

CHAPTER 45

ACCOUNTING AND INTERNAL CONTROLS

Authority

N.J.S.A. 5:12-63(c) and (f), 5:12-69, 5:12-70(g), (j), (l), (m), (n); 5:12-99 and 5:12-101.

Source and Effective Date

R.1993 d.147, effective March 5, 1993.
See: 25 N.J.R. 277(a), 25 N.J.R. 1519(a).

Executive Order No. 66(1978) Expiration Date

Chapter 45, Accounting and Internal Controls, expires on August 15, 1997.

Chapter Historical Note

All provisions of this chapter became effective May 25, 1978 as R.1978 d.178. See: 10 N.J.R. 212(a), 10 N.J.R. 306(d).

1975 Revisions: Amendments became effective June 19, 1975 as R.1975 d.172. See: 7 N.J.R. 343(a).

1978 Revisions: Amendments became effective August 22, 1978 as R.1979 d.336. See: 11 N.J.R. 307(a), 11 N.J.R. 530(d).

1980 Revisions: Amendments became effective on November 18, 1980 as R.1980 d.504. See: 12 N.J.R. 447(b), 13 N.J.R. 48(a).

1981 Revisions: Amendments became effective August 16, 1981 as R.1981 d.272. See: 13 N.J.R. 47(c), 13 N.J.R. 628(a), 13 N.J.R. 541(a). Further amendments became effective September 10, 1981 as R.1981 d.272. Further amendments became effective October 13, 1981 as R.1981 d.437. See: 13 N.J.R. 534(b), 13 N.J.R. 848(b). See: 13 N.J.R. 47(c), 13 N.J.R. 628(a). Further amendments became effective November 16, 1981 as R.1981 d.437. See: 13 N.J.R. 534(b), 13 N.J.R. 848(b).

1982 Revisions: Amendments became effective June 7, 1982 as R.1982 d.171. See: 13 N.J.R. 534(b), 14 N.J.R. 582(a). Further amendments became effective June 21, 1982 as R.1982 d.189. See: 14 N.J.R. 381(a), 14 N.J.R. 664(c). Further amendments became effective July 6, 1982 as R.1982 d.206. See: 13 N.J.R. 534(b), 14 N.J.R. 710(d). Further amendments became effective June 7, 1982 (operative July 15, 1982), as R.1982 d.171. See: 13 N.J.R. 534(b), 14 N.J.R. 582(a), 14 N.J.R. 848(b). Further amendments became effective June 21, 1982, as R.1982 d.189. See: 14 N.J.R. 381(a), 14 N.J.R. 664(c). Further amendments became effective September 7, 1982 as R.1982 d.293. See: 14 N.J.R. 559(a), 14 N.J.R. 983(b). Further amendments became effective October 4, 1982 as R.1982 d.329. See: 14 N.J.R. 708(a), 14 N.J.R. 1101(c).

1983 Revisions: Amendments became effective March 29, 1983 as R.1983 d.112. See: 15 N.J.R. 257(a), 15 N.J.R. 627(b). This chapter was readopted pursuant to Executive Order 66(1978) effective April 7, 1983 as R.1983 d.125. See: 15 N.J.R. 240(a), 15 N.J.R. 699(a). Amendments became effective June 30, 1983 as R.1983 d.239. See: 14 N.J.R. 1052(a), 15 N.J.R. 1040(b). Further amendments became effective August 1, 1983 as R.1983 d.300. See: 14 N.J.R. 1053(a), 15 N.J.R. 1259(a).

1984 Revisions: Amendments became effective April 16, 1984 as R.1984 d.135. See: 16 N.J.R. 361(a), 16 N.J.R. 927(a).

1985 Revisions: Amendments became effective January 21, 1985 as R.1985 d.623. See: 16 N.J.R. 2075(b), 17 N.J.R. 211(b). Further amendments became effective January 21, 1985 (operative September 30, 1985) as R.1984 d.624. See: 16 N.J.R. 2076(a), 17 N.J.R. 212(a), 17 N.J.R. 1917(b). Further amendments became effective February 19, 1985 as R.1985 d.41. See: 16 N.J.R. 3302(b), 17 N.J.R. 480(c).

Further amendments became effective February 19, 1985 as R.1985 d.41. See: 16 N.J.R. 3302(b), 17 N.J.R. 480(c). Further amendments became effective May 20, 1985 (operative December 1, 1985) as R.1985 d.229. See: 17 N.J.R. 181(a), 17 N.J.R. 1327(a). Further amendments became effective October 7, 1985 (operative December 1, 1985) as R.1985 d.493. See: 17 N.J.R. 1254(a), 17 N.J.R. 2456(a).

1986 Revisions: Amendments became effective February 18, 1986 (operative March 1, 1986) as R.1986 d.36. See: 17 N.J.R. 2970(a), 18 N.J.R. 428(b). April 7, 1986 as R.1986 d.77. See: 17 N.J.R. 2245(a), 18 N.J.R. 706(b). Further amendments became effective June 16, 1986 as R.1986 d.212. See: 17 N.J.R. 2969(a), 18 N.J.R. 1312(a). Further amendments became effective July 7, 1986 as R.1986 d.240. See: 17 N.J.R. 2747(a), 18 N.J.R. 1402(c). Further amendments became effective August 4, 1986 as R.1986 d.308. See: 18 N.J.R. 1096(a), 18 N.J.R. 1614(b). Further amendments became effective September 8, 1986 as R.1986 d.365. See: 18 N.J.R. 935(b), 18 N.J.R. 1839(b). Further amendments became effective October 6, 1986 as R.1986 d.302. See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a).

1987 Revisions: Amendments became effective July 6, 1987 (operative November 1, 1987) as R.1987 d.277. See: 18 N.J.R. 1929(a), 19 N.J.R. 1237(a), 19 N.J.R. 1656(a). July 20, 1987 as R.1987 d.302. See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a). Further amendments became effective October 5, 1987 as R.1987 d.395. See: 19 N.J.R. 54(b), 19 N.J.R. 1826(b). Further amendments became effective November 2, 1987 as R.1987 d.428. See: 19 N.J.R. 923(a), 19 N.J.R. 2065(a). Further amendments became effective November 16, 1987 as R.1987 d.457. See: 19 N.J.R. 1290(a), 19 N.J.R. 2202(a).

1988 Revisions: Amendments became effective January 19, 1988 as R.1988 d.34. See: 19 N.J.R. 1890(a), 20 N.J.R. 205(a). This chapter was readopted pursuant to the Executive Order 66(1978) as R.1988 d.178, effective March 24, 1988. See: 20 N.J.R. 382(a), 20 N.J.R. 930(a).

Petition for Rulemaking: proposing new rule, N.J.A.C. 19:45-1.26A, regarding the redemption of checks and counterchecks by authorized agents for casino licensees. See: 21 N.J.R. 3677(b).

1993 Revisions: Pursuant to Executive Order No. 66, Chapter 45 was readopted by R.1993 d.147. See: Source and Effective Date. Per Casino Control Commission request, a chapter expiration date of August 15, 1997, has been set, rather than the five-year expiration date pursuant to Executive Order No. 66(1978).

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SUBCHAPTER 1. GENERAL PROVISIONS

19:45-1.1 Definitions

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

"Annuity jackpot trust check" means a check issued by an annuity jackpot trust, as defined in N.J.S.A. 5:12-2.2, in payment of winnings from an annuity jackpot. An annuity jackpot trust check shall be made payable only to the person presenting the check and shall not contain any other endorsements.

"Asset number" means a unique number permanently assigned to a slot machine and a slot cash storage box for purposes of tracking that machine and storage box while owned by a casino licensee.

"Automated coupon redemption machine" means any mechanical, electrical or other device which operates independently of a slot machine and which, upon insertion of a valid casino coupon or currency, dispenses an amount of coin or slot tokens equivalent to the face value of the coupon or currency, and which immediately upon exchange cancels the coupon.

"Bank" is defined in N.J.A.C. 19:45-1.25.

"Cage cashier" is defined in N.J.A.C. 19:45-1.15.

"Cage supervisor" means any person holding a license and position endorsement as required by the casino licensee's approved jobs compendium which allows that person to supervise personnel and functions within the cashiers' cage.

"Cash" means currency or coin.

“Cash equivalent” means a:

1. Certified check, cashiers check, treasurers check, recognized travelers check or recognized money order that:

- i. Is made payable to the casino licensee where presented, “bearer” or cash”;
- ii. Is dated, but not postdated; and
- iii. Does not contain any endorsement;

2. Certified check, cashiers check, treasurers check or recognized money order that:

- i. Is made payable to the presenting patron;
- ii. Is endorsed in blank by the presenting patron;
- iii. Is dated but not postdated; and
- iv. Does not contain any endorsement other than that of the presenting patron; or

3. Recognized credit card or debit card presented by a patron in accordance with the provisions of N.J.A.C. 19:45-1.18A or 1.25(i).

“Cash equivalent value of any merchandise or thing of value” is defined in N.J.A.C. 19:45-1.40A.

“Cashiers’ cage” is defined in N.J.A.C. 19:45-1.14.

“Casino Accounting Department” (accounting department) is defined in N.J.A.C. 19:45-1.11.

“Casino clerk (Pit clerk)” is defined in N.J.A.C. 19:45-1.12.

“Casino supervisor” means a person employed in the operation of a casino or of the authorized games in a casino simulcasting facility in a supervisory capacity or empowered to make discretionary decisions which regulate casino operations, including but not limited to, boxpersons, floorpersons, pit bosses, poker shift supervisors, casino shift managers, the assistant casino manager, and the casino manager.

“Check” is defined in N.J.A.C. 19:45-1.25.

“Check credit slip” is defined in N.J.A.C. 19:45-1.25.

“Checking account” is defined in N.J.A.C. 19:45-1.25.

“Chief executive officer” means the natural person located at a casino hotel facility who is ultimately responsible for the daily conduct of an applicant’s or casino licensee’s hotel and gaming business, regardless of the applicant’s or casino licensee’s form of business association or the particular title which the person holds.

“Closer” means the original of the Table Inventory Slip upon which each table inventory is recorded at the end of each shift.

“Coin vault” is defined in N.J.A.C. 19:45-1.14.

“Commission inspector” means any authorized representative of the Commission.

“Compensation” means direct or indirect payments for services performed including, but not limited to, salary, wages, bonuses, deferred payments, and overtime and premium payments.

“Complimentary distribution program” is defined in N.J.A.C. 19:45-1.46.

“Complimentary services or items” is defined in N.J.A.C. 19:45-1.9.

“Counter Check” is defined in N.J.A.C. 19:45-1.25.

“Coupon” means a document which is issued in accordance with the coupon redemption and complimentary distribution programs in N.J.A.C. 19:45-1.46(a), and includes a match play coupon.

“Credit card cash transaction” means a transaction in which a patron obtains cash or slot tokens from a cashier by presenting a recognized credit card in accordance with the provisions of N.J.A.C. 19:45-1.25(i).

“Credit Slip” is known as a “Credit” and is defined in N.J.A.C. 19:45-1.23.

“Debit card cash transaction” means a transaction in which a patron obtains cash or slot tokens from a cashier by presenting a recognized debit card in accordance with the provisions of N.J.A.C. 19:45-1.25(i).

