

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

GAMING ACCOUNTING CONTROLS AND STANDARDS

Acceptance of checks, cash equivalent and credit cards; issuance of Counter Checks and Slot Tokens

Presentation of recognized credit or debit card in exchange for a cash transaction

Proposed Amendment: N.J.A.C. 13:69D-1.25

Proposed New Rule: N.J.A.C. 13:69D-1.18C

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

Authority: N.J.S.A. 5:12-69, 70, 76, and 100

Proposal Number: PRN 2013-

Submit written comments by July 19, 2013 to:

Lon E. Mamolen, Deputy Attorney General
Division of Gaming Enforcement
1300 Atlantic Avenue
Atlantic City, NJ 08401

The agency proposal follows:

Summary

Currently, a casino patron may present a recognized credit card or debit card at a casino cage, simulcast counter or keno booth and consummate a transaction for cash. See N.J.A.C. 13:69D-1.25(e).

Proposed new rule N.J.A.C. 13:69D-1.18C would enable an electronic funds transfer company to conduct a transaction on the

casino floor whereby it may issue cash to a casino patron upon the patron's presentation of a recognized credit card or debit card to such company's representative. The new rule: (1) codifies procedures governing transactions conducted by a casino licensee and an electronic funds transfer company when a cardholder patron obtains cash using a credit or debit card; (2) entails greater requirements than the rule at N.J.A.C. 13:69D-1.25(c) insofar as capturing additional information by either a casino cage or electronic funds transfer company prior to processing such a transaction including a description of the identification presented by the cardholder, a photographic facial image of the cardholder, and a thumbprint of the cardholder; (3) establishes mandatory transaction termination events which require a credit card or debit card for cash transaction to be cancelled; (4) fixes retention periods for transaction documentation and facial images for both casino licensees and electronic funds transfer companies; and (5) imposes reporting requirements on casino licensees and electronic funds transfer companies for suspicious or fraudulent cash access transaction activity.

The proposed amendment to N.J.A.C. 13:69D-1.25(e) references the procedures prescribed by the proposed new rule for credit card and debit card cash transactions performed by the casino licensee.

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 amendment would facilitate patron access to cash on the casino floor. Not only a casino licensee but a third party electronic funds transfer company may process credit card and debit card cash transactions.

Economic Impact

The proposed new rule and amendment would enable a casino licensee to transfer the function of and all obligations associated with processing credit or debit card cash transactions to an electronic funds transfer company. Electronic funds transfer companies may derive some economic benefit from being the sole entity performing this function on casino premises. Casino licensees may derive certain minor cost savings in their cashiering operations in not performing this function.

Federal Standards Statement

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

Jobs Impact

The proposed new rule and amendment are not anticipated to create new jobs in the gaming industry, except to the extent electronic funds transfer companies who may hire representatives to conduct cash access operations on casino premises.

Agriculture Industry Impact

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

Regulatory Flexibility Statement

The proposed new rule and amendment will only affect the operations of New Jersey casino licensees and electronic funds transfer companies, none of which qualifies as a "small business" as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Accordingly, a regulatory flexibility analysis is not required.

Smart Growth Development Impact

The proposed new rule and amendment will have no impact on the achievement of smart growth development in the State of New Jersey because it affects the regulation of casinos in Atlantic City.

Housing Affordability Impact

The proposed new rule and amendment will have no impact on the affordability of housing in the State of New Jersey because they affect the regulation of casinos in Atlantic City.

Full text of the proposed new rules follows (additions indicated in boldface **thus**):

13:69D-1.18C Presentation of recognized credit or debit card in exchange for a cash access transaction

(a) A casino licensee or a registered electronic funds transfer company ("transfer company") may provide cash to a patron (cardholder) at a casino cage window or transfer company booth in exchange for a charge to a valid credit or debit card ("card").

