

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;

4. Any prize tokens in a payout-only hopper, in a reserve 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; and

5. On a slot machine equipped for tokenization pursuant to N.J.A.C. 19:45-1.37C, any credits remaining on the slot machine shall be cancelled in a manner approved by the Commission.

(e) Prior to removing a bill changer from the casino 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 floor with currency, gaming vouchers, or coupons contained therein when removal of the slot cash storage box is precluded by mechanical or electrical difficulty. If currency, gaming vouchers, or coupons remain in a bill changer when it is removed from the casino floor, this fact and the date and time that the slot cash storage box or, if necessary, currency, gaming vouchers, 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).

Amended by R.2002 d.60, effective March 4, 2002.

See: 33 N.J.R. 2402(b), 34 N.J.R. 1020(b).

In (d)4, inserted ", in a reserve hopper" preceding "or in a corresponding hopper".

Amended by R.2002 d.4, effective January 6, 2003.

See: 34 N.J.R. 2012(a), 35 N.J.R. 259(a).

Rewrote (e).

Amended by R.2003 d.161, effective April 21, 2003.

See: 35 N.J.R. 88(a), 35 N.J.R. 1689(b).

In (c), added new 2; recodified existing 2 through 5 as 3 through 6; in (d), added new 5.

19:45-1.39 Progressive slot machine jackpots

(a) This section shall apply to any slot machine jackpot that may increase in value as the machine is played (a "progressive jackpot").

(b) Each slot machine that includes a slot machine game that offers a progressive jackpot which increases in value based upon handle and is adjusted and displayed by a device other than the approved program that controls the operation of the slot machine game shall have the following features:

1. For each progressive jackpot offered by the slot machine game, a mechanical, electrical or electronic device, to be known as a "progressive meter," visible from the front of the machine which increases in value based upon handle, 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 continuously and automatically records the number of times a progressive jackpot is hit;

i. If a slot machine game offers more than one progressive jackpot, it shall have a separate progressive jackpot meter for each progressive jackpot and a "cumulative progressive jackpot meter" that continuously and automatically records the total number of times that progressive jackpots are hit;

ii. All meters required by (b)2 and (b)2i above shall be capable of being read without opening the slot machine;

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) Except as provided in (j) below, each slot machine that is connected to a common progressive meter ("common display unit") for the purpose of offering the same progressive jackpot on two or more slot machines (a "linked slot machine") shall:

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

2. Require that the same amount of handle be invested to entitle the player to a chance at winning the progressive jackpot and that each increase in handle increment the meter(s) by the same rate of progression as every other linked slot 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 linked slot machine shall submit to the Commission for approval the location and manner of installing the common display unit.

(e) No slot machine that includes a slot machine game that offers a progressive jackpot 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;
3. The proposed rate of progression for each progressive jackpot; and
4. The calculated probability of hitting the combination that shall award each progressive jackpot, which probability shall not exceed 50 million to one. For example, a probability of 45 million to one would be permitted, but a probability of 55 million to one would not be permitted. Notwithstanding the foregoing, this paragraph shall not apply to a jackpot with a probability that may exceed 50 million to one during the game cycle due solely to the intervening occurrence of free play awards between the activation of a play and the award of the jackpot.

(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 progressive jackpot has, with prior Commission approval, been transferred to another progressive slot machine or slot system in accordance with (n) below; or
4. The change is necessitated by a slot machine or meter(s) malfunction, in which case:
 - i. For progressive jackpots governed by (b) above, an explanation shall be entered on the Progressive Slot

Summary required in (k) below and the Commission inspector shall preapprove the resetting in writing; or

ii. For progressive jackpots governed by (o) below, an explanation shall be entered on the Machine Entry Authorization Log pursuant to N.J.A.C. 19:45-1.36(j) unless the slot machine automatically addresses the malfunction in a manner approved by the Commission.

(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 progressive jackpot has been transferred to another progressive machine or slot system in accordance with (n) below.

(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) Except as otherwise provided in (n) below, a casino licensee may limit or terminate a progressive jackpot only in accordance with the following procedures.

1. A casino licensee may, prior to the time that a particular amount is registered on the progressive meter, establish a payout limit for the progressive jackpot that is equal to or greater than that particular amount, by providing notice of the payout limit in accordance with N.J.A.C. 19:45-1.37(a)4.