“Drop box” is defined in N.J.A.C. 19:45-1.16.

“Fill Slip” is known as a “Fill” and is defined in N.J.A.C. 19:45-1.22.

“Gaming chips and plaques” is defined in N.J.A.C. 19:46-1.1 and 19:46-1.2, respectively, of the Gaming Equipment Regulation.

“Handle” means the total amount of coins, slot tokens, including foreign slot tokens, or currency placed into a slot machine by a patron to play a slot machine.

“Hopper fill” is defined in N.J.A.C. 19:45-1.41.

“Hopper storage area” is defined in N.J.A.C. 19:45-1.36A.

“Identification Credentials” means a valid credit card, driver license, passport or other form of identification credential which contains, at a minimum, the patron’s signature. A personal reference does not constitute an identification credential.

"Imprest basis" means the basis on which cashiers' cage and slot booth funds are replenished from time to time in exactly the amount of the net of expenditures made from the funds and amounts received. A review is made by a higher authority of the propriety of the expenditures before the replenishment.

"Incompatible function" means a function, for accounting control purposes, that places any person or department, in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties. Anyone recording transactions and having access to assets ordinarily is in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of departments which have supervisors not independent of each other.

"Jackpot" means any money, merchandise or thing of value to be paid to a patron as the result of a specific combination(s) of characters indicated on a slot machine.

"Jackpot Payout Receipt" is defined in N.J.A.C. 19:45-1.40.

"Jackpot Payout Slip" is defined in N.J.A.C. 19:45-1.40.

"Keno booth" is defined in N.J.A.C. 19:45-1.47.

"Keno drawer" is defined in N.J.A.C. 19:45-1.48.

"Keno drop" means the sum of the total amount of currency, coin, gaming chips, coupons and slot tokens wagered on keno tickets.

"Keno payout" means the currency, coin or casino check paid to a player in exchange for a winning keno ticket.

"Keno request" is defined in N.J.A.C. 19:47-15.1.

"Keno ticket" is defined in N.J.A.C. 19:47-15.1.

"Keno win or loss" means the amount of currency, coin, gaming chips, coupons and slot tokens wagered by patrons at keno less the amount of currency and coin collected by patrons for winning keno wagers.

"Keno work station" is defined in N.J.A.C. 19:45-1.47.

"Master coin bank cashier" is defined in N.J.A.C. 19:45-1.15.

"Master Game Report (Stiff Sheet)" means a record of the computation of the win or loss or, for the game of poker, the poker revenue, for each gaming table, each game, and each shift.

"Match play coupon" means a coupon with a fixed, stated value that is issued, utilized and redeemed pursuant to N.J.A.C. 19:45-1.18 and 1.46, and the stated value of which, when presented by a patron with gaming chips which are equal in value to the stated value of the coupon, is included in the amount of the patron's wager in determining the payout on any winning bet at an authorized game.

"Opener" means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift.

"Pari-mutuel window net" means the total amount of credit vouchers issued and wagers placed on simulcast horse races at a pari-mutuel window less the total amount of simulcast payouts at the same pari-mutuel window. Pari-mutuel window net shall be calculated by the totalisator.

"Patron cash deposit" means an amount of cash, cash equivalents, complimentary cash gifts, slot tokens, prize tokens, gaming chips or plaques deposited with a casino licensee by a patron for his or her subsequent use pursuant to N.J.A.C. 19:45-1.24.

"Patron check" means a Counter Check, a Slot Counter Check or a replacement check.

"Payout" is defined in N.J.A.C. 19:45-1.40 and 19:45-1.40A.

"Poker revenue" means the total amount of rake charged to patrons at all poker tables pursuant to N.J.A.C. 19:47-14.14. The poker revenue is determined by adding the amount of cash, coupons, the amount recorded on the Closer, the totals of amounts recorded on the Credits and issuance copies of Counter Checks removed from a drop box, the total of the amounts recorded on documents that evidence the exchange of gaming chips or plaques as part of credit card or debit card chip transactions, and subtracting the amount on the Opener and the total of amounts recorded on Fills removed from a drop box.

"Propriety" means the quality of being proper; conforming to sections of this chapter.

"Rake" is defined in N.J.A.C. 19:47-14.1.

"Recognized credit card" means a credit or charge card that:

1. Is issued by or under an agreement with a company that, as a normal part of its business, supplies its customers, either directly or through a national credit card network, with credit or charge cards that can be used for and are routinely accepted in consumer transactions;

2. Qualifies as a credit card for purposes of Regulation Z issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 226);

3. Expires on an expiration date that is imprinted on the card and is later than the date of the transaction for which the card is presented; and

4. Has a clearly visible registered credit card logo that is a permanent part of the card.

“Recognized debit card” means a debit card that:

1. Is issued, by or under an agreement with a company that qualifies as a “depository institution” as defined in Section 19(b) of the Federal Reserve Act, 12 U.S.C. § 461(b), and that, as a normal part of its business, supplies its customers, either directly or through a registered debit card verification agency, with access to funds maintained for the cardholder in such depository institution by means of a debit card that is routinely accepted in consumer transactions or used to obtain cash;

2. Qualifies as an access device for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and

3. Has a clearly visible registered debit card logo that is a permanent part of the card.

“Registered credit card logo” means a logo, permanently affixed on a recognized credit card, that a casino licensee, prior to accepting the card, has designated in its internal controls as the type of logo that must appear on any such card before the casino licensee will accept the card in a credit card cash or chip transaction and that is commonly seen on credit or charge cards that are routinely accepted in the United States, including, without limitation, the following:

1. American Express;
2. Carte Blanche;
3. Diners Club;
4. Discover;
5. MasterCard; or
6. Visa.

“Registered debit card logo” means a logo, permanently affixed on a recognized debit card, that a casino licensee, prior to accepting the card, has designated in its internal controls as the type of logo that must appear on any such card before the casino licensee will accept the card in a debit card cash or chip transaction and that is commonly seen on debit cards that are routinely accepted in the United States, including, without limitation, the following:

1. Money Access Card (MAC); or
2. New York Cash Exchange (NYCE).

“Registered debit card verification agency” means an organization that:

1. Verifies, upon request from a merchant, the validity and account sufficiency of a recognized debit card in the normal course of its business;

2. Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and

3. A casino licensee has identified in its internal controls as a company that will be used to verify recognized debit cards that are presented in debit card cash or chip transactions.

“Registered electronic funds transfer company” means an organization that:

1. Verifies, upon request from a merchant, the validity and account sufficiency of a recognized credit card in the normal course of its business;

2. Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and

3. A casino licensee has identified in its internal controls as a company that will be used to verify recognized credit cards that are presented in credit card cash or chip transactions.

“Replacement check” is defined in N.J.A.C. 19:45-1.26.

“Request for Fill” is defined in N.J.A.C. 19:45-1.22.

“Request for Credit” is defined in N.J.A.C. 19:45-1.23.

“Request for Jackpot Payout Slip” is defined in N.J.A.C. 19:45-1.40.

“Returned check” is defined in N.J.A.C. 19:45-1.29.

“Security department member” means any person employed by a casino licensee or its agent to provide physical security in an establishment.

“Shift” means the regular, daily work period of a group of employees administering and supervising the operation of table games, slot machines, simulcast counter, keno booths, cashiers’ cage and satellite cages, working in relay with another such succeeding or preceding group of employees or specific times, as approved by the Commission, during the day that all drop boxes attached to gaming tables are removed, expeditiously transported to the count room, and replaced with empty ones.

“Signature” is defined in N.J.A.C. 19:45-1.45.

“Simulcast count sheet” is defined in N.J.A.C. 19:45-1.15A(b).

“Simulcast handle” means the amount of currency, coin, gaming chips, slot tokens and coupons wagered by patrons

on a simulcast horse race, less the value of cancelled or refunded tickets.

“Slot booth” is defined in N.J.A.C. 19:45-1.34.

“Slot cashier” is defined in N.J.A.C. 19:45-1.35.

“Slot cash storage box” is defined in N.J.A.C. 19:45-1.16.

“Slot counter check” is defined in N.J.A.C. 19:45-1.25A.

“Slot drop bucket” is defined in N.J.A.C. 19:45-1.36.

“Slot drop box” is defined in N.J.A.C. 19:45-1.36.

“Slot machine drop” means the amount of coins, slot tokens, and foreign slot tokens, in a slot drop bucket or a slot drop box, and the amount of cash and coupons in a slot cash storage box.

“Slot Machine Win” means the amount determined by subtracting the hopper fills, other than initial hopper fills and initial fills of hopper storage areas, and cash payouts pursuant to N.J.A.C. 19:45-1.40 from the slot machine drop.

“Table game drop” means the sum of the total amount of currency, coin, coupons other than match play coupons and 50 percent of the total amount of match play coupons, the total amounts recorded on issuance copies of Counter Checks removed from a drop box, and the total of the amounts recorded on documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions.

“Table game win or loss” means the amount of gaming chips and plaques and cash won from patrons at gaming tables less the amount of gaming chips, plaques and coins won by patrons at gaming tables other than poker tables and the amount paid to patrons in cash or by casino check for progressive payout wagers in accordance with N.J.A.C. 19:45-1.39B and 1.52. The table game win or loss is determined by adding the amount of cash, total amount of coupons other than match play coupons and 50 percent of the total amount of match play coupons, the amount recorded on the Closer, the totals of amounts recorded on the Credits and the issuance copies of Counter Checks removed from a drop box, and the total of the amounts recorded on documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions, subtracting the amount recorded on the Opener and the total of amounts recorded on Fills removed from a drop box, and making any adjustments required by the internal controls of the casino licensee to account for the amount of any progressive payout wagers paid pursuant to N.J.A.C. 19:45-1.39B and 1.52.

“Theoretical slot machine payout percentage” means the sum of the number of coins expected to be paid by a slot machine automatically and the number of coins expected to be paid manually as a result of jackpots divided by the expected number of coins to be played in a slot machine.

“Travel Disbursement Voucher” is defined in N.J.A.C. 19:45-1.9A.

“Verbalize” means to orally express something in words.

“Wire transfer” means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 CFR 210.25 et seq. and the Commission’s rules.

Amended by R.1981 d.437, effective November 16, 1981.
See: 13 N.J.R. 534(b), 13 N.J.R. 848(b).

“Cash equivalent” and “identification credentials” added.
Amended by R.1983 d.112, effective March 29, 1983.
See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Originally filed as an emergency adoption (R.1983 d.37) on January 27, 1983. Readopted as R.1983 d.112. Added “or items” to definition of “complimentary services.” Deleted definition of junket.
Amended by R.1984 d.623, effective January 21, 1985.
See: 16 N.J.R. 2075(b), 17 N.J.R. 211(b).

Added the word “coupons” to the definition “change person”.
Amended by R.1985 d.41, effective February 19, 1985.
See: 16 N.J.R. 3302(b), 17 N.J.R. 480(c).

“Cash equivalent” substantially amended.
Amended by R.1986 d.77, effective April 7, 1986.
See: 17 N.J.R. 2245(a), 18 N.J.R. 706(b).

Added definition “casino check”.
Amended by R.1987 d.302, effective July 20, 1987.
See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a).

