

RULES AND REGULATIONS

TITLE 58. RECREATION

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CH. 461]

Response to Public Comment

Subpart E. SLOT MACHINE TESTING, CERTIFICATION AND CONTROL

CHAPTER 461. SLOT MACHINE TESTING AND CERTIFICATION REQUIREMENTS

§ 461.1. Definitions.

*Comment:*

§ 461.1 - Can Wager include credits from a bonus system?

*Response:*

Yes. The generic reference in the definition to an electronic payment system was intended to encompass credits emanating from cashless funds transfer systems and external bonusing systems. Clarifying language has been incorporated.

*Comment:*

§§ 461.1, 461.4(b)(3) and 461.4(b)(4) - MTGA and Downs Racing have formulated and embarked on a Customer Relationship Management ("CRM") strategy to better serve customers and as a means to differentiate MTGA and Downs Racing from their competitors in jurisdictions that MTGA conducts business. To that end, MTGA and Downs Racing are developing proprietary processes and software systems to manage the acquisition of customer related data, customer relationship related data and

customer behavior related data. The issue of concern is whether these customer data systems which collect and analyze marketing information are "associated equipment" as defined in 4 Pa.C.S. § 1103. "Associated equipment" is broadly defined by statute to include any "equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming..." However, slot monitoring systems, casino management systems, player tracking systems and wide area progressive systems, while technically associated equipment, are treated differently under the Gaming Act. 4 Pa.C.S. § 1317(a). Because the software underlying the CRM strategy is directly related to marketing and player tracking and not the operation of the actual slot machines or the recording or reporting of gross terminal revenue, these systems justify different treatment, in certain circumstances, than other associated equipment. In particular, while it may be appropriate and the Board may identify significant reasons for requiring testing of the CRM systems prior to initial installation, the Board should not require that this type of marketing software be subject to regulatory review and approval prior to each and every modification. Downs Racing and other licensees will be required to make frequent modifications to, for example, player points systems involving components of both the player tracking system and the casino management system, in order to respond to

competition and meet market demand. These modifications must not be made on very short notice in order to be effective and do not lend themselves to a regulatory approval process— nor is there any need to test this type of modification prior to implementation. Given the foregoing, the Board should modify the draft regulations and clarify that customer marketing data base systems, like the CRM system, are either not associated equipment under the statutory definition, or, as the alternative, are not associated equipment which requires regulatory review and approval prior to any change or alteration in the affected components of the player tracking system or the casino management system.

*Response:*

The Board declines to accept the recommendation. The Board is charged with insuring the fairness and integrity of the slot product offered in the Commonwealth. Any system which interfaces or communicates in any way with a slot machine has the potential to impact on the recordation and reporting of gross terminal revenue and the overall integrity of the slot machine. On this basis, our regulatory scheme contemplates testing the prototypes of casino management systems and player tracking systems, as well as any modifications thereto, ". . . to the extent the system interfaces with slot machines and related systems" (see § 461.4(b)(2)(relating to submission for

testing and approval). Given the nature of these systems, the actual extent of the review performed is highly case specific as it is very much dependent on the design of the system and the extent of its security features. The testing process is, however, necessary and appropriate from a regulatory perspective whether or not the software or system is purchased from a licensed manufacturer or developed in house by the slot machine licensee or its affiliate.

With regard to system modifications, the Board believes it has designed, and is prepared to implement, a technical review process which fulfills its regulatory mandate in a very efficient and business like manner. To that end, the proposed regulations at § 461.4(1) incorporated provisions for emergency modifications to prevent cheating or malfunction and provide, at proposed Technical Standard § 461a.5, for remote access to systems to effect emergent technical support.

**§ 461.2. Protocal requirements.**

*Comment:*

§ 461.2 - Will these requirements for forthcoming?

*Response:*

The Department of Revenue announced the selection of SAS 6.01 as the communication protocol on November 1, 2005. Details with regard to protocol specifications are available on the Department's website [[www.revenue.state.pa.us](http://www.revenue.state.pa.us)].

**§ 461.3. Testing and approval generally.**

*Comment:*

§ 461.3(2)(3)(d) - The cost and maintenance of the facility will be borne by the revenue from certain lab fees, what percentage shall each manufacturer licensee pay initially and annually to establish and maintain such a facility?

*Response:*

The Board is in the process of developing the fee structure associated with its gaming equipment testing laboratory. Once determined, the structure will be fully disclosed. It is anticipated that the Board's fee structure will reflect rates and invoicing methodologies comparable to that applied by other public and private gaming equipment testing laboratories.

**§ 461.4. Submission for testing and approval.**

*Comment:*

§ 461.4(a) - MTRA recommends that conditional sales be allowed so that a slot machine licensee may place an order for a device contingent upon the device receiving all required regulatory approvals. This will not adversely affect the integrity of gaming and it will assist in expediting the delivery of machines to the slot machine licensee.

*Response:*

Section 1317 of the act provides that with the exception of slot monitoring systems, casino management systems, player

tracking systems and wide area progressive systems, all slot machines and associated equipment must be acquired through a licensed supplier. Any arrangement which directly or indirectly circumvents this requirement violates the act. That understood, it is relatively standard practice for a slot machine operator to indicate its intent to acquire a slot machine or associated equipment on the condition that the manufacturer secure the requisite approvals. Nothing in the regulatory proposal precludes sales which are conditional in this context.

*Comment:*

§ 461.4(c) - This subsection indicates that slot machines must be capable of being activated or disabled by the central control computer system. The Isle seeks reconsideration of this requirement as, to its knowledge, current Class III slot monitoring systems do not include this capability.

*Response:*

The Board declines to accept the recommendation. The central control computer system and its activation and disabling capabilities are core statutory requirements. See 4 Pa.C.S. § 1323 (relating to central control computer system). The central control computer system is completely independent of any operator's slot monitoring system and thus the capabilities of these systems are not relevant.

*Comment:*

§ 461.4(e) - Please clarify "periodically" prescribed certification. This period should be more defined. Please clarify chief engineer.

*Response:*

The Board declines to amend the text of the regulatory proposal. Proposed § 461.4(e) references the certification requirement generally. Section 461.4(g)(2) amplifies the certification requirement for the abbreviated testing process and § 461.4(h)(2) amplifies it for the standard testing process. The Board expects to maintain a very comprehensive website where certifications conforming to the regulatory requirements are available to product submitters. The reference to "periodically prescribe" is intended only to maintain some level of flexibility as to the form of certification appearing on the website. The underlying requirement that the certification provide assurances to the Board that the product was properly and completely tested prior to its submission to the Board will not change.