2. After a progressive jackpot is won, a casino licensee may stop offering the progressive jackpot if:

i. Notice to that effect was provided in the manner set forth in N.J.A.C. 19:45-1.37(a)4 prior to the jackpot being won; and

ii. Any slot machine that offered the progressive jackpot being terminated is shut down or rendered unplayable as soon as possible after the jackpot is won; provided, however, that if the slot machine or machines in question are not shut down or rendered unplayable within 24 hours after the progressive jackpot is won, the notice required by (i)2i above shall be considered void and the progressive jackpot on that slot machine shall continue to be offered until won and terminated or transferred in accordance with this section.

3. Nothing in this section shall be deemed to prohibit the immediate and permanent removal by a casino licensee of one or more linked slot machines from the casino floor, provided that:

i. At least one linked slot machine offering the same progressive jackpot remains on its casino floor, if the progressive jackpot is offered in more than one casino, pursuant to N.J.A.C. 19:45-1.39A; and

ii. At least two linked slot machines offering the same progressive jackpot remain on its casino floor, if the progressive jackpot is only offered in that casino.

(j) Notwithstanding (c) above:

1. Two or more linked slot machines offering the same progressive jackpot may be of different denominations and/or have different minimum wagers required to win the progressive jackpot, provided that:

i. The probability of hitting the combination that will award the progressive jackpot is directly proportional to the minimum wager required to win that jackpot. For example, if on the same link, a nickel slot machine requires 20 coins (a \$1.00 wager), a quarter slot machine requires eight coins (a \$2.00 wager), and a dollar slot machine requires three coins (a \$3.00 wager) to win the progressive jackpot, then the probability of a winning wager must be three times more likely on a linked dollar machine than on the linked nickel machine, and twice more likely on a linked quarter machine than on the linked nickel machine. Similarly, if among three linked quarter denomination slot machine games, the first required two coins (a \$.50 wager), the second required four coins (a \$1.00 wager) and the third required eight coins (a \$2.00 wager) to play for the progressive jackpot, then on each handle pull, the probability of hitting the jackpot would be twice more likely on the second machine than on the first machine, and four times more likely on the third machine than on the first machine; and

ii. A notice approved by the Commission indicating the proportional probability of hitting the progressive jackpot on such a linked progressive system shall be conspicuously displayed on each linked slot machines; and

2. The probability of hitting the combination that will award a progressive jackpot offered on linked slot machines 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 governed by (b) above 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 slot machine offering a progressive jackpot that is removed from the casino floor shall be returned to or replaced on the casino 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 slot 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 the same or less than the denomination accepted by the slot machine which was removed. This subsection shall not apply to the temporary removal by a casino licensee, for a period not to exceed 30 days, of all linked slot machines that are part of a particular multi-casino progressive slot system, provided that the progressive jackpots offered by the temporarily removed slot machines remain available on slot machines that are part of the same multi-casino progressive slot system in another casino.

(m) Slot machines that offer progressive jackpots may have payout-onlyoppers 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.

(n) Notwithstanding any other provision of this section, a casino licensee may, with prior written approval from the Commission, transfer a progressive jackpot amount, in its entirety, to the progressive meter for a similar progressive slot machine or slot system with the same or greater probability of winning and the same or lower denomination.

(o) Each slot machine that offers a progressive jackpot which increases in value based upon either handle contributions adjusted and displayed by the approved program that controls the slot machine or events dictated by the approved program, shall conform with the following requirements:

1. The slot machine shall include a meter or display, visible from the front of the slot machine, that advises the player of the amount which can be won if the progressive jackpot combination appears;

2. The approved program for the slot machine shall limit the progressive jackpot to an amount which is less than \$1,200; and

3. The progressive jackpot shall be totally and automatically paid by the slot machine.

(p) Any progressive jackpot governed by (o) above shall not be subject to the provisions of (l) or (n) above.

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).

Amended by R.1996 d.486, effective October 21, 1996.

See: 27 N.J.R. 4992(a), 28 N.J.R. 4601(a).

Amended by R.1998 d.20, effective January 5, 1998.

See: 29 N.J.R. 326(a), 30 N.J.R. 120(a).

Added (e)4 and (n).

Amended by R.1999 d.281, effective August 16, 1999.