Definitions amended.
Petition for Rulemaking: Slot machine bill changer system.
See: 19 N.J.R. 1110(a).
Amended by R.1988 d.34, effective January 19, 1988.
See: 19 N.J.R. 1890(a), 20 N.J.R. 205(a).

Deleted definition for “Affiliate”.
Amended by: R.1988 d.387, effective August 15, 1988.
See: 20 N.J.R. 765(a), 20 N.J.R. 769(a), 20 N.J.R. 2090(a).
Amended by R.1989 d.233, effective May 1, 1989.
See: 20 N.J.R. 3012(a), 21 N.J.R. 1152(b).

Added definitions for “cage supervisor” and “wire transfer”.
Amended by R.1989 d.611, effective December 18, 1989.
See: 21 N.J.R. 2953(a), 21 N.J.R. 3931(b).

Added “Travel Disbursement Voucher”.
Amended by R.1990 d.2, effective January 2, 1990.
See: 21 N.J.R. 2954(a), 22 N.J.R. 63(a).

In “Casino check”: stylistic changes, adding phrase “or for winnings ... payoffs.”

In “Slot machine”: deleted language regarding a special token to be exchanged for merchandise or thing of value.
Amended by R.1991 d.152, effective March 18, 1991.
See: 22 N.J.R. 3708(b), 23 N.J.R. 885(a).

Added “Automated coupon redemption machine” and “change machine”.
Amended by R.1991 d.229, effective May 6, 1991.
See: 22 N.J.R. 3205(a), 23 N.J.R. 1455(a).

Added definitions of “master coin bank cashier,” “slot cashier” and “slot counter check.”
Amended by R.1991 d.230, effective May 6, 1991.
See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).

Added definitions: “Asset number,” “Location number” and “Manufacturer’s serial number.”
Amended by R.1991 d.301, effective June 17, 1991.
See: 23 N.J.R. 191(a), 23 N.J.R. 1963(b).

Added definitions for "bank," "check," and "checking account" with N.J.A.C. references.

Amended by R.1991 d.381, effective August 5, 1991.

See: 23 N.J.R. 1302(a), 23 N.J.R. 2323(a).

Added definition of "Chief executive officer".

Amended by R.1992 d.233, effective June 1, 1992.

See: 23 N.J.R. 3085(a), 24 N.J.R. 2078(a).

Added definition of "coin vault."

Amended by R.1992 d.360, effective September 21, 1992.

See: 24 N.J.R. 2137(a), 24 N.J.R. 3336(a).

Hopper storage area provisions added.

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcast provisions added.

Amended by R.1993 d.75, effective February 16, 1993.

See: 24 N.J.R. 2536(a), 24 N.J.R. 4243(a), 25 N.J.R. 717(a).

Added definition of "coupon"; amended definition of "Table game drop".

Administrative correction to definition of "slot counter check."

See: 25 N.J.R. 1519(b).

Amended by R.1993 d.144, effective April 5, 1993.

See: 24 N.J.R. 2692(b), 25 N.J.R. 1520(a).

Added definition of complimentary distribution program.

Amended by R.1993 d.318, effective July 6, 1993 (operative October 15, 1993).

See: 25 N.J.R. 1503(b), 25 N.J.R. 2908(a).

Amended by R.1993 d.491, effective October 4, 1993.

See: 25 N.J.R. 2227(b), 25 N.J.R. 4615(a).

Amended by R.1993 d.492, effective October 4, 1993.

See: 25 N.J.R. 3107(b), 25 N.J.R. 4618(a).

Amended by R.1994 d.31, effective January 18, 1994.

See: 25 N.J.R. 4866(a), 26 N.J.R. 486(a).

Amended by R.1994 d.33, effective January 18, 1994 (operative February 22, 1994).

See: 25 N.J.R. 4737(a), 26 N.J.R. 489(a).

Amended by R.1994 d.69, effective February 7, 1994.

See: 25 N.J.R. 4471(a), 26 N.J.R. 829(a).

Amended by R.1994 d.137, effective March 21, 1994.

See: 25 N.J.R. 5902(a), 26 N.J.R. 1373(b).

Amended by R.1994 d.141, effective March 21, 1994.

See: 25 N.J.R. 5906(a), 26 N.J.R. 1380(a).

Amended by R.1994 d.265, effective June 6, 1994.

See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

Amended by R.1994 d.471, effective September 19, 1994.

See: 26 N.J.R. 2212(a), 26 N.J.R. 3891(c).

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Administrative Correction.

See: 27 N.J.R. 382(a).

Amended by R.1995 d.40, effective January 17, 1995.

See: 26 N.J.R. 3825(a), 27 N.J.R. 382(b).

Amended by R.1995 d.285, effective June 5, 1995.

See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).

Amended by R.1995 d.430, effective August 7, 1995.

See: 27 N.J.R. 1767(b), 27 N.J.R. 2967(a).

Amended definition of "Table game win or loss".

Amended by R.1995 d.466, effective August 21, 1995.

See: 27 N.J.R. 2113(a), 27 N.J.R. 3219(a).

Added definition of "Annuity jackpot trust check".

Amended by R.1996 d.31, effective January 16, 1996.

See: 27 N.J.R. 3921(a), 28 N.J.R. 281(a).

Amended definitions of "Table game drop" and "Table game win or loss".

Amended by R.1996 d.314, effective July 15, 1996.

See: 28 N.J.R. 1612(a), 28 N.J.R. 3622(a).

Amended by R.1996 d.350, effective August 5, 1996.

See: 28 N.J.R. 2348(a), 28 N.J.R. 3816(a).

Amended by R.1996 d.439, effective September 16, 1996.

See: 28 N.J.R. 2809(a), 28 N.J.R. 4236(a).

19:45-1.1A Gaming day

(a) The "gaming day" for a casino licensee on a calendar day which has not been approved for extended hours of

operation pursuant to N.J.S.A. 5:12-97(a) shall commence at 10:00 A.M. or the actual time when the casino opens to the public, whichever is later, and shall terminate:

1. At 4:00 A.M. on the next calendar day, if the next calendar day is a weekday which is not a holiday;

2. At 6:00 A.M. on the next calendar day, if the next calendar day is a Saturday, Sunday or State or Federal holiday;

3. In accordance with (b) below, if the next calendar day has been approved by the Commission for extended hours of casino operation pursuant to N.J.S.A. 5:12-97(a); or

4. When the casino actually closes if such time is earlier than the time specified in (a)1 through 3 above.

(b) The "gaming day" for a casino licensee on a calendar day which has been approved for extended hours of operation pursuant to N.J.S.A. 5:12-97(a) shall commence and terminate, and the end of the gaming day for the previous calendar day shall terminate, at those times set forth in the approved system of internal procedures and administrative and accounting controls of each casino licensee. Each casino licensee may establish a gaming day for slot machines which is different from its gaming day for table games and different from its gaming day for the game of keno; provided, however, that no gaming day shall be longer than 24 hours.

New Rule, R.1992 d.110, effective March 2, 1992.

See: 23 N.J.R. 3243(a), 24 N.J.R. 858(c).

Amended by R.1995 d.285, effective June 5, 1995.

See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).

19:45-1.2 Accounting records

(a) Each casino licensee shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for each establishment.

(b) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accrual basis. Detailed, supporting, subsidiary records sufficient to meet the requirements of (c) below shall also be maintained in accordance with the requirements of this chapter.

1. The Commission shall periodically prescribe a uniform chart of accounts and accounting classification in order to insure consistency, comparability, and effective disclosure of financial information.

i. The chart of accounts shall provide the classifications necessary to prepare the standard financial statements required by N.J.A.C. 19:45-1.6.

ii. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the licensee.

iii. The licensee shall not use other than the prescribed chart of accounts but may, with the permission of the Commission, expand the level of detail for some or all accounting classifications and/or alter the account numbering system. In such instances, the licensee shall provide to the Commission, upon request, a cross-reference from the licensee's to the prescribed chart of accounts.

(c) The detailed, supporting, and subsidiary records shall include, but not necessarily be limited to:

1. Records of all patron checks initially accepted by the licensee, deposited by the licensee, returned to the licensee as "uncollected", and ultimately written-off as uncollectible.

- v. Room charge settled guest checks pertaining to restaurant and bar charges;
- vi. Credit card vouchers used to settle guest checks in restaurants and bars;
- vii. Guest check control sheets used to control the issuance and return of guest checks to cashiers, bartenders and food servers;
- viii. Credit applications with unused lines of credit;
- ix. Surveillance employee duty logs, VCR/tape logs, and equipment malfunction reports;
- x. Zeroed-out countercheck envelopes; and
- xi. Emergency drop box approval forms.

7. The following original books, records and documents shall be retained by a casino licensee for a minimum of 90 days:

- i. Surveillance department visitor logs;
- ii. Coin bag tags, provided that the information contained thereon is duplicative or less than that recorded on another document; and
- iii. Documents relating to promotions, such as entry forms and game tickets.

8. The following original books, records and documents shall be retained by a casino licensee for a minimum of 30 days:

- i. Hotel cashier envelopes; and
- ii. Cashed pari-mutuel tickets and credit vouchers shall be retained by a casino licensee for a minimum of 30 days from the date on which they are cashed, canceled or refunded in the casino licensee's casino simulcasting facility.

9. The following original books, records and documents do not have to be retained by a casino licensee for any minimum period of time, but may be destroyed only upon notice in accordance with (f) and (g) below:

- i. Any serially pre-numbered form required by Commission rules that is blank or unused, unless otherwise specified by this section; and
- ii. Any original book, record or document that has been copied and stored on a microfilm, microfiche or other media system approved by the Commission.

10. The following original books, records and documents do not have to be retained by a casino licensee for any minimum period of time, and may be destroyed without notice otherwise required by (f) below:

- i. Parking ticket stubs;
- ii. Coat check tickets;
- iii. Housekeeping reports;

- iv. Maintenance department records;
- v. Patron mailing lists;
- vi. Blank entry forms;
- vii. Bellman and baggage forms;
- viii. Cash settled guest checks;
- ix. Food credit and complimentary beverage coupons;
- x. Drink chits;
- xi. Food and beverage order slips;
- xii. Bottle sales slips;
- xiii. Showroom starter slips;
- xiv. Communication department records;
- xv. Unsolicited resumes or letters requesting employment;
- xvi. Register tapes, provided that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with (c)3 above;
- xvii. Survey questionnaires regarding service in the casino hotel;
- xviii. Records of hours worked by persons employed in gaming-related positions in an abstract or other readily accessible format;
- xix. Any blank or unused form except as provided in (c)8i above, unless otherwise specified by this section;
- xx. Keno requests; and
- xxi. Laundry charges.

(d) A casino licensee may petition the Commission at any time for approval of a facility off the site of the approved hotel building to be used to generate or store original books, records and documents. Such petition shall include:

- 1. A detailed description of the proposed off-site facility, including security and fire safety systems; and
- 2. The procedures pursuant to which Commission and Division agents will be able to gain access to the original books, records and documents retained at the off-site facility.