For the purposes of § 461.4(e), the term chief engineer is intended to represent the submitting licensee's highest ranking engineering or information technology professional regardless of the particular title utilized by that person within the organization. An explanation with regard to the chief engineer

requirement will be incorporated into the instructions supporting the form certifications and product checklists.

*Comment:*

§ 461.4(g)(6) - WMS respectfully requests the PGCB to communicate where, when and how frequently the Central Control System will be made available to WMS to accommodate this request.

*Response:*

Testing facilities will be available in Harrisburg, Pennsylvania. Details with regard to access and availability will be forthcoming.

*Comment:*

§ 461.4(h)(8)(vi) - MTRA seeks clarification that this provision refers to procedures established by the manufacturer and is not referencing procedures for the initial installation of the devices.

*Response:*

Proposed § 461.4(h)(8) applies to products submissions involving systems such as gaming voucher systems. All submission requirements, including subsection (h)(8)(vi), apply to the developer of the system.

**§ 461.5. Slot machine conversions.**

*Comment:*

§ 461.5(b) - This section requires "prior notice" in writing of a slot machine conversion to the Board's slot lab. This section is somewhat vague in that it does not specify the time period required for giving "prior notice." MTGA requests that the language be amended to clarify the timeframe required for giving notice prior to completing the conversion and recommends that the notices of conversion be submitted through a monthly conversion report to the Board.

*Response:*

The Board declines to accept the recommendation. The regulatory proposal purposely mandates ". . . prior notice of a slot machine conversion to the Board's slot lab in writing in a manner prescribed by the Board . . ." in order to allow maximum flexibility as to how notice to the Board will be achieved (See § 461.5(b) (relating to slot machine conversions)). Nothing in the regulatory scheme requires an operator who has notified the Board of an intended conversion to wait for a response from the Board before proceeding with the conversion. Notice to the Board is important in order to insure that an action noticed as a conversion does not in actuality effect an unauthorized modification of an approved prototype. For this reason, a monthly notice would be unacceptable from a regulatory perspective.

**§ 461.7. Slot machine minimum design standards.**

*Comment:*

§ 461.7(a) line 11, correction: The word "billets" should be bills.

*Response:*

The Board declines to accept the recommendation. Proposed § 461.7(a) reiterates the reference to billets contained in § 1102 of the act's definition of a slot machine.

*Comment:*

§ 461.7(b) - This section prohibits a slot machine from being set to pay out less than the theoretical payout percentage, which shall be no less than 85% but not equal or exceed 100%. This section should be clarified to specify over what time period the 85% payment applies. For example, section 1207(10) of the act requires the Board to determine whether the theoretical payout percentage should be applied to the entire cycle of a slot machine game or any portion thereof. However, the regulation applies the payment percentage to the total value of slot machine wagers but is silent on the duration of the calculation period. MTGA recommends that the Board specify that theoretical payout percentage be applied to the entire cycle of a slot machine game.

*Response:*

The Board declines to accept the recommendation. The questions posed with regard to the cycle of the slot machine are comprehensively addressed in proposed § 461.7(b) through (e) and proposed Technical Standard § 461a.1's treatment of slot machine volatility.

*Comment:*

§ 461.7(b) - A slot machine is prohibited from being set to pay out less than the theoretical payout percentage. By definition, "theoretical" is a long term average. At any point, there is a 50/50 "change" that the machine is paying out less than the theoretical payout percentage, ("overholding").

*Response:*

The Board is very cognizant of the fact that the actual payout percentage may, at certain points during the slot machine cycle, exceed 100%. The pay combinations submitted to establish that the slot machine meets § 1207(10)'s 85% requirement may not, however, depict a theoretical payout percentage for each game cycle of less than 85% or equal to or exceeding 100%.

*Comment:*

§ 461.7(b)(6) - This section identifies the criteria used to calculate the theoretical payout percentage, one of the criteria being that the odds of any winning combination shall not exceed fifty million to one. In order for this factor to be useful in determining the theoretical payout percentage, it should be

clarified to define the time period that applies to the quoted payout ratio. MTGA recommends that, like the previous issue, this issue be resolved by specifying a calculation period equal to the total cycle of a slot machine game.

*Response:*

The Board declines to accept the recommendation. The question posed with regard to the cycle of the slot machine is comprehensively addressed in proposed § 461.7(b) through (e) and proposed Technical Standard § 461a.1's treatment of slot machine volatility.

*Comment:*

§ 461.7(e) - WMS respectfully requests the PGCB to further clarify how the volatility must be calculated, such as the confidence level, the volatility index, etc.

*Response:*

The Board declines to accept the recommendation. The questions posed with regard to confidence level, volatility index etc. are comprehensively addressed in proposed § 461.7(b) through (e) and proposed Technical Standard § 461a.1's treatment of slot machine volatility.

*Comment:*

§ 461.7(e) - The volatility of a slot machine shall verify that the theoretical payout percentage equals or exceeds the minimum payout requirement of 85% within 10 million plays. IGT

cannot make a 100% guarantee. Random games do not work like that. The theoretical payout percentage equals or exceeds the minimum payout requirement within X million plays.

*Response:*

The Board declines to accept the recommendation. The 10 million play requirement is consistent with criteria applied in many jurisdictions when calculating volatility for regulatory purposes.

*Comment:*

§ 461.7(e) - At what confidence level should the volatility analysis be performed?

*Response:*

Proposed Technical Standard § 461a.1(a) requires that slot machine volatility be calculated based on a 95% confidence level.

*Comment:*

§ 461.7(h) - Do help screens have to be available during a reel spin?

*Response:*

No. In order to clarify this requirement, proposed § 461.7(h) has been amended to specify that the available winning combinations and applicable rules of play must be available at all times the slot machine is idle.

*Comment:*

§ 461.7(h) - WMS respectfully requests the PGCB to change the first sentence as follows: The available winning combinations and applicable rules of play for a slot machine must be available at all times, (including during bonus rounds) except during game play, to the patron playing the slot machine. Video help screens and pay tables can not be displayed during game play as such interruptions to reel spins or bonus game play may create confusion or situations where a patron could claim malfunction.