See: 31 N.J.R. 1171(a), 31 N.J.R. 2372(a).

In (i) and (l), substituted references to the casino floor for references to the gaming floor; in (i), added an exception at the beginning and added the last sentence; in (l), added the last sentence; and in (n), rewrote the last sentence.

Amended by R.2000 d.334, effective August 21, 2000.

See: 31 N.J.R. 2525(a), 32 N.J.R. 3075(a).

Rewrote section.

Petition for Rulemaking.

See: 33 N.J.R. 3379(b), 33 N.J.R. 3775(b).

Amended by R.2001 d.451, effective December 3, 2001.

See: 33 N.J.R. 772(a), 33 N.J.R. 4151(b).

Rewrote (b), (e) and (n).

Amended by R.2002 d.246, effective August 5, 2002.

See: 33 N.J.R. 2955(b), 34 N.J.R. 2801(a).

Rewrote (i); in (n), inserted "or remove" preceding "the amount" and deleted ", remove the slot machine that offers the progressive jackpot from the casino floor" following "progressive meter" in the first sentence, and inserted "the progressive meter for one or more" following "in its entirety, to" and deleted "probability" preceding "or reasonably" in the second sentence.

Amended by R.2002 d.284, effective September 3, 2002 (operative October 18, 2002).

See: 33 N.J.R. 3879(a), 34 N.J.R. 3130(a).

Rewrote the section.

Amended by R.2002 d.366, effective November 18, 2002.

See: 34 N.J.R. 2415(a), 34 N.J.R. 3976(a).

In (c), substituted "Except as provided in (j) below" for "Unless otherwise authorized by the Commission" in the introductory paragraph; rewrote (j).

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

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

(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).

Amended by R.2000 d.334, effective August 21, 2000.

See: 31 N.J.R. 2525(a), 32 N.J.R. 3075(a).

Rewrote (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) Except as provided in this subsection, 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 acknowledges the acceptance of the progressive payout wager and initiates an increase in the progressive meter or some 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 computer that controls the progressive payout wager system and any related component specified by the Commission is housed, which location shall be approved by the Commission; and

7. Storage of and access to any disks specified by the Commission for the computer that controls the progressive payout wager 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 or be connected to a device 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. Each table shall have the following features in addition to those specified in (b) above:

1. 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

2. 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 games progressive wager including the lockout feature referenced in (d) above;

6. The installation of the computer system that controls the progressive payout wager system, which installation shall occur only after advance written notice of at least three business days to the MIS department of the casino licensee and to designated representatives of the Commission and Division, and which notice shall:

19:45-1.40 Jackpot payouts that are not paid directly from the slot machine

(a) Whenever a patron wins a jackpot that is not totally and automatically paid directly from the slot machine in coins, slot tokens, or a gaming voucher, a Request for Jackpot Payout Slip ("Request") shall be prepared after the preparer observes the combinations on the slot machine and determines the appropriate amount of the payout, based on the winning combinations. If the manual jackpot is less than \$10,000, the preparer of the Request shall be a slot attendant or a slot attendant supervisor. If the manual jackpot is \$10,000 or more, the preparer of the Request shall be a slot attendant supervisor. The Request shall be, at a minimum, a one-part form or the information required on it maintained in stored data, access to which, prior to use or input, shall be restricted to slot attendants and slot attendant supervisors.

1. Notwithstanding the foregoing or any other provision of this section, a slot attendant may complete a Pouch Payout Slip instead of a Request and pay the winning patron the manual jackpot from imprest funds in a pouch or wallet in accordance with the procedures set forth in N.J.A.C. 19:45-1.40E, if the total amount of the slot machine jackpot is less than \$1,200 and the slot machine is connected to an approved computerized slot monitoring system.

2. Any casino licensee that chooses to use the pouch payout procedures authorized by N.J.A.C. 19:45-1.40E may request the approval of the Commission to use a combined Request/Pouch Payout Slip that satisfies the requirements of (b) below and N.J.A.C. 19:45-1.40E(b)2.