(e) A casino licensee may petition the Commission for approval of a microfilm, microfiche or other suitable media system for the copying and storage of original books, records and documents. Such a system shall be approved if it contains the following elements to the satisfaction of the Commission:

- 1. A system that provides for the processing, preservation and maintenance of books, records and documents in a form which makes them readily available for review and copying on the site of the approved hotel building or other site approved by the Commission;

2. A system of inspection and quality control which ensures that microfilm, microfiche or other media when displayed on a reader (viewer) or reproduced on paper exhibit a high degree of legibility and readability;

3. A reader-printer available for use by the Commission or Division on the site of the approved hotel building or other site approved by the Commission which permits the ready location, reading and reproduction of any book, record or document being stored on microfilm, microfiche or other media; and

4. A detailed index of all microfilmed, microfiched or other stored data maintained and arranged in such a manner as to permit the immediate location of any particular book, record or document.

(f) A casino licensee shall notify the Commission and the Division in writing at least 15 days prior to the scheduled destruction of any original book, record or document. Such notice shall list each type of book, record and document scheduled for destruction, including a description sufficient to identify the books, records and documents included; the retention period; and the date of destruction. Each casino licensee shall retain this record of destruction in accordance with (c)1 above.

(g) The Commission or the Division may prohibit the destruction of any original book, record or document by so notifying the casino licensee in writing within 15 days of the receipt of notice of destruction pursuant to (f) above. Such original book, record or document may thereafter be destroyed only upon notice from the Commission or Division, or by order of the Commission upon the petition of the casino licensee or by the Commission on its own initiative.

(h) The casino licensee may utilize the services of a disposal company for the destruction of any books, records or documents except those related to credit. Any cash complimentary coupons to be destroyed by a disposal company shall be cancelled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date which has expired.

(i) Nothing herein shall be construed as relieving a casino licensee from meeting any obligation to prepare or maintain any book, record or document required by any other Federal, state or local governmental body, authority or agency.

Amended by R.1983 d.112, effective March 29, 1983.

See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Originally filed as an emergency adoption (R.1983 d.37) on January 27, 1983. Readopted as R.1983 d.112. Repealed section on junkets which are now codified at N.J.A.C. 19:49.

New Rule, R.1985 d.51, effective February 19, 1985.

See: 16 N.J.R. 3303(a), 17 N.J.R. 481(a).

Amended by R.1992 d.361, effective September 21, 1992.

See: 24 N.J.R. 2348(b), 24 N.J.R. 3332(a).

Revised to meet statutory changes regarding records retention, storage and destruction. Eliminate current petition process for records destruction and off-site record generation or storage. In (a)2: revised text to reference new text at (c) and (d). Added (a)5. At (b): added final sentence regarding the medium. Added new subsection (c). Recodified (c) as new (d), deleting existing (d). Deleted existing (c)1, recodifying (c)2 as new (c)1 and recodifying existing (c)5 as (c)2, with no change in text. Deleted existing (f) and added (f)-(h), recodifying existing (g) as (i), with no change in text.

Amended by R.1993 d.37, effective January 19, 1993.
See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcast provisions added.

Amended by R.1993 d.110, effective March 1, 1993.

See: 24 N.J.R. 3694(b), 25 N.J.R. 1008(b).

Record retention schedule revised at (c).

Amended by R.1994 d.137, effective March 21, 1994.

See: 25 N.J.R. 5902(a), 26 N.J.R. 1373(b).

Amended by R.1994 d.138, effective March 21, 1994.

See: 25 N.J.R. 5905(a), 26 N.J.R. 1376(a).

Amended by R.1995 d.285, effective June 5, 1995.

See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).

Amended by R.1996 d.123, effective March 4, 1996.

See: 27 N.J.R. 4993(a), 28 N.J.R. 1403(b).

Amended by R.1996 d.438, effective September 16, 1996.

See: 28 N.J.R. 3243(a), 28 N.J.R. 4235(a).

19:45-1.9 Complimentary services or items

(a) A complimentary service or item is a service or item provided directly or indirectly by a licensee at no cost or at a reduced price.

(b) No casino licensee may offer or provide any complimentary services, gifts, cash or other items of value to any person except as authorized by N.J.S.A. 5:12-102(m). Each casino licensee shall, pursuant to the provisions of N.J.S.A. 5:12-99a(2) and N.J.A.C. 19:45-1.3, prepare and maintain internal controls for the authorization and issuance of complimentary services and items, including cash and noncash gifts issued pursuant to N.J.S.A. 5:12-102(m) and N.J.A.C. 19:45-1.9B. Such internal controls shall include, without limitation, the procedures by which the casino licensee delegates to its employees the authority to approve the issuance of complimentary services and items and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified, including limits based on relationships between the authorizer and recipient, and shall further include effective provisions for audit purposes. Notwithstanding the foregoing:

1. Internal controls for complimentary distribution programs shall be subject to the requirements of N.J.A.C. 19:45-1.46;

2. Internal controls for transportation expense reimbursement programs shall be subject to the requirements of N.J.A.C. 19:45-1.9A; and

3. Nothing herein shall be deemed to require a casino licensee to identify in its submission the terms or conditions pursuant to which a complimentary service or item may be granted, except as otherwise provided in (f)3 below, or to obtain Commission approval of any limits or conditions which may be placed on the authority of its employees to approve or issue complimentary services or items, except as otherwise provided in N.J.A.C. 19:45-1.9B; provided, however, that each casino licensee shall be required to maintain a written record of all such terms, limits or conditions and the specific employees to whom they apply.

(c) All complimentary services or items shall be recorded as follows:

1. A complimentary service or item provided directly to patrons in the normal course of a licensee's business shall be recorded at an amount based upon the full retail price normally charged for such service or item by the licensee;

2. A complimentary service or item not offered for sale to patrons in the normal course of a licensee's business but provided directly by the licensee shall be recorded at an amount based upon the actual cost to the licensee of providing such service or item;

3. A complimentary service or item provided directly or indirectly to a patron on behalf of a licensee by a third party not affiliated with the licensee shall be recorded at an amount based upon the actual cost to the licensee of having the third party provide such service or item;

4. A complimentary service or item provided directly or indirectly to a patron on behalf of a licensee by a third party who is affiliated with the licensee shall be recorded by the licensee in accordance with the provisions of this section as if the affiliated third party were the licensee.

(d) The licensee shall accumulate both the dollar amount of and number of persons provided with each category of complimentary services or items.

1. A quarterly report shall be filed with the Commission regarding the complimentary services or items provided.

2. The complimentary services shall, at a minimum, be separated into categories for rooms, food, beverage, travel and other services.

(e) Each casino licensee shall record, on a daily basis, the name of each person provided with complimentary services or items, the category of service or item provided, the value (as calculated in accordance with (c) above) of the services or items provided to such person, and the person authorizing the issuance of such services or items. Upon the Division's request, a copy of this record shall be submitted to the Division's office located on the casino premises. Excepted from this requirement are the individual names of persons authorizing or receiving:

1. Each noncash complimentary service or item which has a value (as calculated in accordance with (c) above) of \$150.00 or less;

2. Each complimentary cash gift of \$100.00 or less; and

3. Any complimentary service or item, including a cash or noncash gift, which is issued pursuant to:

i. A table game or slot machine complimentary incentive program regulated by (f) below;

ii. A complimentary program for invited guests regulated by (g) below;

iii. A direct mass marketing complimentary program regulated by (h) below; or

iv. A complimentary distribution program regulated by N.J.A.C. 19:45-1.46.

(f) Any complimentary service or item, including a complimentary cash or noncash gift, which is issued to a patron as part of a table game or slot machine complimentary incentive program shall be subject to the requirements of N.J.A.C. 19:45-1.46 and this subsection and shall not be included on the daily complimentary report required by (e) above or subject to the annual limitation on cash complementaries established by N.J.A.C. 19:45-1.9B(g) if:

1. The program is prepared prior to implementation and maintained in accordance with the requirements of N.J.A.C. 19:45-1.46 as if the program were a complimentary distribution program;

2. The program is open to participation by all members of the public;

3. Each participant in the program is issued complementaries in accordance with a predetermined schedule as a result of his or her table game or slot play, which schedule shall, with regard to cash complementaries, be based on and shall not exceed:

i. The theoretical win of the casino licensee from each participant or the participant's actual loss as reasonably determined from data maintained pursuant to the approved internal controls for the complimentary incentive program; or

ii. As to slot play only, a fixed percentage of the player's handle as reasonably determined from data maintained pursuant to the approved internal controls for the complimentary incentive program, which percentage may differ for different denominations of slot machines, but shall not exceed six percent for any denomination of slot machine; and

4. A record is maintained of the name of each participant who receives a complimentary service or item as a result of his or her participation in the program, the amount of each complimentary and the type of complimentary, which record shall be made available to the Division upon request in the format used by the casino licensee.

(g) Any complimentary service or item, including a complimentary cash or noncash gift, which is issued to a patron as part of a complimentary program for invited guests shall be subject to the requirements of N.J.A.C. 19:45-1.46 and this subsection and shall not be included on the daily complimentary report required by (e) above or subject to the annual limitation on cash complementaries established by N.J.A.C. 19:45-1.9B(g) if:

1. The program is prepared prior to implementation and maintained in accordance with the requirements of N.J.A.C. 19:45-1.46 as if the program were a complimentary distribution program;

2. The program is open to participation by invited guests only and there are at least 25 participants;

3. The program involves a contest of chance or skill which is used to determine the distribution of the complimentary services to the participants;

4. The recipient of any cash complimentary issued as part of the program will not have received more than \$250,000 in gifts of more than \$250.00 in cash complementaries from complimentary programs for invited guests conducted by the casino licensee, including the current program, during the previous 12 month period; provided, however, that such limitation shall not preclude a recipient from receiving more than \$250,000 in cash complementaries through participation in complimentary programs for invited guests conducted by that casino licensee during the previous 12 month period if any cash complementaries issued in excess of \$250,000 are otherwise authorized by N.J.A.C. 19:45-1.9B(g) and are recorded in accordance with the requirements of that section; and

5. A record is maintained of the name of each participant in the program who receives a complimentary service or item as a result of his or her participation, the amount of each complimentary and the type of complimentary, which record shall be made available to the Division upon request.

(h) Any complimentary service or item, including a complimentary cash or noncash gift, which is issued to a patron as part of a direct mass marketing complimentary program shall be subject to the requirements of N.J.A.C. 19:45-1.46 and this subsection and shall not be included on the daily complimentary report required by (e) above or subject to the annual limitation on cash complementaries established by N.J.A.C. 19:45-1.9B(g) if:

1. The program is prepared prior to implementation and maintained in accordance with the requirements of N.J.A.C. 19:45-1.46 as if the program were a complimentary distribution program.

2. The complimentary services or items offered pursuant to the program are less than \$200.00 per person per day and are offered to at least 250 persons within 30 days from the implementation of the program;

3. A record, which shall be available to the Division upon request, is maintained identifying:

- i. The date the program was implemented;
- ii. The value and type of the complimentary services or items offered pursuant to the program;

iii. The number of persons to whom the complimentary services or items were offered and the date that the offer was made;

iv. The source of the names of the persons to whom the complimentary services or items were offered; and

v. If the casino licensee has possession of the data, the names and addresses of the persons to whom more than \$100.00 in cash complementaries were offered, which data shall be maintained in accordance with the requirements of N.J.A.C. 19:45-1.8(c)5.