(b) Each card cash access transaction shall be initiated by

a cardholder at a:

1. Transfer company automated cash access terminal;
2. Casino cashier window; or
3. Transfer company booth.

(c) A transfer company's automated cash access terminal shall at a minimum:

1. Provide instructions to the cardholder on how to initiate a cash access transaction;
2. Receive from the issuer of the card approval or rejection of a cash access transaction; and
3. If the transaction is approved, instruct the cardholder to proceed to either a casino cage or a transfer company booth to complete the transaction.

(d) For a transaction initiated by the patron at a casino cashier window or a transfer company booth upon presentation of a card to a cage cashier or transfer company representative, as applicable, the cashier or representative shall:

1. Determine the validity of the card as required by the card issuer; and
2. Print and complete a cash access document in accordance with (e) through (g) below.

(e) Whenever a transaction is approved and the cardholder elects to proceed with the transaction, the cage cashier or transfer company booth representative shall prepare a threepart cash access document. The cash access document shall include, at a minimum:

1. Date and time of the transaction;
2. Cardholder name;
3. Amount to be paid to the patron;
4. Amount of any fee associated with the transaction;
5. Initials of the patron acknowledging the fees;
6. Signature of the cardholder;
7. Initials of the cage cashier or transfer company representative completing the transaction; and
8. Information required by the card issuer, if applicable.

(f) The three parts of the cash access document shall consist of a:

1. Negotiable draft;
2. Patron receipt; and
3. Cage cashier or transfer company booth representative receipt.

(g) A cage cashier or transfer company representative shall terminate the cash access transaction if:

1. The card corresponding to the cash access document has expired;
2. The cardholder is unable to provide a government issued identification credential which includes a photo of the cardholder and signature facsimile;
3. The physical appearance of the individual presenting the identification does not resemble the photograph appearing on the identification;

4. The cardholder is under the legal age to gamble;

5. The cardholder and card cannot be verified as required by the issuer's procedures;

6. The zip code associated with the billing address for the card, as presented by the cardholder, is not confirmed by the card organization's address verification system;

7. The signature on the cash access document required by (e)6 above does not conform to the signature on the identification credential; or

8. The card holder is on the Division's Exclusion List or the Division's Self-Exclusion List, or the casino licensee determines that the cardholder is otherwise not permitted to proceed with a cash access transaction.

(h) For all cash access transactions in excess of an amount to be established by the Division, a still photographic facial image of the cardholder shall be captured and marked in a way that allows it to be associated with the cardholder's cash access transaction.

(i) To complete the cash access transaction the cage cashier or transfer company representative shall:

1. Print a cash access document in the amount of the funds to be disbursed to the cardholder;

2. Record a description of the identification credential presented by the cardholder, including any credential number (e.g., driver's license number, passport number), expiration date and jurisdiction of issuance;

3. Obtain the signature of the patron on the cash access document;

4. Compare the signature on the cash access document to the signature on the cardholder's identification credential;

5. Obtain the thumb print of the cardholder on a designated area of the cash access document;

6. Initial the cash access document as evidence of the completed verification process; and

7. Exchange the draft and cage cashier or transfer company booth representative receipt for an equivalent amount of funds.

(j) The facial image required in (h) above and the cage cashier or transfer company booth representative receipt shall be retained the casino licensee or transfer company, as applicable, for a period of two years.

(k) A casino licensee or transfer company representative shall immediately report any suspicious or fraudulent cash access transaction activity to the Division.

13:69D- 1.25 Procedure for acceptance of checks, cash equivalents and

credit cards; issuance of Counter Checks or Slot Counter Checks

(a) - (d) (No change.)

(e) A person may obtain cash or slot tokens at the cashiers' cage or slot booth or cash at the simulcast counter or keno booth to be

used for gaming purposes by presenting a recognized credit or debit card to a general cashier, pari-mutuel cashier, keno writer or slot cashier. **When processing the transaction for cash, the casino shall follow the procedures set forth in N.J.A.C. 13:69D-1.18C and those established by the card's issuer.** When processing the transaction for **slot tokens**, the casino licensee shall follow the procedures established by the card's issuer.

(f) - (o) (No change.)

David Rebuck
Director