(b) The following information, at a minimum, shall be on the Request or maintained in stored data:

1. The date and time of the jackpot;
2. The asset number of the slot machine on which the jackpot was registered;
3. The winning combination of characters constituting the jackpot;
4. The amount of the jackpot payout awarded pursuant to (b)3 above that was not paid to the winning patron directly by the slot machine;
5. The method of payment requested by the patron (cash, slot tokens, casino check or, if available, gaming chips);
6. The signature or identification code of the preparer; and
7. The following additional signatures or identification codes shall be required if the slot machine or the progressive meter is reset prior to the patron being paid or if payment is made directly to the patron by a slot cashier, master coin bank cashier or general cashier:

i. The signature or identification code of the casino security department member attesting to the characters constituting the jackpot and the amount of the jackpot payout that was not paid to the winning patron directly by the slot machine; and

ii. The signature or identification code of the slot shift manager attesting to the characters constituting the jackpot and the amount of the jackpot payout that was not paid to the winning patron directly by the slot machine when the jackpot amount is \$25,000 or more.

(c) Following preparation, the Request shall be immediately transported by the preparer or the information maintained in stored data shall be available to a slot booth, the master coin bank or the cashiers' cage where it will serve to authorize the preparation of a Jackpot Payout Slip ("Pay-out") by a slot cashier, master coin bank cashier or general cashier.

(d) If the winning patron will not be paid before the slot machine or progressive meter is reset, the preparer of the Request required by (a) above shall also prepare a Jackpot Payout Receipt ("Receipt"). The Receipt shall be, at a minimum, a two-part form, and shall contain the following information:

1. The date and time of the jackpot;
2. The asset number of the slot machine on which the jackpot was registered;
3. The winning combination of characters constituting the jackpot;
4. The amount of the jackpot payout that was not paid to the winning patron directly by the slot machine or, if the jackpot is an annuity jackpot with a cash payout option offered pursuant to N.J.A.C. 19:45-1.40B, the face amount of the jackpot displayed on the slot machine or progressive meter or provided by the slot system operator pursuant to N.J.A.C. 19:45-1.40C, stated in numbers and in words;
5. The signature of the winning patron on the original form only; and
6. The signature of the preparer indicating that the information on the Receipt is correct and agrees with the information on the Request or as maintained in the stored data required by (a) above.

(e) Upon preparation, the Receipt shall be distributed as follows:

1. The original shall be immediately delivered to the slot cashier, master coin bank cashier or general cashier by the preparer or a casino security department member along with the Request if manually generated in accordance with (c) above; and
2. The duplicate shall be immediately presented to the winning patron who shall be required to present the

duplicate Receipt before being paid the jackpot in accordance with the procedures set forth in this section.

(f) Payouts shall be serially prenumbered forms, each series of which shall be used in sequential order, and the series of numbers of all Payouts received by a casino shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and duplicate void Payouts shall be marked "VOID" and shall require the signature of the preparer. Notwithstanding the above, a serially prenumbered combined jackpot payout hopper fill form may be utilized in conjunction with N.J.A.C. 19:45-1.41(b), as approved by the Commission, provided that the combined form shall be used in a manner which otherwise complies with the procedures and requirements established by this section.

(g) For establishments in which Payouts are manually prepared, the following procedures and requirements shall be observed:

1. Each series of Payouts shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

2. Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Payouts, placing Payouts in the dispensers, and removing from the dispensers each day the triplicates remaining therein. These employees shall have no incompatible functions.

(h) For establishments in which Payouts are computer prepared, each series of Payouts shall be a two-part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original and a duplicate and store, in a machine-readable form, all information printed on the original and duplicate, other than the serial number of any casino check issued to the patron who won the jackpot for which the slip was prepared; and discharge the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Payout.

(i) On Payout originals, duplicates, triplicates, or in stored data, the preparer shall record, or if computerized, the printer shall print, at a minimum, the following information:

1. The asset number of the slot machine on which the jackpot was registered;
2. The winning combination of characters constituting the jackpot;
3. The date on which the jackpot occurred;

4. The amount indicated on the Request pursuant to (b)4 above that is to be paid from cashiers' cage, master coin bank or slot booth funds, provided, however, that this amount may, in the casino licensee's discretion, be rounded up to the nearest denomination of coin or token or to the nearest whole dollar as long as any funds paid in excess of the actual amount recorded pursuant to (b)4 above are not deducted from gross revenue and are reported and adjusted by the casino licensee once each month, at a minimum, in a manner approved by the Commission;

5. The method of payment (cash, slot tokens, casino check or gaming chips);

6. The location from which the amount is to be paid; and

7. The signature or, if computer prepared, identification code of the preparer.

(j) The time of preparation of the payment and the serial number of any casino check issued incident to the jackpot payment shall be recorded, at a minimum, on the original and duplicate upon preparation of the Payout.