(i) A casino licensee may, subject to the requirements of this subsection, issue a cash or non-cash complimentary to a patron based upon either the occurrence of a predesignated event that may occur in the normal conduct of an authorized game or casino simulcasting or his or her random selection from among patrons who are playing an authorized game or making a simulcast wager. Any complimentary program operated by a casino licensee pursuant to this subsection shall:

1. Be open to any member of the public who is making a simulcast wager or playing the authorized game at which the complimentary is being offered;

2. Not permit the issuance of a complimentary from:

- i. The table inventory in a table game;
- ii. The keno writer's drawer in keno;
- iii. The pari-mutuel cashier's drawer;
- iv. The simulcast vault in simulcasting; or
- v. A slot machine hopper or hopper storage area;

3. Not permit the notation of the issuance of any complimentary on any document generated pursuant to this chapter that authorizes a deduction from gross revenue;

4. Prohibit the inclusion of any complimentary in calculating whether the payout on a slot machine satisfies the requirements of N.J.S.A. 5:12-100(e) or N.J.A.C. 19:45-1.37(g);

5. Require the preparation of detailed procedures controlling the program prior to its implementation, which procedures shall be maintained by the casino accounting department; provided, however, if complementaries will be issued based upon the occurrence of an event that may occur in the normal conduct of an authorized game, the casino licensee shall submit for Commission approval a description of the rule which governs the issuance of a complimentary at least five days prior to the commencement of the program, and such approval shall be deemed to have been granted if it is not denied within the five day period; and provided, further, that all such procedures shall address, at a minimum:

i. The period of time that the program will be offered; provided, however, nothing shall prohibit a casino licensee from offering a program for an indefinite period of time, subject to termination upon 24 hours notice to the Commission and public;

ii. The authorized game or simulcasting at which the complimentary will be issued;

iii. The procedures for determining to whom complimentary will be issued;

iv. A description of the complimentary that will be issued; and

v. The procedures by which the casino licensee will pay cash complimentary or deliver non-cash complimentary;

6. Ensure that the information required by (i)5 above is available to the public in the casino or casino simulcasting facility at all times that the complimentary program is being conducted; and

7. Not require that any complimentary issued to a patron pursuant to this subsection be included on the daily complimentary report pursuant to (e) above unless the complimentary has a value of more than \$1,000 or be subject to the annual limitations on cash complimentary established by N.J.A.C. 19:45-1.9B(g).

(j) Prize tokens shall not be offered or provided as a complimentary service or item.

Amended by R.1983 d.112, effective March 29, 1983.
See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Originally filed as an emergency adoption (R.1983 d.37) on January 27, 1983. Readopted as R.1983 d.112. Deleted old (a) and (b) and added new (a) and (b) and added "or items" to "complimentary services".

Amended by R.1989 d.187, effective April 3, 1989.
See: 20 N.J.R. 2644(a), 21 N.J.R. 933(b).

At (c)2., separate category of "entertainment" added.
Amended by R.1989 d.611, effective December 18, 1989.
See: 21 N.J.R. 2953(a), 21 N.J.R. 3931(b).

Added new (b), redesignated existing (b)-(c) as (c)-(d).
Amended by R.1992 d.499, effective December 21, 1992.
See: 24 N.J.R. 2692(b), 24 N.J.R. 4570(a).

In (b), added requirements for internal controls pursuant to N.J.S.A. 5:12-99(a)2 and N.J.A.C. 19:45-1.3; added (b)1, 2 and 3. In (d), added "or items"; in (d)2, also added "cash gift, noncash gift". Added (e).

Amended by R.1993 d.145, effective April 5, 1993.
See: 24 N.J.R. 4505(a), 25 N.J.R. 1521(a).

In (e)1: amended amount to be \$100.00, increased from \$50.00.
Added new subsection (f) regarding complimentary.

Amended by R.1993 d.494, effective October 4, 1993.
See: 25 N.J.R. 3108(a), 25 N.J.R. 4619(a).

Amended by R.1994 d.34, effective January 18, 1994.
See: 25 N.J.R. 4871(b), 26 N.J.R. 491(a).

Amended by R.1994 d.139, effective March 21, 1994.
See: 26 N.J.R. 113(a), 26 N.J.R. 1377(a).

Amended by R.1994 d.504, effective October 3, 1994.
See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1995 d.77, effective February 6, 1995.
See: 26 N.J.R. 4173(b), 27 N.J.R. 549(a).

Amended by R.1995 d.468, effective August 21, 1995.
See: 27 N.J.R. 2124(a), 27 N.J.R. 3223(a).

Raised the dollar amounts for reportable and nonreportable complimentary services and items and complimentary cash and noncash gifts.
Amended by R.1995, d.592, effective November 20, 1995.
See: 27 N.J.R. 3309(a), 27 N.J.R. 4729(b).
Amended by R.1996 d.474, effective October 7, 1996.
See: 28 N.J.R. 3244(a), 28 N.J.R. 4516(a).

Case Notes

Penalty; cash complimentary to patron. Division of Gaming Enforcement v. Boardwalk Regency Corporation, 94 N.J.A.R.2d (CCC) 52.

Violations of the Casino Control Act's prohibition on cash complimentary; assessment of penalty. N.J.S.A. 5:12-102, 5:12-129, 5:12-130. Department of Law & Public Safety, Div. of Gaming Enforcement v. Trump Plaza Associates, 92 N.J.A.R.2d (CCC) 13.

19:45-1.9A Procedures for transportation expense reimbursements

(a) All transportation expense reimbursement transactions, except as otherwise provided in (h) below, shall be performed at the casino cage.

(b) Whenever a patron requests a casino licensee to reimburse transportation expenses, a Travel Disbursement Voucher ("Voucher") shall be prepared. Vouchers shall be maintained in a secure location approved by the Commission. Access to Vouchers, prior to use, shall be restricted to those individuals authorized by the licensee to approve such disbursements. Prior to the transportation expense reimbursement, an individual authorized to approve the disbursement shall examine the original tickets, invoices or receipts presented by the patron in support of the request for valid transportation expense reimbursement. Such tickets, invoices or receipts shall:

1. Contain the actual cost of transportation for which reimbursement is sought;

2. Be dated within 30 days of the request for reimbursement; provided, however, reimbursements may be made for tickets, invoices or receipts which are dated more than 30 days but no more than 180 days prior to the date of request for reimbursement if an explanation is included on the Voucher as to why presentation was delayed;

3. Be in the name of the requesting patron, provided, however, that the tickets, invoices or receipts may be in the name of a person accompanying said patron, or contain no name if the amount of reimbursement is \$250.00 or less, as long as an explanation thereof is noted on the Voucher; and

4. State a destination of Atlantic City; provided, however, if the destination indicated on the ticket, invoice or receipt is a location other than Atlantic City, or if no destination is indicated, the requesting patron or the casino licensee shall provide other documentation as evidence of that patron's presence in Atlantic City during the trip in which the expenses were incurred.

(c) A slot drop box shall have:

1. A slotted opening through which coins and slot tokens can be deposited;
2. A device that will automatically close and lock the slotted opening upon removal of the slot drop box from the slot machine; and
3. Two separate locks securing the contents of the slot drop box, the keys to which shall be different from each other. The key to one of the locks shall be maintained and controlled by a Commission inspector. The key to the second lock, which shall also be different from the keys utilized to secure the compartments of the slot machine and the slot drop box, shall be maintained and controlled by the accounting department in a secure area within that department, access to which may be gained only by a supervisor in that department.

(d) A slot drop box shall be housed in a locked compartment separate from any other compartment of the slot machine. The area in which the slot drop box is located shall be secured by two separate locks, the design, location and operation of which shall be approved by the Commission, and the keys to which shall be different from each other. The key to one of the locks securing this area shall be maintained and controlled by a Commission inspector. The key to the second lock, which shall also be different from the keys utilized to secure any other compartments of the slot machine and the contents of the slot drop box, shall be maintained and controlled by the casino security department in a secure area within that department, and access to the key may be gained only by a supervisor in that department.

(e) Any slot machine equipped to accept slot tokens in denominations of \$25.00 or more shall utilize a slot drop box, rather than a slot drop bucket.

(f) The area in which the slot cash storage box is located shall be secured by two separate locks, the design, location, and operation of which shall be approved by the Commission, and the keys to which shall be different from each other.

(g) The key to one of the locks securing the area where the slot cash storage box is located shall be maintained and controlled by a Commission inspector. The key to the second lock to such area, which key shall also be different from the keys securing the contents of the slot cash storage box, shall be maintained and controlled by the casino security department or the slot department in a secure area within that department. Access to the key may be gained only by a supervisor in that department, provided, however, that if the slot department controls the key, the supervisor of the slot department 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 par-

ticipating in the transportation of slot cash storage boxes, pursuant to N.J.A.C. 19:45-1.17.

(h) Keys to each slot machine, or any device connected thereto which may affect the operation of the slot machine, with the exception of the keys to the compartments housing the slot drop bucket and to the locks securing the areas where the slot cash storage box and slot drop box are located, shall be maintained in a secure place and controlled by the slot department.

(i) Any key removed from a department's secure area pursuant to (b), (c), (d), (g) or (h) above, shall be returned no later than the end of the shift of the department member to whom the key was issued, and the department shall establish a sign-out and sign-in procedure approved by the Commission for all such keys removed.

(j) Unless a computer which automatically records the information specified in (j)1, 2, and 3 below is connected to the slot machines in the casino, the following entry authorization logs shall be maintained by the casino licensee:

1. Whenever it is required that a slot machine or any device connected thereto which may affect the operation of the slot machine be opened, with the exception of a bill changer, certain information shall be recorded on a form to be entitled "Machine Entry Authorization Log." The information shall include, at a minimum, the date, time, purpose of opening the machine or device, and the signature of the authorized employee opening the machine or device. The Machine Entry Authorization Log shall be maintained in the slot machine and shall have recorded thereon a sequential number and a manufacturer's serial number or the asset number of that slot machine.

2. Whenever it is required that a progressive controller not housed within the cabinet of a slot machine be opened, the information specified in (j)1 above shall be recorded on a form to be entitled "Progressive Entry Authorization Log." The Progressive Entry Authorization Log shall be maintained in the progressive unit and shall have recorded thereon a sequential number and serial number of the progressive controller.

3. With the exception of the transportation of slot cash storage boxes, pursuant to N.J.A.C. 19:45-1.17(a), whenever it is required that a bill changer, other than a separate slot cash storage box compartment, be opened, certain information shall be recorded on a form to be entitled "Bill Changer Log." The information shall include, at a minimum, the date, time, purpose of opening the bill changer, and the signature of the authorized employee opening the bill changer. The Bill Changer Log shall be maintained in the bill changer and shall have recorded thereon a sequential number and the serial number or asset number of the bill changer. If the bill changer is contained completely within the cabinet of a slot machine and there is no separate access to the bill changer unit, the information may be recorded on the

Machine Entry Authorization Log required by (j)1 above, provided that any information that concerns the opening of the bill changer may be distinguished from any other information that concerns the opening of the slot machine or any other device connected thereto.

Amended by R.1983 d.239, effective June 30, 1983.

See: 14 N.J.R. 1052(a), 15 N.J.R. 1040(b).

Deleted requirements in (d)1, that only slot machines or attendants had to sign the Machine Entry Authorization Log.

Petition for Rulemaking: Slot machine bill changer system.

See: 19 N.J.R. 1110(a).

Amended by R.1988 d.224, effective May 16, 1988.