*Response:*

The Board accepts the general substance of the comment. In order to clarify that help screens and pay tables need not be available during actual game play, proposed § 461.7(h) has been amended to specify that the available winning combinations and applicable rules of play must be available at all times the slot machine is idle.

*Comment:*

§ 461.7(h) - IGT points out that the help screens are generally not available during bonus rounds on our current products, and requests that this requirement be removed.

*Response:*

The Board accepts the general substance of the comment. In order to clarify that help screens and pay tables need not be available during actual game play, including the play of bonus rounds, proposed § 461.7(h) has been amended to specify that the available winning combinations and applicable rules of play must be available at all times the slot machine is idle.

*Comment:*

§ 461.7(i) - IGT notes that the voucher and coupon meters in subsection (i) are not consistent with current slot machine design. Section 461.8 defines a gaming voucher as "an instrument that upon insertion into a slot machine bill validator entitles the patron inserting the gaming voucher to cashable or noncashable credits on a slot machine corresponding to the value printed on the gaming voucher." Section 461.9 defines a coupon as "an instrument issued by a slot machine licensee pursuant to which cashable or noncashable slot machine credits are provided directly or indirectly to a patron with or without regard to the identity of the patron or their level of gaming activity." The distinction between these two instruments is not clear. The coupon appears to be a promotional device, but a voucher may also be noncashable, which implies a promotional status of the credits.

Current slot machine design based on the Nevada regulations defines a voucher to be a cashable instrument, and a coupon to

be a noncashable instrument. The EGM is unable to distinguish between instruments issued by the licensee and instruments printed by a slot machine, and therefore cannot meter based on this distinction. Current design does allow a slot machine to print a coupon for noncashable credits, allowing players to move from one machine to another rather than forcing them to play an entire coupon on one machine. Noncashable credits are always played first, and the noncashable status is maintained at all times. Therefore, IGT recommends the following meters for vouchers and coupons:

Voucher In-Cashable/Value  
Voucher In-Cashable/Count  
Voucher Out-Cashable/Value  
Voucher Out-Cashable/Count  
Coupon In-Noncashable/Value  
Coupon In-Noncashable/Count  
Coupon Out-Noncashable/Value  
Coupon Out-Noncashable/Count

*Response:*

The Board declines to accept the recommendation. The proposed regulatory scheme distinguishes between vouchers and coupons, cashable and noncashable, in accordance with terminology utilized in New Jersey rather than in Nevada. IGT slot products very successfully meter vouchers and coupons in compliance with the New Jersey requirements and the Board has no expectation that compliance with the Board's proposed regulatory scheme will be problematic.

*Comment:*

§ 461.7(j)(3) states the credit paid meter must display "the total value of the last gaming voucher dispensed." IGT requests that this meter be allowed to display "the total value of the last gaming voucher or coupon dispensed, or attendant pay."

*Response:*

The Board accepts the substance of the comment. Proposed § 461.7(j)(3) has been revised to provide that the credits paid meter advise the patron of the total value of the last to occur of the following event: cash out initiated by the patron, win paid directly by the slot machine, attendant paid jackpot or attendant paid cancelled credits.

*Comment:*

§ 461.7(i) - Sets forth that each slot machine approved for use in a licensed facility must be equipped with specific cumulative, non-cumulative and other meters. The draft regulation identifies many of those required meters by name (i.e. "Coin In", "Voucher In - Cashable/Count"), and also provides a brief description of what each meter is to accumulate or advise the patron of. Bally objects to draft § 461.7(i), if it is the Board's intent that Bally's slot machines will be required to use the actual meter names as identified in the draft regulation. If, however, it is the Board's intent that

Bally's slot machines have all the meters with the functionality as described in the regulation, then Bally has no objection to the regulation. Bally has existing game platforms which have been approved and operate in numerous other jurisdictions. Bally hopes to distribute many of those same, successful platforms for us in PA. The meters in those platforms accomplish all the functions set forth in draft § 461.7(i), however Bally identifies those meters by different names. To change the meter names in Bally's existing platforms for PA would prove to be costly and would not add to the functionality of the slot machines in any manner.

*Response:*

The Board does not intend to require manufacturers to rename their meters. In furtherance of this, proposed § 461.4(h)(6)(x) requires a manufacturer to submit a cross reference of their own product meters to the meters specified for regulatory purposes.

*Comment:*

§ 461.7(i)(1-20) - We (GTECH) are somewhat confused regarding (7) Voucher In - Cashable/Count, (9) Voucher Out - Cashable/Count, (13) Coupon In - Cashable/Count, and (15) Coupon In - Noncashable/Count. We understand the need for "value" meters for vouchers and coupons as that is part of the accounting for net win. However, a "count" of vouchers and coupons is not

part of the accounting equation. If you could explain what the need is for a count of vouchers and coupons.

*Response:*

Count meters are commonly utilized by operators and regulators alike for audit and investigative purposes. These meters are of particular value in resolving variances in the count room.

*Comment:*

§ 461.7(i)(1)(ii) - WMS respectfully requests the PGCB to change the word "actual" to "theoretical", so the requirement reads as follows: For multi-game and multi-denomination/multi-game slot machines, monitor the information necessary, on a per pay table basis, to calculate a weighted average (actual) theoretical payout percentage.

*Response:*

The Board declines to accept the recommendation. The Board expects data to be captured for each game in order to insure the Board's ability to compare the actual performance of the slot machine with the theoretical payout percentage.

*Comment:*

§ 461.7(i)(1)(ii) - This section requires that multi-game and multi-denomination/multi-game slot machines must have meters that monitor the information necessary, on a per pay table basis, to calculate a weighted average actual payout percentage. This

requirement is vague and needs clarification to better define the time period being analyzed and how often the analysis must be completed. Again, Downs Racing recommends that the Board specify that the calculation period be defined as the total cycle of a slot machine game.

*Response:*

The Board declines to accept the recommendation. The Board expects data to be captured for each game in order to insure the Board's ability to compare the actual performance of the slot machine with the theoretical payout percentage.

*Comment:*

§ 461.7(i)(10) - Cashable Electronic In. and (11) Noncashable Electronic In. Will there be technical requirements for the "cashless funds transfer system?"

*Response:*

Yes. The Board has articulated basic requirements with regard to cashless funds transfer systems in proposed § 461.18 and expects to further amplify these requirements in a more specific technical standard.

*Comment:*

§ 461.7(i) - Some of the meters listed in this section are defined in the SAS protocol to be in credits and cannot be in cash.