(k) All cash or slot tokens paid, any casino check issued, or any gaming chips paid in accordance with (q) below to a patron as a result of winning a jackpot shall be:

1. Distributed by the slot cashier, general cashier or master coin bank cashier directly to the patron in accordance with the procedures in (l) below; or

2. Disbursed by a slot cashier, general cashier or master coin bank cashier to:

i. A slot attendant or slot attendant supervisor, if the manual jackpot is less than \$10,000 or to a slot attendant supervisor if the manual jackpot is \$10,000 or more who shall transport the cash, slot tokens, gaming chips or casino check directly to the patron in accordance with (m) below; or

ii. A casino security department member who shall transport the cash, slot tokens, gaming chips or casino check to a slot attendant or slot attendant supervisor if the manual jackpot is less than \$10,000 or to a slot attendant supervisor if the manual jackpot is \$10,000 or more for payment to the patron in accordance with (m) below.

(l) Whenever the winning patron is paid directly by the slot cashier, general cashier or master coin bank cashier, the following procedures shall be followed:

1. The cashier shall prepare or generate a Payout in accordance with (i) and (j) above;

2. If a casino security department member has not signed the Request, the cashier shall summon a casino security department member and provide him or her with the Request. The casino security department member shall proceed to the slot machine identified on the Request and shall verify that the winning characters on the slot machine and the amount to be paid match those which appear on the Request and sign the Request. If the jackpot amount is \$25,000 or more, a slot shift manager shall similarly verify that the winning characters of the slot machine and the amount to be paid match those which appear on the Request and sign the Request. The Request shall then be immediately returned to the cashier by the casino security department member;

3. After the cashier determines that all required signatures verifying the characters of the slot machine and the amount to be paid have been placed on the Request, if the amount being paid is less than \$10,000, the cashier shall pay the winning patron in the presence of the casino security department member and the slot attendant or slot attendant supervisor who signed the Request in accordance with this section, or if the amount being paid is \$10,000 or more but less than \$25,000, the cashier shall pay the winning patron in the presence of the casino security department member and the slot attendant supervisor who signed the Request in accordance with this section. If the amount being paid by the cashier is \$25,000 or more, the cashier shall pay the winning patron in the presence of the casino security department member, the slot attendant supervisor, and the slot shift manager who signed the Request in accordance with this section. All casino personnel required by this section to witness the payment shall sign the duplicate Payout attesting to the accuracy of the information on the Payout and the disbursement of the payment to the patron;

4. If a Receipt was issued and all the required verifications of the characters were completed in accordance with (b) above, the cashier shall summon a casino security department member and a slot attendant or slot attendant supervisor if the manual jackpot is less than \$10,000, a casino security department member and slot attendant supervisor if the manual jackpot is \$10,000 or more and if the jackpot is \$25,000 or more, a slot shift manager shall also be summoned. The patron shall be required to present the duplicate Receipt to the cashier and sign it in his or her presence in order to receive payment. The cashier shall compare the duplicate Receipt to the original Receipt and, if in agreement, make the payment to the winning patron. All casino personnel required by this section to witness the payment shall sign the duplicate Payout attesting to the accuracy of the information on the Payout and the disbursement of the payment to the patron;

5. Once payment has been made and all required signatures obtained, the cashier shall give the duplicate Payout to the casino security department member, who shall as expeditiously as possible deposit it into a locked

accounting box at the casino security podium or other location as approved by the Commission; and

6. The cashier shall attach the Request, if applicable, and the original and duplicate Receipt, if applicable, to the original Payout. If the disbursement is made from a slot booth all forms shall be forwarded by the end of the gaming day to the master coin bank for reimbursement. If the disbursement is made from the cashiers' cage, all forms shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(m) Except for a pouch payout made by a slot attendant in accordance with the procedures set forth in N.J.A.C. 19:45-1.40E, whenever a winning patron will be paid by a slot attendant or slot attendant supervisor, the following procedures shall be followed:

1. The slot cashier, general cashier or master coin bank cashier shall prepare or generate a Payout in accordance with (i) or (j) above;

