

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

Gaming Operation Accounting Controls and Standards

Gaming Operations; Jackpot Payouts; Credit Slips; Counter Checks; Cashiers

Proposed Amendments: N.J.A.C. 13:69D-1.9, 1.15, 1.23, 1.25, 1.26, 1.27B, 1.32, 1.33, 1.36, 1.37, 1.37B, 1.39, 1.40, 1.40B, 1.40C, 1.42, 1.43A, and 1.54; and 13:69L-1.2

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

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

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

Proposal Number: PRN 2017-154.

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 proposes to amend N.J.A.C. 13:69D-1.9 to add the word “such,” to clarify that casino licensees shall only report on “such” complimentarys that exceed \$2,000.

The Division proposes to add new N.J.A.C. 13:69D-1.15(g) to provide the flexibility for casino licensees to consolidate the functions of the check bank and general cashiers. In addition, general cashiers would be authorized to receive patron deposit withdrawals and counterchecks

pursuant to proposed amendments to N.J.A.C. 13:69D-1.15(f). This will assist casinos in combatting money laundering.

The Division proposes to amend N.J.A.C. 13:69D-1.23 to correct deficiencies in the manner in which Credit Slips are processed. Such slips should be signed by the accounting department, not the games department, and this issue is corrected by amending the rule. It is also necessary for a chip bank cashier to compare the original with the triplicate and this requirement is eliminated.

The Division proposes to add new N.J.A.C. 13:69D-1.25(b)1v to allow acceptance of checks from an authorized Internet gaming operator. In addition, the Division proposes to amend subsections (h) through (o), include a new subsection (p), and recodify existing (p) and (q) to facilitate the process for issuing a Counter Check or Slot Counter Check by eliminating certain burdensome processes.

N.J.A.C. 13:69D-1.26 is proposed for amendment to authorize the use of electronic payments for redemption, substitution, or consolidation of Counter Checks.

The Division proposes to add new N.J.A.C. 13:69D-1.27B(b)4 to codify the N.J.S.A. 5:12-99a(17) statutory requirement for disclosure of governmental employee status for electronic credit issuance. In addition, the requirement set forth in paragraph (e)6 to print a two-part receipt for such transactions is proposed for deletion. The Division is also proposing a new paragraph (b)6 to require an electronic record of transactions that fail to be fully completed.

The Division is proposing to amend N.J.A.C. 13:69D-1.32 to permit access to the count room to all personnel for purposes of repairing or servicing the equipment in the room.

The Division is proposing to amend N.J.A.C. 13:69D-1.33 to modify the processes for counting table game coupons to ensure the accurate reporting of the associated revenue.

N.J.A.C. 13:69D-1.36 is proposed for amendment to clarify the process by which the internal area of a slot machine may be accessed by authorized personnel.

The Division is proposing to amend N.J.A.C. 13:69D-1.37(c) to eliminate Division approval of audit programs for account-based wagering systems.

N.J.A.C. 13:69D-1.37B(a)3 is proposed for amendment to clarify that employee test cards can be issued through a player tracking system in addition to a slot monitoring system.

The Division proposes to amend N.J.A.C. 13:69D-1.39(f)10 and (n) to clarify the dollar threshold at which progressive jackpots shall be reconciled.

The proposed amendment to N.J.A.C. 13:69D-1.40(a) eliminates the \$75,000 cap for immediate jackpot payments. For jackpots above \$75,000, notification to the Division for possible inspection of the machine is still required by N.J.A.C. 13:69D-1.40(p), which would be recodified as N.J.A.C. 13:69D-1.40(r) under this rulemaking. The proposed amendment to N.J.A.C. 13:69D-1.40(e) eliminates the requirement for either the blind entry of a jackpot amount or the use of a jackpot amount verifier for those jackpots that exceed \$2,500. The proposed amendment to N.J.A.C. 13:69D-1.40(f) removes a \$10,000 threshold for transferring credits directly to the credit meter following a lock-up jackpot.

Proposed N.J.A.C. 13:69D-1.40(i) clarifies that the rules regarding payout slips apply if an individual slot machine or gaming device is unable to print a voucher. The existing subsection requires the entire voucher system to be inoperable, but the intent was to set standards whenever any machine was unable to communicate to the system, even if the remainder of the system was operational. This proposed amendment also raises the threshold for the use of a Credit Owed Slip, as opposed to a Payout Slip, from \$500.00 to \$1,200. Proposed new N.J.A.C. 13:69D-1.40(j) sets forth the requirements for a Credit Owed Slip, which includes the date and

time, asset number of the gaming device, amount of credit owed to the patron, and the signature of the preparer.

Moreover, proposed new subsection (l) allows a casino slot department employee to reset a device that is locked up with an amount of less than \$100.00 without accounting for the funds. A proposed amendment to recodified N.J.A.C. 13:69D-1.40(m)1 requires the preparation of a Payout Slip for an amount of \$100.00 or more. Proposed amendments to recodified N.J.A.C. 13:69D-1.40(n) require the use of a Payout Slip if the patron is not present when the slot attendant discovers a machine that is locked up with \$100.00 or more on the credit meter. The amendment to this subsection also requires additional information that the Payout Receipt must contain. This additional information conforms with the Credit Owed Slip requirements in proposed new subsection (j). Proposed amendments to recodified N.J.A.C. 13:69D-1.40(o) clarify that a cashier who is presented with a duplicate Payout Receipt from a patron shall follow the procedures for a manual Payout Slip. Proposed amendments to recodified N.J.A.C. 13:69D-1.40(r) require a casino licensee to notify the Division if it finds any evidence of tampering on a gaming device.