*Response:*

The Board declines to accept the recommendation. Slot machines which meter in dollars and cents can be configured to report in pennies which will satisfy SAS 6.01 requirements.

*Comment:*

§ 461.7(j)(3) - Should handpays be reflected on the credits paid meter?

*Response:*

Yes. Proposed § 461.7(j)(3) has been revised to provide that the credits paid meter advise the patron of the total value of the last to occur of the following event: cash out initiated by the patron, win paid directly by the slot machine, attendant paid jackpot or attendant paid cancelled credits.

*Comment:*

§ 461.7(j)(3) - WMS respectfully requests the PGCB to change as follows: The slot machine must have a meter, visible from the front exterior of the slot machine, known as a credits paid meter that advises the patron of the total value (of the last gaming voucher dispensed) the last cash out initiated by the player or the value of a win paid out immediately by the machine. Gaming machine cash outs that result in cancel credit handpays, or wins that result in attendant paid handpays, need to be reflected on this meter as

well, but the current wording only contemplates voucher payments.

*Response:*

The Board accepts the substance of the comment. Proposed § 461.7(j)(3) has been revised to provide that the credits paid meter advise the patron of the total value of the last to occur of the following event: cash out initiated by the patron, win paid directly by the slot machine, attendant paid jackpot or attendant paid cancelled credits.

*Comment:*

§ 461.7(r) - Can this be configurable by the operator and not hard-coded in the gaming device?

*Response:*

Yes.

*Comment:*

§ 461.7(r) - This section mandates that a slot machine must be configured to not accept more than \$1,500 in currency before a wager must be made or play initiated unless otherwise authorized by the Board. This requirement is extremely limiting and restrictive for high denominational games and could easily result in competitive disadvantage. Accordingly, MTGA requests that the language be amended to allow some flexibility in this requirement based upon the slot machine's denomination by

deferring the maximum play issue to the testing and certification process rather than attempting to impose an inflexible and difficult to modify requirement through regulation.

*Response:*

The Board accepts the general substance of the recommendation. The dollar limitation in proposed § 461.7(r) has been revised to mirror Nevada's \$3,000 limitation. The Board is cognizant that even this limitation may be problematic for higher denomination slot machines and has every intention of working with operators to impose reasonable money laundering countermeasures on high denomination slot machines. To that end, the Board included the ". . . unless otherwise authorized by the Board" language in proposed § 461.7(r).

*Comment 1:*

§ 461.7(t) - MTRA opposes the requirement for fixed seating for the following reasons:

- The provision is contrary to the preference of many patrons. Fixed seating does not allow patrons to adjust their seating so that they will be comfortable at the machine.
- The provision requires a disabled person to request assistance every time he or she wants to play at a different device. While MTRA is pleased to assist such patrons any time they may need assistance, it is applicant's experience that many

disabled individuals prefer to move about the facility on their own. Fixed seating will eliminate this possibility.

- The requirement does not enhance the safety of the patron or the integrity of the game as it is rarely imposed (to applicant's knowledge, only New Jersey has a similar provision) and those jurisdictions that do not have such a requirement have not experienced situations requiring a change in policy.

- Fixed seating is less aesthetically pleasing.
- There are limited styles from which to choose.
- Fixed seating is cost adverse, requiring an additional expenditure of 33% to 50%.

*Comment 2:*

§ 461.7(t) - This subsection requires that any seating provided by a licensee in conjunction with slot play shall be fixed and stationary in nature, and must be installed in a manner that precludes its ready removal by a patron. This regulation is at odds with Isle of Capri Casinos' experience and practice at its facilities in other jurisdictions, and appears to excessively impinge on the licensee's ability to manage its own casino. Isle of Capri Casinos' experience is that patrons prefer non-stationary seating, and the Isle urges the Board to leave this choice to each licensee. The Isle also notes that stationary seating, with its potential required removal, could impede the

work of slots technicians and drop teams. Particularly in regard to the drop teams, which collect the money from the machines, it is important to have as seamless a process as possible to facilitate the monitoring of the teams and prevention of theft. The potential that fixed seating would need to be removed from each machine would result in an unnecessary distraction and burden.

*Response:*

The Board declines to accept the recommendation. Whether or not codified as a regulatory or fire safety requirement, fixed slot seating is commonly utilized by first tier, risk adverse gaming operators who recognize the danger inherent in slot seating that is not fixed in the event of an emergency evacuation of a gaming floor. With regard to access by disabled patrons, proposed § 461.7(t) does not require that each slot machine be equipped with fixed seating, it requires that any seating that an operator chooses to offer be fixed. It further requires that any fixed seating be designed to be readily removed by slot operations in order to insure access by disabled patrons to any slot machine available on the gaming floor. The Board recognizes that this requirement may impose a modest additional cost per slot machine but believes that the requirement is necessary and appropriate from a public policy perspective.

Isle is reminded that in today's TI/TO gaming environment, the drop team has no involvement with what is commonly referred to as the drop compartment of the slot machine.

**§ 461.8. Gaming vouchers.**

*Comment:*

§ 461.8 - We (HSP Gaming, LP) suggest that the proposed regulation provide that gaming vouchers redeemed at slot machines may be destroyed 90 days following such redemption and gaming vouchers redeemed at any location other than a slot machine may be destroyed 180 days following such redemption.

*Response:*

The Board's temporarily adopted regulations, at § 465.7 (c), already provide that voided gaming vouchers and gaming vouchers redeemed at locations other than a slot machine be retained for a minimum of six months and that gaming vouchers redeemed at a slot machine be retained for a minimum of 7 days.

*Comment:*

§ 461.8(a) and (e) - The Isle seeks clarification that § 461.8, involving gaming vouchers, is directed at customer bonus accounts, and does not include generic ticket-ins or coupons. The internal controls requirements related to such vouchers set forth in subsection (e), which require the establishment of unique accounts and passwords, suggests that the provision is

directed at such customer bonus accounts. However, the description of a gaming voucher in subsection (a) is open to a broader interpretation that could include generic tickets and coupons. If such generic tickets and coupons are intended to be regulated by § 461.8, then the Board, through the account and password requirements in subsection (e), will have effectively eliminated the feasibility of using such devices. The use of generic tickets and coupons is widespread in the gaming industry. Isle of Capri Casinos prints and distributes literally thousands of such tickets each day. The Board should clarify that such generic devices are not within the scope of § 461.8.