See: 20 N.J.R. 516(a), 20 N.J.R. 1099(c).

Substantially amended.

Experimental 90-day implementation pursuant to N.J.S.A. 5:12-69(e), (P.L. 1987 c.354), 5:12-70(f) and 5:12-100(e), effective April 11, 1988 (expires July 10, 1988).

See: 20 N.J.R. 769(a).

Amended by: R.1988 d.387, effective August 15, 1988.

See: 20 N.J.R. 765(a), 20 N.J.R. 769(a), 20 N.J.R. 2090(a).

Added bill changers and slot token containers and keys for slot storage box compartments.

Amended by R.1988 d.468, effective October 3, 1988.

See: 20 N.J.R. 1069(a), 20 N.J.R. 2468(a).

Sequentially number "machine entry authorization logs" and require preparation and maintenance of "progressive entry authorization logs".

Amended by R.1991 d.230, effective May 6, 1991.

See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).

In (a)2 and (g)1, 3: revised text to read "asset" and "manufacturer's serial" number.

Amended by R.1992 d.359, effective September 21, 1992.

See: 24 N.J.R. 1472(b), 24 N.J.R. 3335(b).

Requirement for separate locked compartment for slot cash storage box eliminated, under specified circumstances.

Amended by R.1993 d.318, effective July 6, 1993 (operative October 15, 1993).

See: 25 N.J.R. 1503(b), 25 N.J.R. 2908(a).

Amended by R.1994 d.69, effective February 7, 1994.

See: 25 N.J.R. 4471(a), 26 N.J.R. 829(a).

Amended by R.1994 d.474, effective September 19, 1994.

See: 26 N.J.R. 2217(a), 26 N.J.R. 3894(a).

Administrative Correction.

See: 26 N.J.R. 4788(a).

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1996 d.161, effective March 18, 1996.

See: 28 N.J.R. 77(a), 28 N.J.R. 1560(a).

Amended by R.1996 d.358, effective August 5, 1996.

See: 28 N.J.R. 1946(a), 28 N.J.R. 3822(a).

19:45-1.36A Slot machines; hopper storage areas

(a) A hopper storage area may be used in connection with the operation of the slot machine, for the purpose of temporarily storing coins, prize tokens or slot tokens that are to be deposited only into the slot machine's hopper that corresponds with the coin or type of token stored in the hopper storage area.

(b) A hopper storage area shall be a secure compartment located adjacent to, but separate from, any compartment of its corresponding slot machine, or the drop bucket compartment of such slot machine, and shall:

1. Be constructed so as to provide maximum security for the coins or tokens stored in it;

2. Be secured by two separate locks, the keys to which shall be different from each other. One of the keys, which may be the same as the key which opens the slot machine corresponding to that hopper storage area, shall be maintained and controlled by the slot department. The other key, which shall be different from the key securing the corresponding slot machine, shall be maintained and controlled by the casino security department, in a secure area within that department, and access to that key may be gained only by a supervisor in that department. Removal of the key from this area may be undertaken only for use and return no later than the end of the shift of the department member to whom the key was issued, and upon the approval of a supervisor of that department, and entry of the following information into a log:
 - i. The signature of the department member to whom the key was issued;
 - ii. The signature of the supervisor authorizing such issuance;
 - iii. The date and time issued; and
 - iv. The date and time replaced; and

3. Include a device that indicates when the door of the hopper storage area is open.
- (c) Hopper storage areas shall be filled and utilized in accordance with the procedures in N.J.A.C. 19:45-1.41 and a casino licensee's system of internal controls.

New Rule, R.1992 d.360, effective September 21, 1992.

See: 24 N.J.R. 2137(a), 24 N.J.R. 3336(a).

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

19:45-1.37 Slot machines and bill changers; identifications; signs; meters

(a) Unless otherwise authorized by the Commission, each slot machine in a casino shall have the following identifying features:

1. A manufacturer's serial number affixed to the outside of the slot machine cabinet in a location as approved by the Commission.

2. An asset number that is permanently imprinted, affixed or impressed on the outside of the machine. The asset number must be conspicuous and clearly visible to persons involved in removing or replacing the slot drop bucket or slot drop box in the slot machine and through the casino licensee's closed circuit camera coverage system. The size and location of the asset number are subject to prior approval by the Commission;

3. A display located conspicuously on the front of the slot machine that automatically illuminates when a player has won a jackpot not paid automatically and totally by the slot machine and which advises the player to see an attendant to receive full payment;

4. A display on the front of the slot machine that provides fair notice of the following:

i. The rules of play, character combinations which will award payouts and the related payouts;

ii. If the slot machine offers a payout of merchandise or some other thing of value, a clear description of the merchandise or thing of value including its cash equivalent value (unless the payout is an annuity jackpot), the dates the merchandise or thing of value will be offered if the casino licensee establishes a time limit for offering the merchandise or thing of value as provided in N.J.A.C. 19:45-1.40A, and the availability or unavailability to the patron of the optional cash equivalent value authorized by N.J.A.C. 19:45-1.40A(m). The display need only contain the name or a brief description of the merchandise or thing of value offered, provided that a sign containing all of the information specified in (a)4ii above shall be displayed in a location near the slot machine as approved by the Commission;

iii. If the slot machine offers a progressive jackpot, the dates the progressive jackpot will be offered and the payout limit, if the casino licensee establishes a time limit or payout limit as provided in N.J.A.C. 19:45-1.39. If no time limit or payout limit is established, the display shall state that the casino licensee reserves the right to change or discontinue the progressive slot machine upon 30 days notice. The display need not contain this information provided that a sign which does contain this information shall be displayed in a location near the slot machine as approved by the Commission;

iv. If the slot machine is equipped with a payout-only hopper, a statement either that:

(1) Any prize tokens that are paid out as a jackpot from that hopper cannot be used to activate play at any slot machine; or

(2) Any coins or slot tokens that are paid out from that hopper cannot be used to activate play at that slot machine; and

v. If the slot machine is equipped with multiple hoppers and has the win meter permitted by (b)4ii below and N.J.A.C. 19:46-1.26(c)5, a statement, approved by the Commission, that reasonably explains to patrons the information disclosed by the win meter.

5. A mechanical, electrical, or electronic device that automatically precludes a player from operating the slot machine after a jackpot requiring a manual payout and requires an attendant to reactivate the machine;

6. A light on the pedestal above the slot machine that automatically illuminates when the door to the slot machine or any device connected which may affect the operation of the slot machine is opened; and

7. A location number that is affixed to the outside of the machine. The location number must be conspicuous and clearly visible to persons involved in removing or replacing the slot drop bucket or slot drop box in the slot machine and through the casino licensee's closed circuit camera coverage system. The size and location of the location number are subject to prior approval by the Commission.

(b) Unless otherwise authorized by the Commission, each slot machine in a casino shall be equipped with the following:

1. A mechanical, electrical or electronic device, to be known as an "in-meter" that continuously and automatically counts the number of coins or slot tokens placed by patrons into the machine for the purpose of activating play;

2. A mechanical, electrical or electronic device, to be known as a "drop meter," that continuously and automatically counts the number of coins or slot tokens that are dropped into the machine's slot drop bucket or slot drop box;

3. For each hopper in a slot machine, a separate mechanical, electrical or electronic device, to be known as a "jackpot meter," that continuously and automatically counts, for that hopper only, the number of coins, prize tokens or slot tokens that are automatically paid by the machine from the corresponding hopper and that displays the aggregate number so counted; provided, however, that:

i. In lieu of the jackpot meter for a payout-only hopper displaying the aggregate number of coins, slot tokens or prize tokens paid out from that hopper, each casino licensee that uses a slot machine which is capable of converting the number of coins, slot tokens or prize tokens paid out from a payout-only hopper into the equivalent number of coins or slot tokens that match the denomination of the coin or slot token which that slot machine is designed to accept in order to activate play (the "machine denomination equivalent"), may, in accordance with internal controls approved by the Commission, set the jackpot meter connected to each payout-only hopper in that slot machine to continuously and automatically count and display the aggregate number of coins, slot tokens or prize tokens paid out from that hopper by its machine denomination equivalent (for example, the jackpot meter on a 25% slot machine may display the payout of one \$3.00 prize token as the payout of "12" quarters); and

ii. Each slot machine with multiple hoppers may have a single jackpot meter to count and display the aggregate number of coins, slot tokens or prize tokens paid out from that machine's hoppers provided that:

(1) Each hopper is connected to that meter;

(2) The jackpot meter counts and displays, in accordance with (b)3i above, the aggregate number of coins, slot tokens or prize tokens paid out from a payout-only hopper by its machine denomination equivalent; and

(3) Each payout-only hopper has a separate jackpot meter, to be known as a "payout-only jackpot meter," that counts and displays the aggregate number of coins, slot tokens or prize tokens actually paid out from that hopper only; and

4. A mechanical, electrical or electronic device, to be known as a "win meter," visible from the front of the machine, that, upon a player hitting a winning combination, advises the player of the number of coins, prize tokens or slot tokens for that round that have been paid to the player by the machine from the corresponding hopper; provided, however, that multiple win meters, as provided in (b)4i or ii below after approval of the casino licensee's internal controls therefor, shall be used on each multiple hopper slot machine whenever one or more winning combinations that are hit on the same round of play at that machine entitle the winning player to automatically receive coins, slot tokens or prize tokens from both hoppers and each hopper contains a different denomination of coins, slot tokens or prize tokens, as follows:

i. A separate win meter for each hopper that, for the round in which a winning combination is hit, advises the winning player of the actual number of coins, slot tokens or prize tokens won from that hopper only; or

ii. A win meter to which each hopper is connected that advises the winning player of the aggregate number of coins, slot tokens or prize tokens won that round from both hoppers after first converting the aggregate number of any coins, slot tokens or prize tokens won on that round from a payout-only hopper into its machine denomination equivalent, and a separate win meter, to be known as a "payout-only win meter," connected to each payout-only hopper that advises the player of the number of coins, slot tokens or prize tokens actually won on that round from the corresponding hopper only (for example, a win meter on a multiple hopper 25c slot machine may, pursuant to this paragraph, record the payout, on the same round of play, of one \$3.00 prize token and two quarters as the payout of "14" quarters, provided there is a separate payout-only win meter advising the player that one prize token was paid out).

(c) Unless otherwise authorized by the Commission each slot machine which does not totally and automatically pay the full amount of a jackpot to a patron shall be equipped with a mechanical, electrical or electronic device to be known as a "manual jackpot meter" that continuously and automatically records a pulse(s) for a predetermined number of coins or slot tokens that are to be paid manually.

(d) Unless otherwise authorized by the Commission, each slot machine that accepts currency shall have meters that accomplish the objectives set forth in (b) and (c) above.

(e) Unless otherwise authorized by the Commission, each slot machine that has an attached bill changer shall also be equipped with mechanical, electrical or electronic devices as follows:

1. A "cash box" meter that continuously and automatically records the total dollar amount of all currency accepted by the bill changer or, as an alternative, a connection to a computer system approved by the Commission that determines the total dollar amount of all currency accepted by the bill changer from data supplied from the bill meters required by (e)2 below;

2. A number of "bill meters," that continuously, automatically and separately count, for each denomination of currency accepted by the bill changer, the actual number of bills accepted by the bill changer; and

3. If the attached bill changer can accept coupons but does not contain the coupon meters identified in N.J.A.C. 19:45-1.46B:

i. A "numerical coupon meter" that continuously, automatically and separately counts the total number of all coupons accepted by the bill changer; and

ii. A "value coupon meter" that continuously, automatically and separately counts the total dollar value of all coupons accepted by the bill changer.

