

## **CHAPTER 461b. WIDE AREA PROGRESSIVE SYSTEMS– TECHNICAL STANDARD**

### **§ 461b.4. Wide area progressive systems.**

(a) Each slot system agreement providing for the operation and administration of a wide area progressive system must identify and describe with specificity the duties, responsibilities and authority of each participating slot machine licensee and each slot system operator including:

(1) Details with regard to the terms of compensation for the slot system operator. In specific, the agreement must address to what extent, if any, the slot system operator is receiving compensation based, directly or indirectly, on an interest, percentage or share of a slot machine licensee's revenue, profits or earnings from the operation of the wide area progressive system.

(2) Responsibility for the funding and payment of all jackpots, fees and gross terminal revenue taxes associated with the operation of the wide area progressive system.

(3) Control and operation of the computer monitoring room required under § 461a.13 (relating to wide area progressive systems).

(4) A description of the process by which significant decisions with regard to the operation of the wide area progressive system are approved and implemented by the participating slot machine licensees and slot system operator.

(5) When applicable, terms satisfactory to the Board with regard to apportionment of responsibility for establishing and servicing any trust agreement associated with any annuity jackpot offered by the wide area progressive system.

(6) Responsibility for generating, filing and maintaining the records and reports required under the act, this part and technical standards adopted by the Board.

(7) Other requirements of the Board, including those required to comply with technical standards on wide area progressive systems adopted by the Board.

(b) A slot system agreement submitted to the Board for approval must be accompanied by a proposed system of internal controls addressing:

(1) Transactions directly or indirectly relating to the payment of progressive jackpots including the establishment, adjustment, transfer or removal of a progressive jackpot amount and the payment of any fees or taxes associated therewith.

(2) The name, employer, position and gaming license status of any person involved in the operation and control of the wide area progressive system.

(c) The Board will review the persons identified in subsection (b)(2) and determine, based on an analysis of specific duties and responsibilities, which persons will be licensed to what level in this Commonwealth. The Board will advise the slot system operator of its findings. The participating slot machine licensees and any participating licensed manufacturer shall comply with the Board's licensing instructions.

(d) A slot system operator may not commence operation and administration of a wide area progressive system pursuant to the terms of a slot system agreement until the agreement itself and the internal controls required under subsection (b) have been approved in writing by the Board and any licensing requirements under subsection (c) have been complied with.

(e) When a slot system agreement involves payment to a licensed manufacturer, functioning as a slot system operator, of an interest, percentage or share of a slot machine's licensee's revenue, profits or earnings from the operation of a wide area progressive system, the Board may only approve the slot system agreement when it determines that the total amounts paid to the licensed manufacturer under the terms of the agreement are commercially reasonable for the operational and administrative services provided. Nothing herein limits the Board's consideration of the slot system agreement to its revenue sharing provisions.

(f) In evaluating a proposed location for a computer monitoring room, the Board may consider the level of physical and system security offered by the proposed location and the accessibility of the location to the audit, investigative and technical staffs of the Board, the Department and Pennsylvania State Police.

(g) Each party to a slot system agreement shall only be liable for acts, omissions and violations of the act, this part or technical standards adopted by the Board related to its own individual duties and responsibilities under the slot system agreement, unless the slot system agreement specifically provides for joint and several liability.

(h) The Board may waive one or more of the technical standards applicable to wide area progressive systems adopted by the Board upon a determination that the wide area progressive system as configured nonetheless meets the operational integrity requirements of the act, this part and technical standards adopted by the Board.