Proposed amended and new N.J.A.C. 13:69D-1.40(s), (t), and (u) and 1.40B(c) and (i) through (m) set forth the procedures for child support and other checks to be performed by the casino licensee rather than by the Division. Such checks are required to determine if a patron who has won a multi-state or multi-casino jackpot, regardless of whether the patron chooses payment as cash or annuity, as well as any non-multi-casino jackpot of \$75,000 or more, owes certain debts. If the patron is found to be delinquent in such obligations, primarily child support, the delinquent amount is to be withheld from the patron. Proposed N.J.A.C. 13:69D-1.40B(k) and (n) change the method of paying a patron who wins an annuity jackpot. Previously, the

patron was given a receipt and an election form, allowing him or her to choose to be paid via annuity or the cash equivalent. Under this rulemaking, a winning patron will receive, if no withholding is required, the amount of the first annual annuity payment. If the patron subsequently chooses the cash option, the remaining balance is paid. If the patron chooses the annuity, his or her next payment is due one year after the first payment. Under this method, a winning patron not subject to withholding will receive some of the winnings immediately, resulting in a better customer experience.

Recodified N.J.A.C. 13:69D-1.40B(o) is proposed for amendment to remove the requirement that the casino licensee or slot system operator provide supporting documentation related to the funding of the accounts established to pay the annuity payment. This amendment is being proposed to conform with the ruling that annuity jackpots can be paid by a slot system operator from its operations and need not come from a separate account, so long as the payment is guaranteed via surety bond or some other method.

N.J.A.C. 13:69D-1.40C(a), (b), and (f) through (j) are proposed for amendment to treat multi-casino jackpots in which there is no annuity option in the same manner as those with an annuity option are treated. The casino licensee or slot system operator now performs the required checks for withholding, rather than the Division, and the casino may pay a patron, in its discretion, before completing the checks, as long as the checks are performed in accordance with the casino's internal controls.

The Division proposes to amend N.J.A.C. 13:69D-1.42 to lessen the frequency of the collection of cash storage boxes from electronic table games. Specifically, the accounting slip for an emergency drop box must be deposited in the locked accounting box before such slips are collected for the gaming day.

Additional regulatory relief is proposed for N.J.A.C. 13:69D-1.43A(m) to eliminate the requirement to record the manufacturer and model number of slot machines on incident reports and to allow such reports to be signed electronically.

The Division is also proposing flexibility for the retention of unverified gaming vouchers in the cage in N.J.A.C. 13:69D-1.54.

The Division is also proposing a clarification to the definition of “casino operator” at N.J.A.C. 13:69L-1.2 that casino operators maintain internal controls unless specifically required to be submitted.

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 amendments address accounting controls for casino licensees. To the extent these changes provide regulatory relief for the method by which patrons are paid by casinos, expediting the process, consumers may find them to be an improvement over current processes. In addition, the proposed amendments lower the threshold at which casinos check for child support and other obligations owed by winners, which may bring those who are owed child support some additional relief.

Economic Impact

The proposed amendments provide regulatory relief for certain casino processes, thus making it easier to pay customers and to conduct a count. The amendments also provide for casinos themselves to check jackpot winners for child support and other obligations, which may

assist those who are owed child support in recovering what they are owed. The proposed regulatory relief could lead to a more satisfactory gaming experience for customers, thus generating more repeat business and increasing the State's gaming tax receipts.

Federal Standards Statement

A Federal standards analysis is not required because the proposed 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 amendments will not have any impact on the number of jobs in the State.

Agriculture Industry Impact

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

Regulatory Flexibility Analysis

The proposed amendments 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 amendments will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the proposed amendments would evoke a change in the average costs associated with housing because the rules concern the conduct of paying out jackpots and certain payouts, as well as other managerial efficiencies at New Jersey casinos.

Smart Growth Development Impact Analysis

The proposed amendments will not have an impact on smart growth and there is an extreme unlikelihood that the proposed amendments 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 concern the conduct of paying out jackpots and certain payouts, as well as other managerial efficiencies at New Jersey casinos.

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

CHAPTER 69D

GAMING OPERATION ACCOUNTING CONTROLS AND STANDARDS

SUBCHAPTER 1. GENERAL PROVISIONS

13:69D-1.9 Complimentary services or items

(a) – (d) (No change.)

(e) Each licensee shall, upon the request of the Division, generate a report that details all individually issued cash or non-cash complimentaries in excess of \$2,000 on a daily basis. The

issuance of **such** cash or non-cash complimentary shall be supported by documentation [which] **that**, at a minimum, includes:

1. - 7. (No change.)

(f) – (o) (No change.)

13:69D-1.15 Accounting controls and functions for the cashiers' main cage; satellite cage; master coin bank; coin vault; simulcast booth; slot booth; and chipperson

(a) – (e) (No change.)

(f) The assets for which each general cashier is responsible shall be maintained on an imprest basis. A general cashier shall not permit any other person to access their imprest inventory.

General cashiers functions shall include, but are not limited to, the following:

1.-2. (No change.)

3. Receive cash, cash equivalents, casino checks, **patron deposit withdrawals, counter checks**, and annuity jackpot trust checks from patrons in exchange for currency, slot tokens, gaming chips or plaques, gaming vouchers, or coin;

4. - 15. (No change.)

(g) A casino licensee may consolidate the functions of the general cashier and the functions of the check bank cashier, provided that the cashier performs no incompatible functions.

Recodify existing (g) – (t) as **(h) – (u)** (No change in text.)

13:69D-1.23 Procedure for removing gaming chips, coins, and/or plaques from a gaming table

(a) – (i) (No change.)

(j) Upon receipt of the completed original Credit Slip, the dealer or boxperson shall, in the presence of the casino supervisor, verify that the original agrees with the duplicate. The dealer or boxperson shall place the duplicate in the drop box and forward the original to the casino clerk or casino supervisor. The casino clerk or casino supervisor shall either:

1. (No change.)

2. If the acknowledgement does not print or the Credit Slip was manually prepared, the original Credit Slip shall be transported to the chip bank and serve as the acknowledgement. [A chip bank cashier shall compare the acknowledgement to the triplicate Credit Slip to confirm the completion of the transaction.]