*Response:*

The Board declines to accept the recommendation. The Board is very much aware that coupon programs are widely utilized. To that end the proposed regulatory scheme distinguishes between gaming vouchers and coupons. A comprehensive set of requirements applicable to gaming vouchers is included at proposed § 461.8 and proposed Technical Standard § 461a.3. More relaxed requirements, with regard to coupon programs, are included at proposed § 461.9.

*Comment:*

§ 461.8(g)(1) and (2) - Is the term "voucher serial number" the same as a voucher validation number? If so, can the validation number be truncated on the Ticker Issuance Report?

*Response:*

Yes. A voucher serial number and a voucher validation number are synonymous terms. The voucher serial number may be truncated on the Ticket Issuance Report.

*Comment:*

§ 461.8(k)(2) - This subsection states that, on a weekly basis, a slot accounting department representative must "compare appropriate slot machine meter readings to the number and value of issued and redeemed gaming vouchers per the gaming voucher system." The Isle asks the Board to clarify that such a comparison may be conducted using meter reading reports and data from the licensee's slot monitoring system and does not require a manual meter reading. A manual meter reading requirement would entail a significant burden on the licensee without any commensurate benefit.

*Response:*

The comment actually references proposed § 461.8(l)(1) which anticipates that the required comparison will be performed utilizing meter readings obtained via the slot monitoring system. Proposed § 461.8(l) has been revised to clarify this requirement.

*Comment:*

§ 461.8(l) - This section requires that all ticket redemption machines be dropped daily. This is a costly,

unnecessary and overly burdensome requirement given currently available software systems. The software applications with ticket redemption machines allow the accounting department to obtain the necessary information to calculate revenue accurately on a daily basis without actually dropping the machines. Accordingly, whether or not a ticket redemption machine is dropped daily or otherwise has no effect on the calculation of payment of a licensee's tax or assessment obligation to the Commonwealth. Instead, a drop requirement should be considered a business decision left to the licensee. The licensee should be permitted to determine the appropriate cost/benefit between dropping ticket redemption machines more frequently or less frequently, taking into account the cost of manpower balanced against cash flow/cost of money concerns. MTGA would therefore request that the language be amended to eliminate the requirement that all ticket redemption machines be dropped daily.

*Response:*

The Board accepts the general substance of the comment. The Board never intended automated gaming voucher redemption machines to be dropped daily. The expectation is that gaming vouchers redeemed at cashiering locations are transferred to slot accounting on a daily basis and that gaming vouchers removed from automated gaming voucher redemption machines are

similarly transferred on the gaming day that the storage box is removed from the automated kiosk. Proposed § 461.8(1) has been revised to clarify these expectations.

*Comment:*

§ 461.8(1)(1)(i) - This section requires that the slot accounting department, on a daily basis, review gaming voucher documentation for the proprietary of signatures and all other information. It is unclear whether this language refers to paperwork generated by the count teams during the count process. Accordingly, the language should be amended to clarify if this requirement encompasses the paperwork generated by the count teams during the count process.

*Response:*

The Board accepts the substance of the comment. Proposed § 461.8(1)(1) has been revised to clarify the expectation that gaming voucher system report data be compared to soft count system report data on a daily basis.

*Comment:*

§ 461.8(1)(1)(ii) - This section requires that the slot accounting department, on a daily basis, compare gaming voucher system report totals to gaming vouchers actually received to ensure proper electronic cancellation of gaming vouchers. This language is vague in that it is unclear whether this section is referring to a comparison of soft count equipment reports to the

slot accounting system reports or that some other comparison is intended. The language should be amended to clarify this ambiguity.

*Response:*

The Board accepts the substance of the comment. Proposed § 461.8(1)(1) has been revised to clarify the expectation that gaming voucher system report data be compared to soft count system report data on a daily basis.

*Comment:*

§ 461.8(1)(2) - This section mandates that the slot accounting department, on a weekly basis, compare appropriate slot machine meter readings to the number and value of issued and redeemed gaming vouchers per the gaming voucher system. This language could be interpreted to require that meter readings of the entire floor need to be taken each day. This would be excessive and overly burdensome. MTGA therefore requests that the language be clarified to eliminate this overly burdensome possible interpretation.

*Response:*

Proposed § 461.8(1)(2) anticipates that the comparison will be performed utilizing meter readings obtained via a slot monitoring system. The proposed section has been revised to clarify this requirement.

**§ 461.9. Coupons.**

*Comment:*

§ 461.9(b) - This section allows a slot machine licensee to issue coupons, and defines a "coupon system" as the collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of coupons. However, this section does not specify requirements regarding the storage of their information. It is important that a requirement is not imposed which mandates that licensees store this information on a completely separate data base file. This is because the coupon system must routinely interact with other components of the accounting system. Accordingly, it should be clarified that the coupon system's data should be stored in a data base file within the accounting systems. Otherwise unintended operational consequences will result.

*Response:*

The Board declines to accept the recommendation. The Board is aware that each slot machine licensee will utilize unique procedures for creating its coupon database, populating its computer files, redeeming coupons and reconciling its system. As a result the regulations, at proposed § 461.9(c) and (e), provide for broad flexibility in how a slot machine licensee establishes the requisite system integrity. It is purposeful that nothing in the proposed regulations directs where the coupon database must reside or specifies particular security

protocols related thereto as these issues will be evaluated in the context of specific reviews and in the context of developing technical standards with regard to coupon systems.

**§ 461.10. Automated gaming voucher and coupon redemption machines.**

*Comment:*

§ 461.10(g)(1) - The licensee should have the option of allowing two employees from a department other than slot operations (such as Cage personnel) control these keys. Applicant recommends that this paragraph contain the language found in § 465.17(f) ("...or in accordance with such alternative key controls as the Board shall approve").

*Response:*

The Board accepts the substance of the comment. Proposed § 461.10(g) has been revised in its entirety to clarify the key control issue.

*Comment:*

§ 461.10(g)(2), (3) and (4) - Similar to the above comment, MTRA does not believe these keys should be controlled by an employee of slot operations. The license should have the option of allowing an employee from a department other than slot operations (such as Cage or Security personnel) control these keys. Applicant recommends that this paragraph contain the

language found in § 465.17(f) (“...or in accordance with such alternative key controls as the Board shall approve”).

*Response:*

The Board accepts the substance of the comment. Proposed § 461.10(g) has been revised in its entirety to clarify the key control issue.

