.1 Definitions

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

...

“Brush” means a dealer assigned to the game of poker who, consistent with a casino licensee's internal controls, may perform additional functions. Such additional functions include, but are not limited to, purchasing and redeeming gaming chips at the poker cage and providing assistance to patrons in the poker room.

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