(k) If a discrepancy exists between the chips, coins, and/or plaques pursuant to the comparison in (i) above (for example, an incorrect denomination or total amount), a cage supervisor shall notify the surveillance department and either:

1. (No change.)

2. Accept the Credit, record the reason for the discrepancy on the Credit Slip, and prepare a two-part error notification form, a copy of which shall be forwarded to the Division's in-house office and shall include, at a minimum:

i. - iii. (No change.)

iv. The signature of the [casino] **cage** supervisor.

(l)-(n) (No change.)

13:69D-1.25 Procedure for acceptance of checks, cash equivalents, and credit cards; issuance of Counter Checks or Slot Counter Checks

(a) (No change.)

(b) A casino licensee may accept a check or checks from a person in exchange for cash or cash equivalents, in order to establish a customer deposit account or in payment of outstanding Counter Checks, provided that:

1. The check is:

i. - ii (No change.)

iii. Issued by a banking institution [which] **that** is chartered in the United States on its account at another Federally-chartered or state-chartered bank and made payable to "cash," "bearer," the casino licensee, or the person presenting the check (a domestic bank check); [or]

iv. Issued by a slot system operator or pursuant to an annuity jackpot guarantee as payment for winnings from a WAP or MSPS slot machine system jackpot (slot system operator check); **or**

v. Issued by an authorized Internet gaming operator that is in partnership with the casino licensee where the check is presented and which is made payable to the person presenting the check, and issued for a purpose other than employment compensation or as payment for goods or services rendered (an Internet gaming operator check);

2. - 3. (No change.)

(c) – (g) (No change.)

(h) Whenever a patron requests to withdraw funds from a patron account by a Counter Check or Slot Counter Check, a general cashier, casino clerk, floorperson, or above, or a slot attendant or above if the counter check is issued at a slot machine, shall [prepare a Counter Check Request (Request), which shall include, at a minimum:

1. The date of the request;

2. The originating location of the request (table game, slot location, or cashiering location identifier);

3. The amount requested;

4. The printed question and patron's response: "Are you the Governor, any State officer or employee, or any special State officer or employee, any member of the Judiciary, any member of the Legislature, any officer of a municipality or county in which casino gaming is authorized, or any gaming related casino employee?";

5. The patron's signature, if applicable;

6. The sequence number of a previously issued Counter Check number, if the patron's identity is verified pursuant to (i)3 below; and

7. The signature of the verifier in accordance with (i) below.] **notify a general cashier or casino clerk who is to issue the Counter Check or Slot Counter Check that a patron has requested to access his or her front money or credit account and that a Counter Check or Slot Counter Check is required. Nothing in this subsection shall preclude a casino licensee from using a written request or requiring a patron who requests a Counter Check or Slot Counter Check to sign such a written request.**

(i) Prior to generating a Counter Check or Slot Counter Check, the patron's identity shall be verified by:

1. A general cashier or casino clerk [comparing the signature on the Request to the patron identification file established] **or a slot attendant for a Slot Counter Check issued at a slot machine who shall examine the patron's government issued identification** pursuant to N.J.A.C. 13:69D-1.5A;

2. A casino or slot supervisor attesting to the identity of the patron [by signing the Request]; or

3. (No change.)

(j) A general cashier or casino clerk shall verify that there are sufficient funds in the patron account to satisfy the patron's [Request] **request for a Counter Check or Slot Counter Check** by accessing the patron account at a computer terminal. If the computer system is inoperable, the general cashier or casino clerk shall obtain the available balance from a check bank cashier [and record the name and license number of the check bank cashier on the Request].

(k) (No change.)

(l) [Upon receipt of a Request, a] **A Counter Check or Slot Counter Check** shall be prepared by a general or slot booth cashier or casino clerk, as applicable, and made payable to the casino licensee or include an indication that the funds are drawn from a patron deposit account. Counter Checks and Slot Counter Checks shall, at a minimum, include the following:

1. – 7. (No change.)

(m) For Counter Checks issued at a table game, a general cashier or casino clerk shall present the Counter Check to a casino supervisor who shall review the Counter Check for accuracy and sign the original and duplicates. The general cashier or casino clerk shall then present the original and duplicates to the patron for signature; provided, however, that a casino licensee may require the patron to sign only the original and have a computer generated facsimile of the signature exemplar obtained from the patron's identification file pursuant to N.J.A.C. 13:69D-1.5A preprinted on the duplicates.

1. A general cashier or casino clerk shall maintain the accounting copy [and the Request] in a secure location in the pit until transferred to the casino accounting department at the end of the gaming day.

2. – 3. (No change.)

(n) For Slot Counter Checks issued to the patron at the cashier's cage, satellite cage, or slot booth, the general or slot booth cashier shall present the original and all duplicate copies to the patron for signature; provided, however, that a casino licensee may require the patron to sign only the original and have a computer generated facsimile of the signature exemplar obtained from the patron's identification file pursuant to N.J.A.C. 13:69D-1.5A preprinted on the duplicate copies. The general or slot booth cashier shall:

1.- 3. (No change).

4. Place the accounting copy [and the Request] in a locked accounting box located in the cage or slot booth until transferred to the casino accounting department at the end of the gaming day.

(o) For Slot Counter Checks issued to a patron at a slot machine:

1. The general cashier or slot booth cashier [upon receipt of a Request] shall prepare a slot counter check and issue the cash, tokens, or **cashier generated** gaming voucher(s) to a slot attendant or above who shall verify that the amount received agrees to the Slot Counter Check [and the Request]. The slot attendant or above shall sign the original and all copies.