*Comment:*

§ 461.10(g) subsections (g)(2)-(4) direct that various keys associated with gaming voucher and coupon redemption machines or kiosks be controlled by the slot operations department. Isle of Capri Casinos' experience is that such keys are often controlled by other departments, such as the cage, security or marketing departments. This experience has not revealed any decrease in security or control as a result of the keys not being controlled by the slot operations department, and the Isle respectfully suggests that the proposed regulation unnecessarily interferes with the licensee's management of its casino.

*Response:*

The Board accepts the substance of the comment. Proposed § 461.10(g) has been revised in its entirety to clarify the key control issue.

*Comment:*

§§ 461.10(g)(1), (2), (3), (4) and 461.10(i) - These sections establish a locking system for each automated gaming

voucher and coupon redemption machine and further mandate that the keys to such locking system be controlled by the slot operations or accounting department. Based upon MTGA's experience in this area, and as recognized by the industry generally, ticket redemption responsibilities should be assigned to the cage department, not the accounting or sales department. As a general rule, the cash associated with ticket redemption is never transferred to the accounting department and to do so would increase the chance of theft. Given this factor, coupon redemption machine keys should be controlled by the cage. Unlike the accounting department, the cage is open 24 hours a day, seven days a week and to assign key responsibility to the accounting department would create likely scenarios in which the certain keys are required during periods when the accounting department is closed.

*Response:*

The Board accepts the general substance of the comment. Proposed § 461.10(g) has been revised in its entirety to clarify the key control issue. With specific regard to the accounting versus cashiers cage reference, proposed § 465.12(b)(6) incorporates a broad definition of slot accounting which encompasses the income control audit, cashiers' cage and count room functions. A reference to keys being controlled by slot accounting would not, therefore, present any impediment to

establishing key controls which restrict access to keys to cashiers' cage personnel.

*Comment:*

§ 461.10(n) - This section requires that each automated gaming voucher and coupon redemption machine must detect, display, record and communicate certain enumerated errors to the slot monitoring systems. Based upon MTGA's experience in this area, there is no product available on the market from a reputable manufacturer which allows this type of interaction between the coupon redemption machines and the slot monitoring systems. Instead, problems with slot machines, including the disablement of a machine, should be identified through direct oversight of the coupon redemption system by licensee personnel and any requirement that this information be transmitted to the slot monitoring system should be eliminated. The language should be amended to reflect this procedure.

*Response:*

The Board accepts the substance of the comment. While certainly communication between an automated gaming voucher redemption machine and the slot monitoring system is necessary to establish the validity of the gaming voucher, the error conditions enumerated are not typically communicated. Proposed § 461.10(n) and (o) have been revised accordingly.

*Comment:*

§ 461(10)(o) - Similar to section 461.10(n), this section requires that each automated gaming voucher and coupon redemption machine determine, display, record and communicate certain enumerated errors to the slot monitoring system. It further provides that these enumerated errors must disable the voucher and redemption machines and prohibit new transactions and may only be cleared by a slot attendant. As stated above, in MTGA's experience, the better procedure is to require the monitoring software of the ticket redemption units to provide the necessary information to resolve these issues directly to licensee personnel rather than require communicating with the slot machine system. To the extent necessary, internal controls could be adopted to address operational issues as needed. Further, as indicated previously, to minimize the risk to assets and reduce the possibility of theft and to conform with industry procedures and regulatory requirements in other states, the cage department, not the slot department, should be controlling the issues associated with the ticket redemption machines. MTGA would therefore request that the language of this section be amended to reflect the above concerns.

*Response:*

The Board accepts the substance of the comment. While certainly communication between an automated gaming voucher

redemption machine and the slot monitoring system is necessary to establish the validity of the gaming voucher, the error conditions enumerated are not typically communicated. Proposed § 461.10(n) and (o) have been revised accordingly. Likewise, proposed § 461.10(o) has been revised to allow the operator discretion as to which department clears the enumerated error conditions.

*Comment:*

§ 461.10(o) - The licensee should have the option of allowing someone other than a slot attendant clear these errors. At a minimum, the paragraph should provide that a slot attendant, slot technician or above can clear the errors. However, MTRA may prefer to have its Cage personnel clear these errors and respectfully requests that the paragraph include language allowing the Board to grant alternative procedures.

*Response:*

The Board accepts the substance of the comment. Proposed § 461.10(o) has been revised to allow the operator discretion as to which department clears the enumerated error conditions.

*Comment:*

§ 461.10(p) - MTRA questions the need to treat automated gaming voucher or coupon redemption machine the same as a slot machine. The vouchers or coupons in such devices are cancelled and cannot be used again. The cash in the devices does not

affect the revenues of the operation. Therefore, applicant suggests that this provision, regarding a machine entry access log, be stricken as it is not necessary to enhance the integrity of gaming. It is merely an additional security measure to protect the assets of the licensee. The licensee should be allowed to determine if such a measure is necessary.

*Response:*

The Board accepts the substance of the recommendation after reflecting on the amount of data recorded by the redemption machine. Proposed § 461.10(p) has been eliminated.

*Comment:*

§ 461.10(s) - This section requires that each gaming voucher and coupon redemption machine be equipped with electronic digital meters that accumulate certain enumerated information. Based upon MTGA's experience, manufacturers are not making available any voucher or coupon redemption machines which include meters within the machine. Rather, the machines generate system reports that record all transactions and provide all necessary information from an accounting perspective. Therefore, MTGA requests that the language be amended to clarify the definition of "meters" to include these reports or simply to indicate that the system reports described above are sufficient to satisfy the requirement of this section.

*Response:*

The Board accepts the general substance of the comment as the expectation was that the data cited would be available via reports. Proposed § 461.10(s) has been clarified to indicate that the information enumerated, which is in essence metered by the redemption machine, be available upon demand via system reports.

**§ 461.12. Progressive slot machines.**

*Comment:*

§ 461.12 - IGT requests that "or" be added in line 3 of subsection (a): "A progressive slot machine may stand alone, or be linked..." IGT requests clarification of the cumulative progressive meter under (b)(4).

*Response:*

The Board declines to make any revision with regard to linked or interconnected as the terms are utilized synonymously within the proposed regulation. With regard to the cumulative progressive payout meter required pursuant to proposed § 461.12(b)(4), the regulatory proposal has been revised to delete the requirement that this meter be visible from the front of the slot machine.