2. The cashier shall disburse the cash, slot tokens, gaming chips or casino check to the slot attendant or slot attendant supervisor. The casino employee receiving the payment shall verify the amount to be paid to the patron and sign the original and duplicate Payout attesting to the accuracy of the information on the Payout and the receipt of the payment from the cashier. The cashier shall retain the original Payout and the duplicate Payout shall be transported with the payment by the casino employee;

3. If a casino security department member has not signed the Request, the slot attendant or slot attendant supervisor shall provide the duplicate Payout to the casino security department member who shall verify that the winning characters of the slot machine and the amount to be paid match those which appear on the duplicate Payout. If the jackpot amount is \$25,000 or more and the slot shift manager has not signed the Request, the slot shift manager shall similarly verify that the winning characters of the slot machine and the amount to be paid match those which appear on the duplicate Payout;

4. Once the verifications required by (m)3 above have been completed, if the payment is less than \$10,000, the slot attendant or slot attendant supervisor shall pay the winning patron in the presence of the casino security department member who verified the winning characters and the amount to be paid, if the payment is \$10,000 or more but less than \$25,000, the payment shall be made by a slot attendant supervisor in the presence of the casino security department member who verified the winning characters and the amount to be paid, and if the payment is \$25,000 or more, the payment shall be made in the presence of the casino security department member and the slot shift manager who verified the winning characters and the amount to be paid. Once the patron has been paid, all casino personnel required by this section to witness the payment shall sign the duplicate Payout attesting to the verification of the characters, the accuracy of

the information on the Payout and the disbursement of the payment to the winning patron;

5. If a Receipt was issued and all the required verifications of the characters were completed in accordance with (b) above, the cashier shall give the slot attendant or slot attendant supervisor the original Receipt along with the duplicate Payout in accordance with (m)2 above to be transported with the payment. The patron shall be required to present the duplicate Receipt to the slot attendant or slot attendant supervisor and sign it in his or her presence in order to receive the payment. The slot attendant or slot attendant supervisor shall compare the duplicate Receipt to the original Receipt and if in agreement make the payment to the winning patron;

6. Once the patron has been paid and all necessary signatures have been obtained on the duplicate Payout in accordance with (m)4 above, a casino security department member shall as expeditiously as possible deposit the duplicate Payout into a locked accounting box at the security podium or other location as approved by the Commission;

7. The slot attendant or slot attendant supervisor shall immediately return the original and duplicate Receipt, if applicable, to the slot booth, cashiers' cage or master coin bank; and

8. The cashier shall attach the Request, if applicable, and the original and duplicate Receipt, if applicable, to the original Payout. If the disbursement is made from a slot booth all forms shall be forwarded by the end of the gaming day to the master coin bank for reimbursement. If the disbursement is made from the cashiers' cage, all forms shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(n) Nothing in this section shall preclude the use of a computerized data storage system, as approved by the Commission, that electronically records the information required on a Request.

(o) At the end of each gaming day, at a minimum, all forms required by this section shall be forwarded as follows:

1. The original Payout with the attached Request, if applicable, and the original and duplicate Receipt, if applicable, shall be forwarded to the accounting department, which, as reasonably practicable after receipt, shall confirm that the information required to appear thereon pursuant to (b), (d) and (i) above agrees with the information required to appear on the triplicate Payout or in stored data pursuant to (i) above; and

2. The duplicate Payout shall be collected from the locked accounting boxes located at the security podium or other approved location by an accounting department employee and returned to the accounting department, which, as reasonably practicable after receipt, shall record the information therefrom on the Slot Win Sheet and shall confirm that the information required to appear on the duplicate Payout pursuant to (i) above agrees with:

i. The meter reading recorded on the Slot Meter Sheet; and

ii. The information required to appear on the triplicate Payout or in stored data pursuant to (i) above.

(p) At the end of each gaming day, at a minimum, all forms generated by the gaming voucher system in accordance with a casino licensee's approved internal controls that support a jackpot payout shall be forwarded to the casino accounting department, which, as reasonably practicable after receipt, shall confirm that the information contained thereon agrees with the information required to appear on the Payout or in stored data in accordance with (i)1, 3 and 4 above.