2. The slot attendant or above shall be escorted by a security department member, a slot department supervisor with no incompatible functions, or a general cashier or above (verifier) who shall verify that the amount received agrees to the Slot Counter Check [and the Request]. The verifier shall sign the original and duplicates. The slot attendant or above shall return the

issuance copy to the general cashier or slot booth cashier to evidence receipt of the funds, and maintain the [Request and the] original, redemption, and accounting copy in order to complete the transaction at a slot machine;

3. The slot attendant or above, in the presence of the verifier, shall present the original, redemption and accounting copy of the Slot Counter Check to the patron for signature, provided, however, that a casino licensee may require the patron to sign only the original of the Slot Counter Check and have a [computer generated] **computer-generated** facsimile of the signature exemplar obtained from the patron's identification file pursuant to N.J.A.C. 13:69D-1.5A preprinted on the duplicate copies. [The slot supervisor or above shall verify the signature of the patron on the original Slot Counter Check to the Request and the slot attendant or above shall issue the cash, tokens, or gaming voucher(s) to the patron.] The slot attendant or above and the verifier shall sign the back of the accounting copy of the Slot Counter Check evidencing the transfer of the funds to the patron; and

4. The slot attendant or above who conducted the transaction shall return the [Request and the] original, redemption, and accounting copies to the general cashier or slot booth cashier who shall:

i. - iv. (No change.)

(p) In addition to presenting the Counter Check or Slot Counter Check to the requesting patron for signature, the general cashier or casino clerk shall present to the patron a printed question "Are you the Governor, any State officer or employee, or any special State officer or employee, any member of the Judiciary, any member of the Legislature, any officer of a municipality or county in which casino gaming is authorized, or any gaming related casino employee?" The cashier or casino clerk shall record the requesting patron's

answer on the accounting copy of the Counter Check or Slot Counter Check prior to depositing it in the locked accounting box.

[(p)] (q) (No change in text.)

[(q)] (r) A casino accounting department employee with no incompatible functions shall obtain, on a daily basis, the accounting copy of all Counter Checks and Slot Counter Checks [and Requests] from the gaming pits and locked accounting boxes in the cage or slot booth for reconciliation to the issuance copy removed from the table game drop boxes and stored data.

13:69D-1.26 Redemption, substitution, and consolidation of Counter Checks or Slot Counter Checks at the cashiers' cage; redemption of Counter Checks at a gaming table

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

(c) The drawer of one or more undeposited Counter Check or Slot Counter Check may initiate a redemption, substitution or consolidation by personally appearing at the cashiers' cage, satellite cage or slot booth. The drawer may:

1. For a full or partial redemption, present cash, cash equivalents, complimentary cash gifts, slot tokens, gaming chips or plaques, [or] checks authorized pursuant to Section 101 of the Act, **or an electronic payment;**

2. – 3. (No change.)

(d) – (g) (No change.)

(h) The drawer of one or more outstanding Counter Checks or Slot Counter Checks may initiate a total redemption transaction by mailing an authorized instrument **or by submitting an electronic payment** to the casino licensee. A casino accounting department representative with no incompatible functions shall on a daily basis:

1. - 2. (No change.)

(i) - (j) (No change.)

13:69D-1.27B Electronic credit system; patron deposits, credit account withdrawals, and redemption transactions

(a) (No change.)

(b) The electronic credit system shall be capable of maintaining independently or in conjunction with another computer system as approved by the Division, the following information:

1. - 2. (No change)

3. For each patron account and transaction, the information required to be recorded by N.J.A.C. 13:69D-1.24, 1.25, 1.26, 1.28, and 1.29, as applicable; [and]

4. The patron's electronic response to the question: "Are you the Governor, any State officer or employee, or any special State officer or employee, any member of the Judiciary, any member of the Legislature, any officer of a municipality or county in which casino gaming is authorized, or any gaming related casino employee?";

[4.] **5.** A record of each electronic transaction, printable in the check bank, which record shall include at a minimum:

i. -iv. (No change.)

v. Patron name and account number; [and]

vi. Amount[.]; **and**

6. A record of each electronic transaction for which the patron has successfully fulfilled the requirements of (f)3, (g)4iii, or (h)3 below, but the requirements of (f)5 and 6, (g)4v, or (h)5 and 6 below have not been fulfilled.

(c) - (d) (No change)

(e) For patron deposits utilizing the electronic credit system, a cashier with no incompatible functions shall:

1. - 3. (No change)

4. Require the patron to enter his or her PIN and signature to verify the amount of the deposit; **and**

5. Digitally sign attesting to the accuracy of the transaction[;and].

[6. Generate a two-part receipt detailing the transaction, one part to be provided to the patron and the other to be maintained by the cashier as part of his or her imprest inventory.]

(f) - (n) (No change.)

13:69D-1.32 Count rooms; physical characteristics; count protocols

(a) - (e) (No change.)

(f) The count room doors shall be secured at all times except when opened for the following authorized purposes:

1. (No change.)

2. To permit access to equipment by authorized IT department employees **or other personnel to repair or service count room equipment;**

3. - 7. (No change.)

(g) - (p) (No change)

13:69D-1.33 Procedure for opening, counting, and recording contents of table drop boxes and slot cash storage boxes

(a) Immediately prior to the commencement of the count process, a count room supervisor shall:

1. (No change.)

2. Sign out the following keys:

i. Trolley, [or] cabinet, **and drop box slide reset** keys from a security supervisor for the purpose of gaining access to the drop boxes; and

ii. (No change.)

3. - 5. (No change.)

(b) - (c) (No change.)

(d) A test count shall be conducted prior to the start of the first use of each counting machine, each gaming day, and prior to each count. The count room supervisor shall:

1. - 2. (No change.)

3. Supervise a count team member who shall select a drop box [or] **and a** slot cash storage box. [If slot storage boxes are being counted that day, a] **The** slot cash storage box [must be] selected [and it] must contain currency[,] and [if issued by the licensee,] gaming vouchers [and coupons.] **if issued by the licensee. In addition, if a licensee issues coupons, the slot cash storage test box shall also contain coupons or the licensee may use a test coupon that has been approved by the Division. The test coupon shall be maintained and controlled by the count room supervisor.** The count team member shall place the entire contents of the table drop box or slot cash storage box into the first counting machine, which shall count the currency by denomination as well as any gaming vouchers and coupons. Any soiled or off-sorted bills,

gaming vouchers or coupons shall be re-fed into the machine. Any items which the counting machine is not able to count automatically, such as coins, tokens, gaming chips or mutilated or torn currency, gaming vouchers, and coupons shall be manually counted, recorded either manually or entered into the counting machine, and segregated from items which the counting machine was able to count automatically. The count team member shall cause the counting machine, in conjunction with the gaming voucher system, to produce one or more test receipts of the count, and the count shall not be shown to anyone until completion of the final verification process;

4. - 7. (No change.)