*Comment:*

§ 465.12(b)(3)(A) - States that "Each slot machine located on the gaming floor is connected electronically to the slot machine licensee's computerized slot monitoring system and the

Commonwealth's central control computer..." How is this to be accomplished? Does the regulation contemplate two connections from each slot machine - one for the computerized slot monitoring system and one for the central computer?

*Response:*

Slot machines are equipped with multiple communication ports.

*Comment:*

§ 461.12(b)(4) - IGT requests clarification that these meters are not required to be displayed to the patron. The language of section 461.7(m) more clearly requires attendant access to the meters without opening the slot machine.

*Response:*

The Board accepts the general substance of the comment and has revised proposed § 461.12(b)(4) to delete the requirement that this meter be visible from the front of the slot machine.

*Comment:*

§ 461.12(b)(4) - WMS respectfully requests the PGCB to strike the last sentence, such that the requirement reads as follows: A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by the slot machine or by a slot attendant (All meters must be visible from the front of the slot machine). The progressive meter defined in §

461.12(b)(1) should be visible from the front of the slot machine but the meters defined in §§ 461.12(b)(2), 461.12(b)(3), and 461,12(b)(4) typically are meters found within the Attendant Menu and are not typically visible from the front of the machine. These meters are only accessible to an attendant without opening the main door (i.e. accessible via the attendant side key).

*Response:*

The Board accepts the general substance of the comment and has revised proposed § 461.12(b)(4) to delete the requirement that this meter be visible from the front of the slot machine.

*Comment:*

§ 461.12(b)(4) - Please clarify the statement "All meters must be visible from the front of the slot machine." This is typically not information displayed to patrons and typically resides in the soft meters of the slot machine, which, although are visible from the front of the slot machine are not visible without accessing the meter page.

*Response:*

The Board accepts the general substance of the comment and has revised proposed § 461.12(b)(4) to delete the requirement that this meter be visible from the front of the slot machine.

*Comment:*

§ 461.12(b)(7) - This section provides that each slot machine that offers a progressive jackpot must have dual key control by the security department and slot accounting department. MTGA requests that the language be amended to replace the slot accounting department with the cage operation department for one important reason - slot accounting is not a 24-hour, seven day a week department. The cage operation department is a 24-hour, seven day a week department. Furthermore, key control by the security department will assure that all security concerns are accommodated.

*Response:*

The Board declines to accept the recommendation. Proposed § 465.12(b)(6) incorporates a broad definition of slot accounting which encompasses the income control audit, cashiers' cage and count room functions. A reference to a key to the progressive controller compartment being controlled by slot accounting would not, therefore, present any impediment to establishing key controls which restrict access to this key to cashiers' cage personnel.

*Comment:*

§ 461.12(j)(3) - This subsection sets forth the conditions under which a licensee may remove one or more wide area progressive linked slot machines from the gaming floor. The Isle suggests that subsection (j)(3)(i), involving wide areas

progressive systems offered at multiple licensed facilities, should be clarified. The key factor when removing such a machine is to ensure that linkage is maintained with at least one other machine on the system. This goal is recognized and furthered by subsection (j)(3)(ii), which requires the maintenance of at least two linked slot machines when the progressive jackpot is only offered at a single licensed facility. However, the requirement in subsection (j)(3)(i) as to progressive jackpots offered at multiple licensed facilities far exceeds the linkage goal and essentially requires all facilities at which the wide area progressive system is offered to retain one linked slot machine even if the other licensed facilities on the system continue to offer numerous linked slot machines. Such a requirement would be unnecessary, and the Isle presumes is not the intent of subsection (j)(3)(i). The subsection should be clarified to require the licensee to verify that linked slot machines remain at other facilities and, if that is not the case, retain one linked machine.

*Response:*

The Board declines to accept the recommendation. Where a slot machine licensee has reduced its participation in a wide area progressive system to a single slot machine on its gaming floor, removal of the final slot machine must be noticed in accordance with § 461.12(j)(5).

*Comment 1:*

§ 461.12(m) - IGT requests clarification to the progressive jackpot amount which is less than \$1,200. Does this apply to a stand alone machine or to multiple slot machines linked together?

*Comment 2:*

§ 461.12(m) - What is the reason for the \$1,200 limit?

*Response:*

Proposed § 461.12(m) applies to a very limited type of stand alone progressive slot machine which utilizes an internal program which fixes the initial and reset amount, rate of progression and progressive jackpot limit and does not permit a slot machine operator to adjust these amounts. In view of the limited capability of these slot machines to restore values in the event of memory loss, a \$1,200 jackpot limitation is viewed to be prudent from both a regulatory and a business perspective.

**§ 461.13. Wide area progressive systems.**

*Comment:*

§ 461.13(d) - There is a typographical error on the eighth line of this paragraph. Strike the word "of".

*Response:*

The section has been appropriately revised.

**§ 461.14. Slot monitoring systems.**

**§ 461.15. Casino management systems.**

**§ 461.16. Player tracking systems.**

*Comment:*

§§ 461.14(c), 461.15(c), 461.16(c), 461.17(e) and 461.18(c)  
- WMS respectfully requests the PGCB to clarify how this requirement will be enforced in regards to a gaming machine supplier's obligation, a (various) system supplier's obligation, and the slot machine licensee's obligation, since requirement § 461.4 does not discuss any system other than the central control system.

*Response:*

The Board is charged with insuring the fairness and integrity of the slot product offered in the Commonwealth. Any system which interfaces or communicates in any way with a slot machine has the potential to impact on the recordation and reporting of gross terminal revenue and the overall integrity of the slot machine. On this basis, our regulatory scheme contemplates testing the prototypes of slot monitoring systems, casino management systems, player tracking systems, external bonusing systems and cashless funds transfer systems, as well as any modifications thereto, ". . . to the extent the system interfaces with slot machines and related systems." Given the nature of these systems, the actual extent of the review performed is highly case specific as it is very dependent on the

design of the system and the extent of its security features. The testing process is, however, necessary and appropriate from a regulatory perspective whether or not the system is purchased from a licensed manufacturer or developed in house by the slot machine licensee. Proposed § 461.4 outlines the submission process associated with the review, certification and testing of these products.

*Comment:*

§ 461.15(a) describes a casino management system as a system "used to collect, monitor, interpret, analyze, report and audit data with regard to activity at slot machines." In Isle of Capri Casinos' experience, functions like monitoring, analyzing, reporting and auditing data of slot machine activity are functions performed by its slot monitoring system. The slot monitoring system then reports that data to the casino management system, which utilizes the information for a variety of functions, including the handling of player accounts, and also services the cage and count rooms. The Isle seeks clarification that such functions may be, but are not required to be, performed by a casino management system.