(f) All meters described in this section and in N.J.A.C. 19:46-1.26 shall be placed in a position so that the numbers thereon can be read and recorded without opening the slot machine.

(g) Each casino licensee shall set each of its slot machines to pay out, at minimum, 83 percent of the amount of coins, currency or slot tokens that are placed by patrons into that slot machine and shall maintain a record of each slot machine setting and theoretical payout percentage. No payout of any merchandise or thing of value or payment of cash in lieu of any merchandise or thing of value pursuant to N.J.A.C. 19:45-1.40A or cash or non-cash complimentary issued pursuant to N.J.A.C. 19:45-1.9(i) shall be included in determining whether a slot machine meets the 83 percent minimum payout requirement. No cash issued to a slot machine patron shall result in a deduction from gross revenue unless the patron's entitlement to the payment is determined by the approved program that controls the slot machine and the payment is recorded on the jackpot or manual jackpot meter required by (b)3 and (c) above or the progressive jackpot meter required by N.J.A.C. 19:45-1.39(b)2.

(h) Each slot machine in a casino shall have such test connections as may be specified by the Division and approved by the Commission for the on-site inspection, examination, and testing of such machine.

(i) Each slot machine in a casino shall have devices, equipment, features and capabilities as may be required by the Commission for that particular model of slot machine after the prototype model is tested and examined by the Division.

Amended by R.1987 d.302, effective July 20, 1987.
See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a).

(a)4 and (f) substantially amended.

Petition for Rulemaking: Slot machine bill changer machine.

See: 19 N.J.R. 1110(a).

Amended by R.1988 d.224, effective May 16, 1988.

See: 20 N.J.R. 516(a), 20 N.J.R. 1099(c).

Substantially amended.

Experimental 90-day implementation pursuant to N.J.S.A. 5:12-69(e), (P.L. 1987 c.354), 5:12-70(f) and 5:12-100(e), effective April 11, 1988 (expires July 10, 1988).

See: 20 N.J.R. 769(a).

Amended by: R.1988 d.387, effective August 15, 1988.

See: 20 N.J.R. 765(a), 20 N.J.R. 769(a), 20 N.J.R. 2090(a).

Added (e) bill changers attached to slot machines.

Correction: At (b)2., the word "slot" added before "tokens" and "gaming" deleted. N.J.A.C. reference corrected.

See: 21 N.J.R. 933(a).

Notice of Receipt of Petition for Rulemaking in (a).

See: 23 N.J.R. March 18, 1991.

Amended by R.1991 d.230, effective May 6, 1991.

See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).

Added new (a)7; revised (a)1 to specify placement of manufacturer's serial number.

Amended by R.1992 d.58, effective February 3, 1992.

See: 23 N.J.R. 1306(a), 24 N.J.R. 487(a).

Allowed casinos to establish time limits of not less than 30 days for the offering of progressive and merchandise jackpot.

Amended by R.1992 d.210, effective May 18, 1992.

See: 24 N.J.R. 58(a), 24 N.J.R. 1906(a).

Deleted requirement at existing (e)2 regarding the "cash box meter". Recodified existing (e)3 as new (e)2.

Amended by R.1993 d.319, effective July 6, 1993 (operative October 15, 1993).

See: 25 N.J.R. 1503(b), 25 N.J.R. 2908(a).

Amended by R.1994 d.69, effective February 7, 1994.

See: 25 N.J.R. 4471(a), 26 N.J.R. 829(a).

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1995 d.624, effective December 4, 1995.

See: 27 N.J.R. 1789(a), 27 N.J.R. 4915(a).

Amended by R.1996 d.122, effective March 4, 1996.

See: 27 N.J.R. 1775(a), 28 N.J.R. 1399(a).

Amended by R.1996 d.358, effective August 5, 1996.

See: 28 N.J.R. 1946(a), 28 N.J.R. 3822(a).

Amended by R.1996 d.474, effective October 7, 1996.

See: 28 N.J.R. 3244(a), 28 N.J.R. 4516(a).

Case Notes

No implied private cause of action for inadequate or defective signage of slot machine. *Marcangelo v. Boardwalk Regency Corp.*, D.N.J.1994, 847 F.Supp. 1222, on subsequent appeal 47 F.3d 88.

Failure to state claim against casinos for breach of contract for removal of progressive slot machines before **jackpots were won**. *Decker v. Bally's Grand Hotel Casino*, 280 N.J.Super. 217, 655 A.2d 73 (A.D.1994).

19:45-1.38 Slot machines and bill changers; authorized locations; movements

(a) Each slot machine that is on a casino floor shall be:

1. Placed at an authorized location identified on a casino floor plan approved by the Commission pursuant to N.J.A.C. 19:43-7.3 or 7.6; and

2. Identified on the Slot Machine Master List required by N.J.A.C. 19:43-7.4(b).

(b) No slot machine or bill changer shall be removed from or returned to an authorized slot machine location in the casino or moved from one authorized slot machine location to another except in accordance with the requirements of N.J.A.C. 19:43-7.4.

(c) Once a slot machine or bill changer has been placed in the casino, all movements of that machine and/or bill changer from or to a location shall be recorded by a slot department member in a machine movement log which shall include the following:

1. The manufacturer's serial number and the asset number of the moved slot machine and/or bill changer;

2. The date and time of movement of the slot machine and/or bill changer;

3. The location from which the slot machine and/or bill changer was moved;

4. The location to which the slot machine and/or bill changer was moved; and

5. The signatures of the slot shift manager and the lead technician verifying the movement of the slot machine and/or bill changer.

(d) Prior to removing a slot machine from the gaming floor:

1. The machine's slot drop bucket or slot drop box shall be removed and transported to the count room;

2. All meters shall be read and recorded in conformity with the procedures set forth in N.J.A.C. 19:45-1.42; and

3. Any coins or slot tokens in any of the slot machine's hoppers or in the corresponding hopper storage area shall be removed, transported, and counted with the slot drop bucket or slot drop box; provided, however, that a slot machine may be removed from the casino with coins or slot tokens contained therein so long as:

i. Removal of the coins or the slot tokens, or any combination thereof, is precluded by mechanical or electrical difficulty;

ii. The casino licensee records in a slot machine movement log whether coins or slot tokens remain in the slot machine that is removed from the casino, and also records in that log the nature of the mechanical or electrical difficulty, the date and time that the coins or slot tokens are removed from the slot machine and transported to the count room, the date and time that the slot machine is removed from the casino, and the date and time that the slot machine is opened; and

iii. The removal and transportation to the count room of the coins or slot tokens is completed immediately after the slot machine is opened; and

4. Any prize tokens in a payout-only hopper or in a corresponding hopper storage area shall be removed, transported and counted in accordance with procedures and internal controls submitted to and approved by the Commission pursuant to N.J.A.C. 19:45-1.3.

(e) Prior to removing a bill changer from the gaming floor, the slot cash storage box shall be removed and transported to the count room and all meters except the cash box meter shall be read and recorded in conformity with the procedures set forth in N.J.A.C. 19:45-1.42. A bill changer may be removed from the casino with currency or coupons contained therein when removal of the slot cash storage box is precluded by mechanical or electrical difficulty. If currency or coupons remain in a bill changer when it is removed from the casino, this fact and the date and time that the slot cash storage box or, if necessary, currency or coupons are removed from the bill changer and transported to the count room shall be recorded in the machine movement log.

Experimental 90-day implementation pursuant to N.J.S.A. 5:12-69(e), (P.L. 1987 c.354), 5:12-70(f) and 5:12-100(e), effective April 11, 1988 (expires July 10, 1988).

See: 20 N.J.R. 769(a).

Amended by: R.1988 d.387, effective August 15, 1988.

See: 20 N.J.R. 765(a), 20 N.J.R. 769(a), 20 N.J.R. 2090(a).

Added location and movements of slot machines.

Amended by R.1991 d.230, effective May 6, 1991.

See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).

In (a)1: added N.J.A.C. reference for location number; in (c)1: added "asset" to define number.

Amended by R.1992 d.121, effective March 16, 1992.

See: 23 N.J.R. 2920(a), 24 N.J.R. 974(a).

Rule text amended to eliminate requirement the Commission Inspector sign the machine movement log approving movement of individual slot machines and/or bill changers. Deleted (c)5, recodifying existing 6 as new (c)5, with text changes.

Amended by R.1992 d.360, effective September 21, 1992.

See: 24 N.J.R. 2137(a), 24 N.J.R. 3336(a).

Hopper storage area provisions added.

Administrative Correction to (c)4.

See: 25 N.J.R. April 5, 1993.

Amended by R.1993 d.319, effective July 6, 1993 (operative October 15, 1993).

See: 25 N.J.R. 1503(b), 25 N.J.R. 2908(a).

Amended by R.1994 d.69, effective February 7, 1994.

See: 25 N.J.R. 4471(a), 26 N.J.R. 829(a).

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1996 d.122, effective March 4, 1996.

See: 27 N.J.R. 1775(a), 28 N.J.R. 1399(a).

19:45-1.39 Progressive slot machines

(a) This section shall apply to any slot machine with a "progressive meter(s)" that increases as the machine is played.

(b) Unless otherwise authorized by the Commission, each progressive slot machine in a casino shall have the following identifying features:

1. A mechanical, electrical or electronic device, to be known as a "progressive meter(s)", visible from the front of the machine which increments at a set rate of progression with coins placed into the machine, and which advises the player of the amount which can be won if the progressive jackpot combination appears;

2. A mechanical, electrical or electronic device, to be known as a "progressive jackpot meter" that is visible without opening the door and that continuously and automatically records the number of times a progressive jackpot is hit;

3. A separate key and key switch to reset the "progressive meter(s)" or such other separate reset mechanism as may be approved by the Commission;

4. A separate key locking the compartment housing the progressive meter(s) or other means by which to preclude any unauthorized alterations to the progressive meters; and

5. Dual key control by the Commission and the casino licensee, or such other key controls as the Commission may approve, of the compartment housing the microprocessor or other control unit that controls the progressive meter(s), which compartment shall be in a location approved by the Commission.

(c) Unless otherwise authorized by the Commission, each linked progressive slot machine connected to a common progressive meter ("common display unit") shall:

1. Be the same denomination and have the same probability of hitting the combination that will award the progressive jackpot as every other machine connected to such common display unit;

2. Require that the same number of coins be inserted to entitle the player to a chance at winning the progressive jackpot and that each coin shall increment the meter(s) by the same rate of progression as every other machine connected to such common display unit; and

3. Have its microprocessor or other control unit that controls the common display unit housed in a location approved by the Commission that would allow dual key control by the Commission and the casino licensee, or with such other key controls as the Commission may approve.

(d) Every casino seeking to utilize a progressive slot machine connected to a common progressive display unit shall submit to the Commission for approval the location and manner of installing the common progressive display unit.