(e) (No change.)

(f) As the contents of each table drop box are counted, if not already recorded in the computer system used to create the Master Game Report or supporting documentation as authorized by the Division, a count team member shall manually record or cause a computer system to record, the following information by game and table number:

1. - 2. (No change.)

[3. The total number of slot cash storage boxes opened and counted;]

Recodify existing 4. - 17. as **3. - 16.** (No change in text.)

(g) In addition to the requirements of (f) above, the Master Game Report shall include:

1. (No change.)

2. The **separate** grand totals for each of the items in (f)3 through [17] **16** above;

3. - 4. (No change.)

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

(m) A count team member designated as the banker shall count each denomination of currency, tokens, and gaming chips, and verbalize the amounts. **The banker shall also count table game coupons unless otherwise authorized by the Division.** The count room supervisor shall verify the amount verbalized to the amount recorded on the Master Game Report or Slot Cash Storage Box Report. The banker and count team supervisor shall sign the report(s) attesting to the accuracy of the information recorded thereon. The information recorded thereon shall not be accessible to any person outside the count room until after the main bank cashier or cage supervisor ("cashier") has verified and accepted the drop unless otherwise authorized by the Division.

(n) (No change.)

(o) After the contents of the boxes have been counted and recorded on the Master Game Report and/or Slot Cash Storage Box Report, the count room supervisor shall notify the main cage. A cashier shall enter the count room and not have any access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report. The cashier, in the presence of the banker, shall count the currency, coins, tokens, gaming chips, and mutilated or torn items. **The cashier shall also count table game coupons unless otherwise authorized by the Division.**

1. Currency, coin, tokens, [and] gaming chips, **and table game coupons, if applicable,** shall be presented in the count room by the banker to a main bank cashier or cage supervisor (cashier). Prior to having access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report, the cashier, in the presence of the banker, shall count the items in accordance with the following requirements:

i. (No change.)

ii. The cashier shall bulk count all strapped currency **and machine counted table game coupons**. The cashier shall count all partial straps, loose currency, mutilated or torn currency and coupons, coin, tokens, and gaming chips either by hand or with an approved counting machine. If a discrepancy in an individual denomination is discovered during the initial count, the cashier shall recount the currency of that denomination either by hand or with an approved counting machine; [and]

iii. The cashier shall count all table game coupons that have been manually entered by the count team; and

[iii.] **iv.** (No change in text.)

2. (No change.)

3. Upon completion of the cashier's count, the cashier shall attest by signature on the Master Game Report and/or Slot Cash Storage Box Report, that the amount of cash from drop boxes **and/or slot cash storage boxes counted, and the amount of coupons from table drop boxes counted as recorded on these documents** and, if applicable, the Drop Variance Report, agrees with the total amounts of cash **and coupons** counted by the count team. Upon attestation, all items other than coupons and vouchers shall be under the exclusive control of the cashier and shall not be handled by a count team member.

(p) - (v) (No change.)

13:69D-1.36 Slot machines and bill changers; coin and slot token containers; slot cash storage boxes; entry authorization logs

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

(g) [The] **Access to the** area in which the slot cash storage box is located shall be secured by a key (“**belly glass door key**”) and separate from [and accessible independently of] any other compartment of the slot machine[, the slot drop bucket or the slot drop box]. The **belly glass door** key [to the lock securing the area where the slot cash storage box is located] shall be different from the key securing the contents of the slot cash storage box **and the bill changer door key**. The [compartment] **belly glass door** key shall be maintained and controlled by the casino security department or the slot department [in a secure area within that department]. Access to the **belly glass door** key may be [gained] **given** only by a supervisor in that department; provided, however, if the slot department controls the key, the slot department supervisor may issue the key to a casino security department supervisor, who may give it to appropriate casino security department personnel only for the purpose of participating in the transportation of slot cash storage boxes. Access to the **belly glass door** key shall require the use of a sign-in and sign-out procedure **described in the casino licensee’s internal controls**. **The bill changer door key shall be maintained and controlled by the security department.** **Access to the bill changer door key shall be limited to security supervisors and shall be controlled by a sign in and sign out procedure described in the casino licensee’s internal controls.**

(h) – (j) (No change.)

13:69D-1.37 Account based wagering system procedures

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

(c) The internal audit department shall be responsible for testing a designated sample of electronic gaming devices **prior to implementation and** on an annual basis **thereafter** to ensure the accuracy, integrity, and suitability of the system [in accordance with an audit program approved by the Division prior to implementation of account based wagering].

(d) – (f) (No change.)

13:69D-1.37B Testing of electronic gaming devices on the casino floor

(a) For purposes of this section:

1. - 2. (No change.)

3. "Employee test card" means a card issued to a designated employee through an approved slot monitoring system **or player tracking system** that electronically tracks the identity and activity of the designated employee at each electronic gaming device while the card is in use.

(b) – (c) (No change.)

13:69D-1.39 Progressive slot machine jackpots

(a) – (e) (No change.)

(f) Prior to establishing or modifying a progressive jackpot, the casino licensee or, as applicable, the slot system operator shall submit to the Division's Technical Services Bureau notification (Division form known as "Appendix E"), which shall include the following:

1. – 9. (No change.)

[10. The reset dollar threshold at which the progressive jackpot is expected to exceed \$5,000 prior to being won;]

Recodify existing 11.-12. as **10.-11** (No change in text.)

(g) – (m) (No change.)