(q) All gaming chips paid to a patron as a result of winning a jackpot shall be:

1. Distributed or disbursed by a general cashier or slot cashier in accordance with the applicable procedures in (k) above, provided that the cashier shall only use gaming chips that were obtained from patrons in previous exchanges authorized by the rules of the Commission; or

2. Distributed or disbursed by a master coin bank cashier in accordance with the applicable procedures in (k) above, provided that the master coin bank cashier shall only use gaming chips that were received from slot cashiers in previous exchanges authorized by the rules of the Commission.

(r) No casino licensee shall offer a jackpot of prize tokens unless that jackpot is totally and automatically paid directly from the slot machine.

Amended by R.1980 d.437, effective November 16, 1981.

See: 13 N.J.R. 534(b), 13 N.J.R. 848(b).

(e)3: deleted "time of the jackpot" and substituted "shift during which the jackpot occurred" therefor.

(f) added.

Renumbered (f)-(i) as (g)-(j) without change in text.

Amended by R.1986 d.398, effective October 6, 1986.

See: 18 N.J.R. 1360(a), 18 N.J.R. 2059(b).

Manual jackpot changed to \$1,200 from \$600.00.

Amended by R.1987 d.302, effective July 20, 1987.

See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a).

Added text "of cash or tokens to be exchanged for cash".

Amended by R.1989 d.34, effective January 17, 1989.

See: 20 N.J.R. 2050(b), 21 N.J.R. 175(b).

Added text to (b) "Notwithstanding the above ...".

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

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

In (e)1: added "asset" to define number.

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

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

In (j): stylistic revisions.

Amended by R.1992 d.258, effective June 15, 1992.

See: 24 N.J.R. 932(a), 24 N.J.R. 2296(b).

In (a), added text regarding general cashier or master coin bank cashier. Throughout text, replaced "payout" with "jackpot payout slips."

Added new (e)5, recodifying 5.-6. as 6.-7. In new (e)6, deleted reference to slot booth number and added "location."

In (g): added "casino check issued" and references to general cashier and master coin bank cashier.

In (h)1i. and 2i and (i): added reference to general cashier and master coin bank cashier.

In (j)1: added procedures for jackpot slip if prepared by the master coin bank. Added new (j)2, recodifying (j)2 as 3.

Notice of Receipt of Petition for Rulemaking: to amend Jackpot Payouts of Cash rule to increase dollar threshold of the jackpot payout limits and to increase the authority of slot personnel to attest to and pay jackpots.

See: 24 N.J.R. 2084(c).

Amended by R.1993 d.292, effective June 21, 1993.

See: 25 N.J.R. 917(a), 25 N.J.R. 2702(b).

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.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.2000 d.336, effective August 21, 2000.

See: 31 N.J.R. 2527(a), 32 N.J.R. 3077(a).

In (d), rewrote 4.

Amended by R.2001 d.403, effective November 5, 2001.

See: 33 N.J.R. 2635(a), 33 N.J.R. 3763(a).

Inserted references to jackpot payouts not paid directly by the slot machines in (b)4, (b)7i, (b)7ii and (d)4; rewrote (i)4.

Amended by R.2002 d.131, effective May 6, 2002.

See: 33 N.J.R. 3882(a), 34 N.J.R. 1737(a).

In (b)5, inserted "or, if available, gaming chips"; in (i), inserted a new 5 and recodified former 5 and 6 as 6 and 7; in (k), inserted "or any gaming chips paid in accordance with (q) below" in the introductory paragraph; and inserted references to gaming chips in 2i and 2i; in (m)2, inserted a reference to gaming chips; and added (q).

Amended by R.2002 d.132, effective May 6, 2002.

See: 34 N.J.R. 17(a), 34 N.J.R. 1735(a).

In (a), inserted 1 and 2; in (m), substituted "Except for a pouch payout made by a slot attendant in accordance with the procedures set forth in N.J.A.C. 10:45-1.40E, whenever" for "Whenever" at the beginning of the paragraph.

Amended by R.2002 d.4, effective January 6, 2003.

See: 34 N.J.R. 2012(a), 35 N.J.R. 259(a).

Rewrote (a) and (p); added (r).

Petition for Rulemaking.

See: 35 N.J.R. 1457(a).

Law Review and Journal Commentaries

Casinos. Steven P. Bann, 133 N.J.L.J. No. 14, 54 (1993).