(e) No progressive slot machine shall be placed on the casino floor until the casino licensee has submitted to the Commission and the Commission has approved the following:

1. The initial and reset amounts at which the "progressive meter(s)" will be set;
2. The proposed system for controlling the keys and access codes to these machines; and
3. The proposed rate of progression for each machine;

(f) No progressive meter(s) shall be turned back to a lesser amount unless:

1. The amount indicated has been actually paid to a winning patron;
2. The progressive jackpot amount won by the patron has been recorded in accordance with an approved system of internal controls;
3. The time limit for the progressive jackpot established pursuant to (i) below has expired; or
4. The change is necessitated by a slot machine or meter(s) malfunction, in which case an explanation must be entered on the Progressive Slot Summary required in (k) below and the Commission inspector must preapprove the resetting in writing.

(g) Once an amount appears on a progressive meter(s), the probability of hitting the combination that will award the progressive jackpot may not be decreased unless the progressive jackpot has been won by a patron or the time limit for offering the progressive jackpot established pursuant to (i) below has expired.

(h) If the "progressive meter(s)" progresses without a payout until the meter(s) return to zero because of digital limitations on the meter(s), some means must be utilized to clearly advise the patrons of the value of the undisplayed digit.

(i) A casino licensee may, at any time, establish a time limit of not less than 30 days for the offering of a progressive jackpot by providing notice of the time limit in accordance with N.J.A.C. 19:45-1.37(a)4. Upon the expiration of such time limit, the casino licensee may reduce the amount on the progressive jackpot meter, remove the progressive slot machine from the gaming floor, or decrease the probability of hitting the combination that will award the progressive jackpot. A casino licensee may also establish a payout limit for a progressive jackpot by providing notice of the payout limit in accordance with N.J.A.C. 19:45-1.37(a)4 prior to the time the payout limit is registered on the progressive meter.

(j) Slot machines which are linked to offer the same progressive jackpot shall have the same probability of hitting the combination that will award that jackpot, provided, however, that the probability may vary among such machines when necessary to enable a casino licensee to institute a change in the probability which is otherwise permitted by this section, if the change is completed expeditiously in accordance with procedures that have been filed with and approved by the Commission.

(k) The amount indicated on the "progressive meter(s)" and "in meter" on each slot machine shall be recorded on a Progressive Slot Summary, at a minimum, at least once every seven calendar days and each summary shall be signed by the preparer. If not prepared by the casino accounting department, the Progressive Slot Summary shall be forwarded to casino accounting by the end of the gaming day on which it is prepared. A representative of the casino accounting department shall be responsible for calculating the correct amount that should appear on the progressive meter(s). If an adjustment to the progressive meter(s) is necessary, the adjustment shall be made by a member of the slot department as follows:

1. Supporting documentation shall be maintained to explain any addition or reduction in the registered amount on the progressive meter(s), which documentation shall include, at a minimum, the date, asset number of the slot machine, the amount of the adjustment and the signature of the slot department member making the adjustment; and
2. The adjustment shall be effectuated within 48 hours of the meter reading.

(l) Except as otherwise authorized by this section, a progressive slot machine removed from the gaming floor shall be returned to or replaced on the gaming floor within five gaming days. The amount on the progressive meter(s) on the returned or replacement machine shall not be less than the amount on the progressive meter(s) at the time of removal. If the machine is not returned or replaced, then the progressive meter(s) amount at the time of removal shall, within five days of the slot machine's removal, be added to a slot machine approved by the Commission which machine offers the same or a greater probability of winning the progressive jackpot, and accepts a denomination of coin or slot token not greater than the denomination accepted by the slot machine which was removed. Any time limit for the offering of a progressive jackpot shall be extended by the number of days during which the progressive jackpot was not offered as the result of any action taken by a casino licensee pursuant to this subsection.

(m) Progressive slot machines may have payout-only hoppers from which prize tokens may be paid as jackpots; provided, however, that prize tokens shall not be available as a payout on a winning progressive jackpot combination.

Amended by R.1981 d.437, effective November 16, 1981.
See: 13 N.J.R. 534(b), 13 N.J.R. 848(b).

Section substantially amended.

Amended by R.1983 d.300, effective August 1, 1983.

See: 14 N.J.R. 1053(a), 15 N.J.R. 1259(a).

In (f), added requirement that jackpot amount has been recorded with a system of internal controls.

Notice of Receipt of petition for rulemaking: Progressive slot machines.

See: 22 N.J.R. 3638(c).

Administrative Correction.

See: 23 N.J.R. 714(b).

Amended by R.1991 d.230, effective May 6, 1991.

See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).

In (j): added "asset" to define number.

Amended by R.1992 d.58, effective February 3, 1992.

See: 23 N.J.R. 1306(a), 24 N.J.R. 487(a).

Allows casinos to establish time limit of not less than 30 days for offering of a progressive jackpot.

Administrative Correction to (f)4.

See: 24 N.J.R. 649(b).

Amended by R.1992 d.110, effective March 2, 1992.

See: 23 N.J.R. 3243(a), 24 N.J.R. 858(c).

In (k) and (l): added "gaming" to describe day.

Amended by R.1994 d.504, effective October 3, 1994.

See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).

Amended by R.1996 d.440, effective September 16, 1996.

See: 28 N.J.R. 2537(a), 28 N.J.R. 4241(b).

19:45-1.39A Progressive slot machines interconnected in more than one casino

(a) Two or more casino licensees may, with the prior approval of the Commission, operate a multi-casino progressive slot system in which certain progressive slot machines are interconnected in the participating casinos.

(b) Any multi-casino progressive slot system approved by the Commission shall be operated in accordance with all relevant requirements of the Act and the Commission's regulations governing casino licensees and the conduct of

gaming. Any casino licensee seeking approval to participate in a multi-casino progressive slot system shall submit for Commission approval a system of accounting and internal controls specifying the manner in which participating casino licensees will satisfy the requirements of the Act and the Commission's regulations concerning the operation of slot machines.

(c) A casino licensee may, with the prior approval of the Commission, designate one or more casino key employees to represent the interests of the casino licensee in the operation and control of a multi-casino progressive slot system. Any designated representative shall only be permitted to exercise the duties and responsibilities he or she is authorized to perform for the casino licensee pursuant to N.J.A.C. 19:45-1.11; provided, however, a designated representative may also communicate information and directions concerning the operation and control of the system to or from other employees of the casino licensee who are authorized to exercise responsibility for such matters.

19:45-1.39A: Experimental 90-day implementation of new rule, pursuant to N.J.S.A. 5:12-69(e), 5:12-70(f), (l) and (m), effective March 23, 1990 (expires June 21, 1990).

See: 22 N.J.R. 841(a).

New Rule, R.1990 d.238, effective May 7, 1990.

See: 22 N.J.R. 624(a), 22 N.J.R. 1381(a).

19:45-1.39B Table game progressive payout wagers

(a) This section shall apply to any table game with a progressive payout wager approved by the Commission. If a casino licensee offers a table game with a progressive payout wager, it may be offered individually at each gaming table or the casino licensee may connect the progressive wager among two or more tables so that the progressive amount increments for all wagers at these two or more tables.

(b) Each table which offers a progressive payout wager shall have the following features:

1. A mechanical, electrical or electronic device to be known as an "in-meter" that continuously and automatically counts the number of gaming chips wagered by patrons on the progressive payout;

2. A mechanical, electrical or electronic device to be known as a "progressive meter," visible from the front of the gaming table, which increments at a set rate of progression when gaming chips are wagered and accepted for the progressive payout and which prominently displays the amount which can be won if the outcome which awards the entire progressive payout is achieved; provided, however, that more than one gaming table may be connected to a common progressive display unit if:

i. A casino licensee elects to connect two or more tables to the same progressive payout wager pursuant to (d) below; and

ii. The display unit is visible to every player at each of the connected tables.

3. A mechanical, electrical or electronic device to be known as a "progressive payout meter" that continuously and automatically records the number of times each progressive payout wager is won;

4. A separate key and key switch to reset or alter the amount on the "progressive meter" or such other separate mechanism as may be approved by the Commission;

5. A separate key locking the compartment housing the component which operates the progressive meter or other means by which to preclude any unauthorized or unintentional alterations to the progressive meter;

6. Dual key control by the Commission and the casino licensee of the location in which the supercontroller and CPU disk drive are housed, which location shall be approved by the Commission; and

7. Storage of and access to the utility disk for the computer that controls the system shall be in accordance with procedures approved by the Commission.

(c) A casino licensee may use a percentage of each progressive payout wager that is accepted at a table to fund a portion of the reset amount for the progressive meter. If a reset fund is established by a casino licensee pursuant to this subsection, each table shall have the following features in addition to those specified in (b) above:

1. A mechanical, electrical or electronic device to be known as a "reset meter" which increments at a set rate of progression when gaming chips are wagered and accepted for the progressive payout and which records the amount which shall be transferred to the progressive meter, inclusive of any reset amount funded by the casino licensee, when the entire amount on the progressive meter is won by a player;

2. A separate key and key switch to reset or alter the amount on the reset meter or such other separate mechanism as may be approved by the Commission; and

3. A separate key locking the compartment housing the component which operates the reset meter or some other mechanism which precludes any unauthorized or unintentional alterations to the reset meter.

(d) If a casino licensee elects to connect two or more tables for a progressive payout wager, the following shall be required:

1. The same denomination gaming chip shall be wagered at all gaming tables connected;

2. The same number of gaming chips shall be wagered to entitle a player to a chance at winning the progressive payout wager, and each gaming chip shall increment the meter by the same rate of progression at all tables connected;

3. The same progressive payouts shall be offered and the probability of hitting those payouts be the same at the connected tables; and

4. A device which shall either automatically or manually lockout all progressive meters if a patron has won a progressive payout wager.

(e) No table game with a progressive payout wager shall be placed in a casino or casino simulcasting facility until the casino licensee has submitted and obtained Commission approval of the following:

1. The authorized game and outcome which will award the progressive payout wager;

2. The initial and reset amounts at which the progressive meter will be set;

3. The proposed rate of progression for each progressive meter and reset meter, if applicable, and the procedure by which any change to the rate of progression will be made, which shall include, at a minimum, prior notice to, and approval by, the Commission;

4. The procedures governing the reset switch or mechanism referenced in (b) and, if applicable, (c) above which shall, at a minimum, preclude the dealer from resetting or altering the amount on the progressive or reset meter;

5. The procedures for operating all the equipment associated with the table game progressive wager including the lockout feature referenced in (d) above; and

6. Such other procedures or features that may be required by the Commission as a result of the operation of the specific table game progressive wager.

(f) No progressive meter shall be turned back to a lesser amount unless:

1. The amount has been actually paid to a winning patron;

2. The progressive payout amount won by the patron has been recorded in accordance with an approved system of internal controls;

3. The time limit for the progressive payout established pursuant to (g) below has expired; or

4. The change is necessitated by a table or meter malfunction, in which case an explanation must be entered on the Table Game Progressive Summary required in (i) below and the Commission shall preapprove the resetting in writing.

(g) When a casino licensee decides to permanently remove the offer of a table game progressive payout, with approval from the Commission, a time limit of not less than 30 days shall be established and notice of the time limit shall be provided at each table. Upon the expiration of such time limit, the casino licensee may remove the gaming table from the casino or casino simulcasting facility or establish another time limit of not less than 30 days.