(n) The slot department shall notify casino accounting of each slot machine which has one or more progressive jackpots [expected to exceed \$5,000 prior to being won] **with a reset amount of \$5,000 or more.** At least once every seven calendar days, a casino accounting department or slot department member shall record on a Progressive Slot Summary, the amount indicated on [any] **the progressive display [expected to exceed \$5,000] of each slot machine with a reset of \$5,000 or more.** The Progressive Slot Summary shall be signed by the preparer. A representative of the casino accounting department shall, within one gaming day, calculate the amount that should appear on the primary progressive display and notify the Division of any necessary adjustment. The calculated amount shall be compared to the amount on the Progressive Slot Summary. If the amounts do not agree, a casino accounting member shall calculate the progressive display value for all progressive jackpot levels recorded on the Progressive Slot Summary for that stand alone slot machine or progressive link, as applicable.

(o) - (t) (No change.)

13:69D-1.40 Payouts from electronic gaming devices

(a) Whenever a lock up [of less than \$75,000] occurs on an electronic gaming device, with a payout other than merchandise, annuity, multi-casino, or multi-state payout, a casino licensee shall process one of the following Requests for Payout ("Request") for the winning patron:

1. – 5. (No change.)

(b) – (c) (No change.)

(d) A Payout Slip shall include, at a minimum, the following information:

1. - 4. (No change.)

5. The method of payment (for example, cash, slot tokens, casino check, gaming voucher, **counter check redemption**, or gaming chips);

6. - 8. (No change.)

9. The serial number of any casino check issued or **document number of redeemed counter check**; and

10. (No change.)

(e) If a lock up is processed by a Hand Pay, a slot attendant or above shall prepare a Request electronically [at the slot machine] or manually. [If a payout amount is not viewable within the slot monitoring system prior to the generation of the Payout Slip ("blind entry"), a lock up verifier shall not be required. If the payout amount is viewable, a lock up verifier shall be required for a payout exceeding \$2,500.] If the amount of the lock up being processed does not agree to the lock up electronic signal amount in the slot monitoring system, a slot supervisor or above with no incompatible function shall determine the amount to be paid to the patron from the display of the electronic gaming device. The slot supervisor shall authorize the transaction as an override, provided, however, the supervisor shall not be required for a variance of less than \$25.00 for a progressive jackpot.

1. (No change.)

2. If a Payout Slip is generated by a slot attendant or above at an automated payout machine, the slot attendant or above shall:

i. (No change.)

[ii. Obtain the signature of a lock up verifier, if applicable, on the original and duplicate;]

Recodify existing iii.-vi. as **ii.-v.** (No change in text.)

(f) A jackpot lock up may be processed as a Transfer to Credit Meter by a slot attendant or above or by other means approved by the Division, by transferring the credits to the credit meter of the slot machine, provided that:

[1. The amount is less than \$10,000;]

Recodify existing 2.-3. as **1.-2.** (No change in text.)

(g) A lock up may be processed by a slot attendant from funds secured in a pouch imprest with an amount not to exceed \$5,000. A slot attendant or above shall prepare and sign a sequentially numbered two-part Pouch Payout **Slip or Log**. [If the payout amount exceeds \$100.00, a lock up verifier shall verify the amount to be paid and sign the Pouch Payout.]

(h) At the end of a slot attendant's shift or when replenishing a pouch, the slot attendant shall present all Pouch Payout[s] **Slips or Logs** to a general or slot booth cashier who shall [process a Payout Slip. If the amount does not agree to the lock up electronic signal amount in the slot monitoring system, a cage supervisor shall authorize the transaction as an override. The cashier shall]:

1. Sign the original[,] **and** duplicate [and, if applicable, triplicate] of the **Pouch Payout Slip or Log**;

2. Obtain the signature of the slot attendant on the original and duplicate of the **Pouch Payout Slip or Log**;

[3. Obtain the signature of the cage supervisor, if applicable, on the original and duplicate of the Payout Slip;]

[4.] **3.** [Attach the original Payout Slip to the] **Maintain the** original Pouch Payout **Slip or Log** to be maintained as an imprest item; and

[5.] **4.** Present the duplicate **Pouch Payout Slip or Log** to the slot attendant for deposit [with the duplicate Pouch Payout Slip] into a locked accounting box.

(i) A slot department member may reset an electronic gaming device prior to payment utilizing a Credit Owed Slip if the gaming voucher system is [inoperable] **unable to print a gaming voucher** and the amount [does not exceed \$500.00] **is less than \$1,200. A lock up amount greater than or equal to \$1,200 shall require the preparation of a Payout Slip in accordance with this section.** The Credit Owed Slip shall be a sequentially numbered two-part form prepared and signed by a slot department member who shall provide the original to the patron for exchange with a general or slot booth cashier. The slot department member shall deposit the duplicate in a locked accounting box.

(j) The Credit Owed Slip shall contain, at a minimum:

- 1. The date and time;**
- 2. The asset number of the electronic gaming device;**
- 3. The amount owed, in words and numbers; and**
- 4. A signature of the slot department member.**

[(j)] **(k)** (No change in text.)

(l) A slot department member may reset an electronic gaming device when no patron is present to claim a lock up amount of less than \$100.00. The slot department member shall record an entry in the Machine Entry Authorization Log.

[(k)] **(m)** A slot attendant may reset an electronic gaming device prior to payment by preparing a Payout Receipt if:

- 1. No patron is present to claim the lock up amount and the amount is greater than or equal to \$100.00;**

2. – 3. (No change.)

[(l)] (n) A Payout Receipt shall be a sequentially numbered three-part form. [If the amount exceeds \$100.00, a lockup verifier shall confirm the transaction.] The slot attendant shall transport the original, **or the original and duplicate if the patron is not present**, to a general cashier and present the duplicate to the patron. [If a patron is not present, the slot attendant shall deliver the original and duplicate of the Payout Receipt to the cage to be maintained by the main bank.] **The general cashier shall generate a Payout Slip, immediately void it, and attach the voided Slip to the original Payout Receipt.** The slot attendant shall deposit the triplicate in a locked accounting box. The Payout Receipt shall contain, at a minimum:

1. -2. (No change.)
3. The reason for issuing the receipt [(for example, game back in play or unclaimed)];
4. The signature of the lock up verifier, if applicable; [and]
5. The signature of the slot attendant[.];
- 6. The date and time;**
- 7. The asset number of the electronic gaming device; and**
- 8. Amount owed, in words and numbers.**

[(m)] (o) When a patron presents a duplicate Receipt to a general cashier, the cashier shall retrieve the original Receipt and obtain the patron's signature on the duplicate Receipt, which shall be compared for agreement to the signature on the original **Receipt**. The cashier shall process a **manual Payout Slip pursuant to this section**. [If the amount does not agree to the lock up electronic signal amount in the slot monitoring system, a cage supervisor shall authorize the transaction as an override. A cashier shall:

1. Sign the original, duplicate, and, if applicable, triplicate of the Payout;

2. Present the funds to the patron;
3. Maintain the original Payout Slip and Receipt as an imprest item; and
4. Deposit the duplicate Payout and Receipt into a locked accounting box.]

Recodify existing (n)-(o) as **(p)-(q)** (No change in text.)

[(p)] **(r)** A casino licensee shall notify the Division prior to the payment of any jackpot greater than \$75,000. Payment shall be withheld for three business days unless otherwise directed by the Division. [1.] No reset shall be allowed until the casino licensee [prepares a Payout Receipt pursuant to the requirements of (l) above and] determines[: i. That] **that** the slot monitoring system recorded the lock up[: ii. There], **there** is no evidence of tampering[:], and [iii. The] **the** Division seals are intact. **If a reset is not allowed, the licensee shall immediately notify the Division.**

[2.] **(s)** The [Division] **casino licensee** shall determine if any portion of [the winnings] **a jackpot of \$50,000 or greater** is subject to withholding for a jackpot winner who is:

Recodify existing i.-ii. as **1.-2.** (No change in text.)

[3.] **(t)** If any amount is subject to withholding [pursuant to (p)2 above, the Division shall notify] the casino licensee [to] **shall** withhold payment until the Probation Division of the Superior Court or the Department of Human Services authorizes payment.

[(q)] **(u)** (No change in text.)

13:69D-1.40B Jackpot payouts in the form of an annuity

(a) (No change.)

(b) Whenever an annuity jackpot is won, the casino licensee or slot system operator [shall notify the Division prior to any payment. The Division] shall determine if any portion of the winnings is subject to withholding for a jackpot winner who is:

1. - 2. (No change.)

(c) If any amount is subject to withholding pursuant to (b) above, the [Division shall notify the] casino licensee [to] **shall** withhold payment until the Probation Division of the Superior Court or the Department of Human Services authorizes payment.

(d) – (h) (No change.)

(i) The Annuity Jackpot Acknowledgement form shall either be a multi-part form or copied for distribution, at a minimum, to the following:

1. (No change.)

2. The slot system operator, if applicable; **and**

[3. The Division; and]

[4.] **3.** (No change in text.).

(j) Upon confirmation that the patron is not subject to payout withholding, a casino licensee or slot system operator shall issue cash, check, or electronic payment to the patron in an amount equal to the first installment of the annuity. The payment shall be documented in accordance with internal controls.

(k) If confirmation is received that the patron is subject to a withholding, the casino licensee or slot system operator shall issue cash, check, or electronic payment to the patron in an amount equal to the first installment of the annuity less any required withholding. The payment shall be documented in accordance with internal controls.

(l) Nothing in this section shall prevent a casino licensee or slot system operator, in its discretion, from paying a patron prior to completing the checks for withholding required by this section provided that the checks are subsequently completed in accordance with the licensee's internal controls. The casino licensee shall be liable for the payment of any amount subject to withholding up to the amount it paid to the patron.

[(j)] **(m)** The casino licensee or slot system operator shall, within three business days, provide a Jackpot Acceptance form for patron completion and notify the patron either personally or by certified mail of the following:

1. – 5. (No change.)

6. A disclosure that a part or all of the payment shall be withheld if the Department of Human Services determines that the winner is subject to payout withholding; **and**

7. A statement that the patron shall have 60 days to return the Jackpot Acceptance form selecting the annuity or, if applicable, the cash option[; and].

[8. A disclosure that payment shall not be made for 30 days from the date of the patron's selection unless otherwise authorized by the Division.]

[(k)] **(n)** Upon receipt of the [Division's authorization that the patron is not subject to payout withholding and] patron's Jackpot Acceptance form, a casino licensee or slot system operator shall[, within five business days,]:

1. If the patron selects the cash payout option, issue a check or authorize an electronic payment to the patron **within five business days** in an amount equal to[:] the present value of the cash payout amount[,], less **the amount of the initial annuity installment and** any required withholding; or [the first installment of the annuity jackpot, less any required withholding. The

casino licensee or slot system operator shall then establish and fund an account to pay the remainder of the annuity jackpot in a manner approved by the Division.]

2. If the patron selects the annuity payout option, issue a check or authorize an electronic payment on each anniversary date of the win, for the duration of the annuity, in the amount equal to the annuity payment less any required withholding. Prior to each payment, the casino licensee or slot system operator shall determine if the payment is subject to any withholding pursuant to this section.

[(l)] (o) On or before the fifth day of each month, a casino licensee or slot system operator shall submit to the Division a summary report of all annuity jackpots paid to one or more patrons during the prior month [and, if applicable, supporting documentation related to the funding of one more accounts established to pay annuity remainder payments].

1. (No change.)

2. A slot system operator shall calculate the total gross revenue deduction in the same manner as [(l)] (o)1 above and prorate the deduction amount to each casino licensee participating in the annuity jackpot. The slot system operator shall distribute reports to the Division and each participating casino licensee delineating the respective gross revenue deduction amounts.

13:69D-1.40C Multi-casino slot system or multi-state slot system jackpot payouts

(a) Whenever a non-annuity WAP or MSPS payout ("instant pay") [greater than \$75,000] **of \$50,000 or greater** is won in a New Jersey casino, the casino licensee or slot system operator [shall notify the Division prior to any payment. The Division] shall determine if any portion of the winnings is subject to withholding for an instant pay winner who is:

1. – 2. (No change.)

(b) If any amount is subject to withholding pursuant to (a) above, [the Division shall notify] the casino licensee [to] **shall** withhold payment until the Probation Division of the Superior Court or the Department of Human Services authorizes payment.

(c) – (e) (No change.)

(f) The Instant Pay Acknowledgement form shall either be a multi-part form or copied for distribution, at a minimum, to the following:

1. Casino accounting;
2. The slot system operator, if applicable; **and**
- [3. The Division; and]
- [4.] **3.** (No change in text.)

(g) Upon [receipt of the Division's authorization,] **confirmation** that the patron is not subject to payout withholding, a **casino licensee or slot system operator** shall, within five business days of receipt, issue [a] **cash**, check, or [authorize an] electronic payment to the patron in an amount equal to the jackpot [less any required withholding]. **The payment shall be documented in accordance with internal controls.**

(h) If confirmation is received that the patron is subject to a withholding, the casino licensee or slot system operator shall, within five business days of receipt, issue cash, check, or electronic payment to the patron in an amount equal to the jackpot less any required withholding. The payment shall be documented in accordance with internal controls.

(i) Nothing in this section shall prevent a casino licensee or slot system operator, in its discretion, from paying a patron prior to completing the checks for withholding required by this section provided that the checks are subsequently completed in accordance with the

licensee's internal controls. The casino licensee shall be liable for the payment of any amount subject to withholding up to the amount it paid to the patron.

[(h)] **(j)** (No change in text.)

13:69D-1.42 Removal of slot drop buckets, slot drop boxes, and slot cash storage boxes; unsecured currency; recording of meter readings for slot machine drop

(a) Each casino licensee shall file with the Division a schedule setting forth the specific times at which the slot drop buckets, slot drop boxes and slot cash storage boxes ("slot drop containers") **and electronic gaming table slot cash storage boxes** will be brought to or removed from the slot machines. The schedule shall include the number of slot drop containers **and electronic gaming table slot cash storage boxes** to be removed each day by zone or other designation. No slot drop container **or electronic gaming table slot cash storage box** shall be removed from a slot machine **or electronic table game** at other than the times specified on such schedule except with contemporaneous notification to the Division. The slot drop containers **and electronic gaming table slot cash storage boxes** shall be removed at least once a week. If an approved slot monitoring system is used to generate a slot drop estimate report pursuant to N.J.A.C.

[13.69L]**13:69L**-1.7(c), the schedule for the removal of slot drop [boxes and slot drop buckets] **containers and electronic gaming table slot cash storage boxes** may be extended.

(b) – (d) (No change.)

(e) A casino security department member shall sign out the count room door key, **the bill changer door key**, and **the** padlock key, which are maintained and controlled by the casino security department. Access to these keys shall be limited to security supervisors and shall be

controlled [, at a minimum,] by a sign-out and sign-in procedure described in the casino licensee's security internal control submission as approved by the Division.

(f) - (m) (No change.)

(n) A slot drop box or slot cash storage box replaced outside of the slot drop schedule shall be replaced with an empty emergency slot drop box or slot cash storage box by a security department member and a slot or cage department member as follows:

1. - 4. (No change.)

5. A slot department member, in the presence of a casino security department member and the slot or cage department member, shall remove the slot drop box or slot cash storage box from the slot machine and replace it with the empty emergency slot drop box or slot cash storage box. The slot department member shall **promptly, and as soon as practical**, deposit the duplicate emergency box form in a locked accounting box [prior to returning the box to the count room] **and in no even later than the time for collection of that gaming day's accounting slips from the locked accounting box;**

6. - 8. (No change.)

(o) – (u) (No change.)

13:69D-1.43A Slot accounting requirements; electronic table games which accept gaming vouchers or coupons redeemed by a gaming voucher system; **procedure for counting and recording contents of slot drop buckets and slot drop boxes**

(a) – (l) (No change.)

(m) Whenever there is a variance of more than \$500.00 between the value of cash, gaming vouchers, or coupons removed from a bill changer's slot cash storage box to their corresponding meters as recorded on a report generated by the slot monitoring system, a casino licensee shall:

1. - 2. (No change.)

3. Include on the incident report the following for each bill changer with a reportable variance:

i. - v. (No change.)

vi. The cause of the variance with any documentation attached to support the explanation; **and**

[vii. The manufacturer and model number of the slot machine to which the bill changer is attached or embedded; and]

[viii.] **vii.** The **electronic or written** signature and credential number of the preparer.

13:69D-1.54 Gaming vouchers; procedures for issuance and redemption; redemption of coupons through a gaming voucher system

(a) - (h) (No change)

(i) When the system is unable to verify the validity of a gaming voucher (unverified gaming voucher), a casino licensee may redeem the gaming voucher at a cashier's cage or satellite cage without immediately canceling the voucher provided that:

1. - 2. (No change.)

3. [At the end of each gaming day, all] **All** unverified gaming vouchers [redeemed] shall be transferred to the casino accounting department **at the end of each gaming day, unless otherwise authorized by the Division;** and

4. (No change.)

(j) - (l) (No change.)

CHAPTER 69L

TAXES

SUBCHAPTER 1. GROSS REVENUE TAX; INTERNET GAMING GROSS REVENUE TAX

13:69L-1.2 Definitions

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

...

"Casino operator" means:

1. Where there is no casino management agreement with regard to the casino hotel facility, the casino operator shall be the casino licensee that is responsible for submitting, **as applicable**, and **for** maintaining the internal controls required by section 99 of the Act;

2. - 3. (No change.)

...