*Response:*

The Board declines to accept the recommendation. The Board is well aware that there may be significant overlap between the functions performed by a casino management system and the

functions performed by a slot monitoring system. As both types of system are referenced in the act, both types of system are referenced in the proposed regulations.

**§ 461.17. External bonusing systems.**

*Comment:*

§ 461.17(b) - It is contrary to applicant's experience that a randomly-awarded bonus would be included when calculating the theoretical payout of the machines. Typically, awards from bonus systems are available to all devices on the floor so long as someone is playing the device. Therefore, a potentially large bonus will be applied to large and small denomination machines and including such a large bonus in the theoretical payout calculation for the smaller denomination machines will skew the results to the point that a bonus will not be able to be offered, thereby reducing the availability of what has proven to be a very popular part of the gaming experience for many patrons.

*Response:*

The Board declines to accept the recommendation. Proposed § 461.17(c) expressly provides that each slot machine must satisfy the minimum 85% theoretical payout percentage without the contribution of any external bonus award available on the slot machine.

**§ 461.18. Cashless funds transfer systems.**

*Comment:*

§ 461.18(g) - MTRA notes that many patrons do not want mailings sent to them. The applicant recommends that this provision be changed to provide that such statements will be sent at the patron's request (which would be obtained when the patron initiates participation in the system). Additionally, it is applicant's practice to not send materials to an address where a self-excluded person resides. Therefore, this paragraph should provide an exemption for a patron who self-excludes himself. Moreover, this paragraph should allow for an alternative procedure if a patron resides with a self-excluded individual.

*Response:*

The Board declines to accept the recommendation with regard to self excluded persons as it believes the prohibition on soliciting the play of self excluded persons is sufficiently developed elsewhere within the regulatory scheme. With regard to mailings to patrons, proposed § 461.18(g) has been revised to permit the elimination of mailings where the slot machine licensee has obtained the patron's written consent not to send a monthly statement. It is the Board's expectation that slot machine licensees will fully inform patrons of their right to receive a monthly statement and that any written authorization obtained from the patron will be on a form which in plain

language advises the patron of his right to receive a monthly statement.

*Comment:*

§ 461.18(g) - The draft regulations would require GGE to submit a monthly statement to each cashless funds transfer system patron detailing the patron's activity for the month. While GGE is perfectly willing to prepare and send such monthly statements upon the request of the patron, GGE opposes the statements as a mandatory requirement. Many gaming patrons do not want such a monthly statement sent to the patron in any form. Requiring such a mailing to patrons who do not want such a statement is not supportable. (At a minimum, the patron should be able to opt out of the monthly statement. Further, it is noteworthy that the issue of monthly account systems has been the frequent subject of legislative debate. To date, the General Assembly has refrained from including such a requirement in legislation. Accordingly, the Board should follow the General Assembly's lead on this issue, and refrain from imposing such a requirement unless or until the GA looks favorably on such a requirement.

*Response:*

Proposed § 461.18(g) has been revised to permit the elimination of mailings where the slot machine licensee has obtained the patron's written consent not to send a monthly

statement. It is the Board's expectation that slot machine licensees will fully inform patrons of their right to receive a monthly statement and that any written authorization obtained from the patron will be on a form which in plain language advises the patron of his right to receive a monthly statement.

*Comment:*

§ 461.18(g) - This subsection requires licensees to provide patrons participating in a cashless funds transfer system with a monthly statement of account. The regulation suggests that the monthly statement must be a written statement, as the written authorization of the patron is required to provide the statement electronically. The Isle respectively submits that this requirement is unnecessary, will result in a substantial administrative burden to licensees, and should be stricken. In Isle of Capri Casinos' experience, all patrons participating in such systems are provided with an account card which, when placed in any slot machine with the entry of the password, enables them to see available points or credits. Accordingly, the requirement in subsection (g) is unnecessary. Patrons can receive all of the desired information at anytime, in real time, simply by using their account card. Further, the requirement will result in a significant burden to licensees, both in terms of administering the account statement process and in responding to inquiries

and disputes regarding the same. For all of these reasons, the provision should be eliminated.

*Response:*

The Board declines to accept the recommendation. It has, however, revised proposed § 461.18(g) to permit the elimination of mailings where the slot machine licensee has obtained the patron's written consent not to send a monthly statement. It is the Board's expectation that slot machine licensees will fully inform patrons of their right to receive a monthly statement and that any written authorization obtained from the patron will be on a form which in plain language advises the patron of his right to receive a monthly statement.

*Comment:*

§ 461.18(g) of the draft regulations would require Downs Racing to submit a monthly statement to each cashless funds transfer system patron detailing the patron's activity for that month. While Downs Racing is perfectly willing to prepare and send such monthly statements upon the request of the patron, Downs Racing opposes the statements as a mandatory requirement. Many gaming patrons do not want such a monthly statement sent to the patron in any form. Requiring such a mailing to patrons who do not want such a statement is not supportable. Accordingly, Downs Racing requests that the regulation be modified to require such a mailing only upon the request of the patron.

*Response:*

Proposed § 461.18(g) has been revised to permit the elimination of mailings where the slot machine licensee has obtained the patron's written consent not to send a monthly statement. It is the Board's expectation that slot machine licensees will fully inform patrons of their right to receive a monthly statement and that any written authorization obtained from the patron will be on a form which in plain language advises the patron of his right to receive a monthly statement.

*Comment:*

§ 461.18(h) - This subsection requires the licensee to notice the Board of any adjustment to the amount of any credit transferred to a slot machine via the cashless fund transfer system "on or before the date of adjustment." While the circumstances prompting such an adjustment occur fairly rarely, those circumstances often require immediate action by the licensee, and the Isle suggests that the Board afford licensees slightly more time in which to report the adjustment to the Board. A requirement to provide notice to the Board within 48 hours of an adjustment would seem reasonable.

*Response:*

The Board declines to accept the recommendation. The proposed language does not prevent immediate action by the slot machine licensee. It does, however, require concurrent notice

to the Board. The Board agrees that adjustments of this nature should be rare. They may also be indicative of a significant defect or malfunction in the funds transfer system. On that basis, the Board is unwilling to afford a 48 hour notice period.