19:45-1.40A **Jackpot payouts of merchandise or other things of value; cash jackpot payouts offered together with or as an alternative to jackpot payouts of merchandise or other things of value**

(a) This section shall apply to all jackpot payouts of merchandise or other things of value, including all annuity jackpots offered pursuant to N.J.A.C. 19:45-1.40B, except where such annuity jackpots are specifically exempted herein. If, pursuant to (m) below, a slot machine jackpot offers a winning patron both a cash payout and a payout of merchandise or other thing of value or the option to choose between a cash payout and a payout of merchandise or other thing of value, any cash payout shall be made in accordance with the provisions of N.J.A.C. 19:45-1.40 and any payout of merchandise or other thing of value shall be made in accordance with this section; provided, however, that an annuity jackpot with a cash payout option shall also be subject to the requirements of N.J.A.C. 19:45-1.40B.

(b) Whenever a casino licensee offers any merchandise or thing of value as part of a slot machine payout, such

merchandise or thing of value shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue or be included in determining the payout percentage of any slot machine. The cash equivalent value of such merchandise or thing of value shall be determined in accordance with the following requirements:

1. Any merchandise or thing of value of a type sold directly to the public in the normal course of a casino licensee's business shall be recorded at an amount based upon the full retail price normally charged for such item;

2. Any merchandise or thing of value which is of a type not offered for sale to the public in the normal course of a casino licensee's business but which is provided directly to the patron by the casino licensee shall be recorded at an amount based upon the actual cost to the casino licensee of providing such item;

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

4. Any merchandise or thing of value provided directly or indirectly to the patron on behalf of a casino licensee by a third party who is affiliated with the casino licensee shall be recorded by the casino licensee in accordance with the provisions of this section as if the affiliated party were the licensee.

(c) The casino licensee shall retain and make available to the Commission and Division upon request supporting documentation relating to the acquisition and valuation of any merchandise or thing of value to be offered as a payout and shall accumulate the total cash equivalent value and number of such payouts. The supporting documentation shall include a detailed description of the merchandise or thing of value and shall specifically identify which slot machines offer which merchandise or things of value as payouts. If the payout is in the form of an annuity jackpot, the documentation shall include all annuity contracts or treasury instruments purchased pursuant to N.J.A.C. 19:45-1.40B.

(d) Whenever a patron wins a jackpot which includes any merchandise or thing of value, an accounting representative, with no incompatible functions, shall prepare a Payout Slip ("Slip"). Such Slips shall be serially prenumbered forms, each series of Slips shall be used in sequential order, and the series of numbers of all Slips received by a casino shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and duplicate void Slips shall be marked "Void" and shall require the signature of the preparer.

(e) For establishments in which Slips are manually prepared, the following procedures and requirements shall be observed:

1. Each series of Slips shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual Slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original Slip and a duplicate copy while the triplicate copy remains in a continuous, unbroken form in the dispenser; and

2. Access to the triplicate copy shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Slips, placing Slips in the dispensers, and removing from the dispensers each day the triplicate copy remaining therein. These employees shall have no incompatible functions.

(f) For establishments in which Slips are computer prepared, each series of Slips shall be a two-part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original Slip and duplicate copy; store, in machine readable form, all information printed on those copies; and discharge the original Slip and duplicate copy. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Slip.

(g) On the original and all copies of the Slip, or in stored data, the preparer shall record, at a minimum, the following information:

1. The asset number of the slot machine on which the jackpot was registered;

2. The winning combination of characters constituting the jackpot;

3. The date, shift and time when the jackpot occurred;

4. A description of the merchandise or thing of value won and, unless the jackpot is an annuity jackpot, its cash equivalent value;

5. If the jackpot gives the patron the option to choose between a cash payout and a payout of merchandise or other thing of value pursuant to (m) below, the jackpot selected by the patron and the signature of the patron attesting to his or her selection; provided, however, that for annuity jackpots with a cash payout option, "annuity/cash option" shall be recorded and the additional procedures set forth in N.J.A.C. 19:45-1.40B shall be followed;

6. The time of the Slip's preparation; and

7. The signature or, if computer prepared, identification code of the preparer.

(h) Signatures attesting to the accuracy of the information contained on the Slip shall be, at a minimum, of the following personnel at the following times: