

CHAPTER 45

ACCOUNTING AND INTERNAL CONTROLS

Authority

N.J.S.A. 5:12-5, 63, 69, 70, 99, 100.41.2 and 145.

Source and Effective Date

R.2007 d.368, effective November 1, 2007.
See: 39 N.J.R. 3495(a), 39 N.J.R. 5105(a).

Chapter Expiration Date

Chapter 45, Accounting and Internal Controls, expires on November 1, 2012.

Chapter Historical Note

Chapter 45, Accounting And Internal Controls, was adopted as R.1978 d.178, effective May 25, 1978. See: 10 N.J.R. 212(a), 10 N.J.R. 306(d). Chapter 45 was amended by R.1975 d.172, effective June 19, 1975. See: 7 N.J.R. 343(a); R.1979 d.336, effective August 22, 1978. See: 11 N.J.R. 307(a), 11 N.J.R. 530(d); R.1980 d.504, effective on November 18, 1980. See: 12 N.J.R. 447(b), 13 N.J.R. 48(a); R.1981 d.272, effective August 16 and September 10, 1981. See: 13 N.J.R. 47(c), 13 N.J.R. 628(a), 13 N.J.R. 541(a); R.1981 d.437, effective November 16, 1981. See: 13 N.J.R. 534(b), 13 N.J.R. 848(b); R.1982 d.171, effective June 7, 1982. See: 13 N.J.R. 534(b), 14 N.J.R. 582(a); R.1982 d.189, effective June 21, 1982. See: 14 N.J.R. 381(a), 14 N.J.R. 664(c); R.1982 d.206, effective July 6, 1982. See: 13 N.J.R. 534(b), 14 N.J.R. 710(d); R.1982 d.171, effective June 7, 1982 (operative July 15, 1982). See: 13 N.J.R. 534(b), 14 N.J.R. 582(a), 14 N.J.R. 848(b); R.1982 d.189, effective June 21, 1982. See: 14 N.J.R. 381(a), 14 N.J.R. 664(c); R.1982 d.293, effective September 7, 1982. See: 14 N.J.R. 559(a), 14 N.J.R. 983(b); R.1982 d.329, effective October 4, 1982. See: 14 N.J.R. 708(a), 14 N.J.R. 1101(c); R.1983 d.112, effective March 29, 1983. See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Pursuant to Executive Order 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1983 d.125, effective April 7, 1983. See: 15 N.J.R. 240(a), 15 N.J.R. 699(a). Chapter 45 was amended by R.1983 d.239, effective June 30, 1983. See: 14 N.J.R. 1052(a), 15 N.J.R. 1040(b); R.1983 d.300, effective August 1, 1983. See: 14 N.J.R. 1053(a), 15 N.J.R. 1259(a); R.1984 d.135, effective April 16, 1984. See: 16 N.J.R. 361(a), 16 N.J.R. 927(a); R.1984 d.623, effective January 21, 1985. See: 16 N.J.R. 2075(b), 17 N.J.R. 211(b); R.1984 d.624, effective January 21, 1985 (operative September 30, 1985). See: 16 N.J.R. 2076(a), 17 N.J.R. 212(a), 17 N.J.R. 1917(b); as R.1985 d.41, effective February 19, 1985. See: 16 N.J.R. 3302(b), 17 N.J.R. 480(c); R.1985 d.229, effective May 20, 1985 (operative December 1, 1985). See: 17 N.J.R. 181(a), 17 N.J.R. 1327(a); R.1985 d.493, effective October 7, 1985 (operative December 1, 1985). See: 17 N.J.R. 1254(a), 17 N.J.R. 2456(a); R.1986 d.36, effective February 18, 1986 (operative March 1, 1986). See: 17 N.J.R. 2970(a), 18 N.J.R. 428(b); R.1986 d.77, effective April 7, 1986. See: 17 N.J.R. 2245(a), 18 N.J.R. 706(b); R.1986 d.212, effective June 16, 1986. See: 17 N.J.R. 2969(a), 18 N.J.R. 1312(a); R.1986 d.240, effective July 7, 1986. See: 17 N.J.R. 2747(a), 18 N.J.R. 1402(c); R.1986 d.302, effective October 6, 1986. See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a); R.1986 d.308, effective August 4, 1986. See: 18 N.J.R. 1096(a), 18 N.J.R. 1614(b); R.1986 d.365, effective September 8, 1986. See: 18 N.J.R. 935(b), 18 N.J.R. 1839(b); R.1987 d.277, effective July 6, 1987 (operative November 1, 1987). See: 18 N.J.R. 1929(a), 19 N.J.R. 1237(a), 19 N.J.R. 1656(a); R.1987 d.302, effective July 20, 1987. See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a); R.1987 d.395, effective October 5, 1987. See: 19 N.J.R. 54(b), 19 N.J.R. 1826(b); R.1987 d.428, effective November 2, 1987. See: 19 N.J.R. 923(a), 19 N.J.R. 2065(a); R.1987 d.457, effective November 16, 1987. See: 19 N.J.R. 1290(a), 19 N.J.R. 2202(a); R.1988 d.34, effective January 19, 1988. See: 19 N.J.R. 1890(a), 20 N.J.R. 205(a).

Pursuant to the Executive Order 66(1978), Chapter 45, Accounting and Internal Controls, was readopted 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).

Pursuant to Executive Order No. 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1993 d.147, effective March 5, 1993. See: 25 N.J.R. 277(a), 25 N.J.R. 1519(a).

Pursuant to Executive Order No. 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1997 d.374, effective August 15, 1997. See: 29 N.J.R. 2629(b), 29 N.J.R. 4139(b).

Chapter 45, Accounting and Internal Controls, was readopted as R.2002 d.300, effective August 15, 2002. See: 34 N.J.R. 1773(a), 34 N.J.R. 3287(a).

Chapter 45, Accounting and Internal Controls, was readopted as R.2007 d.368, effective November 1, 2007. See: Source and Effective Date.

Petition for Rulemaking. See: 40 N.J.R. 5878(b).

Petition for Rulemaking. See: 41 N.J.R. 901(a).

Subchapter 3, Expiration of Gaming-Related Obligations Owed to Patrons, was adopted as new rules by R.2009 d.370, effective December 21, 2009. See: 41 N.J.R. 3052(a), 41 N.J.R. 4826(a).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

- 19:45-1.1 Definitions
- 19:45-1.1A Gaming day
- 19:45-1.2 Accounting records
- 19:45-1.3 Licensee's system of internal controls
- 19:45-1.4 Records regarding ownership
- 19:45-1.5 Forms, records and documents
- 19:45-1.5A Patron signature file
- 19:45-1.6 Standard financial and statistical reports
- 19:45-1.7 Annual audit and other reports
- 19:45-1.8 Retention, storage and destruction of books, records and documents
- 19:45-1.9 Complimentary services or items
- 19:45-1.9A Procedures for transportation expense reimbursements
- 19:45-1.9B Procedures for complimentary cash and noncash gifts
- 19:45-1.9C Alternative reporting procedures; accessible complimentaries database
- 19:45-1.10 Closed circuit television system; surveillance department control; surveillance department restrictions
- 19:45-1.11 Casino licensee's organization
- 19:45-1.11A Jobs compendium submission
- 19:45-1.12 Personnel assigned to the operation and conduct of gaming
- 19:45-1.12A Internal control procedures for access badge system and issuance of temporary license credentials
- 19:45-1.13 Firearms; possession within casino or casino simulcasting facility
- 19:45-1.14 Cashiers' cage; satellite cages; master coin bank; coin vaults
- 19:45-1.14A Simulcast counter
- 19:45-1.15 Accounting controls for the cashiers' cage, satellite cages, master coin bank and coin vaults
- 19:45-1.15A Accounting controls within the simulcast counter
- 19:45-1.16 Drop boxes and slot cash storage boxes
- 19:45-1.17 Drop boxes, transportation to and from gaming tables; slot cash storage boxes, transportation to and from bill changers; storage
- 19:45-1.18 Procedure for accepting cash and coupons at gaming tables

- 19:45-1.18A Presentation of recognized credit card or debit card in exchange for gaming chips or plaques
- 19:45-1.19 Acceptance of tips or gratuities from patrons
- 19:45-1.20 Table inventories
- 19:45-1.21 Procedure for opening tables for gaming
- 19:45-1.22 Procedure for distributing gaming chips, coins and plaques to gaming tables
- 19:45-1.23 Procedure for removing gaming chips, coins and plaques from gaming tables
- 19:45-1.24 Procedure for acceptance, accounting for and redemption of patron cash deposits
- 19:45-1.24A Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfer and electronic fund transfer fees
- 19:45-1.24B Procedure for sending funds by wire transfer or electronic fund transfer
- 19:45-1.25 Procedure for exchange of checks submitted by gaming or simulcast wagering patrons; repurchase of cash equivalents
- 19:45-1.25A Procedure for exchange of slot counter checks by slot patrons
- 19:45-1.26 Substitution, redemption and consolidation of patron checks at the cashiers' cage; initiation of transactions by mail
- 19:45-1.26A Acceptance of payments toward outstanding patron checks
- 19:45-1.27 Procedures for granting credit, and recording checks exchanged, redeemed or consolidated
- 19:45-1.27A Patron request for suspension of credit privileges
- 19:45-1.28 Procedure for depositing checks received from gaming patrons
- 19:45-1.29 Procedure for collecting and recording checks returned to the casino after deposit
- 19:45-1.30 Procedure for shift changes at gaming tables
- 19:45-1.31 Procedure for closing gaming tables
- 19:45-1.32 Count room; characteristics
- 19:45-1.33 Procedure for opening, counting and recording contents of drop boxes and slot cash storage boxes and the recording of keno revenue
- 19:45-1.33A Procedure for opening, counting and recording the contents of bill validator boxes from gaming voucher redemption machines; determination of gross revenue deduction
- 19:45-1.34 Slot booths
- 19:45-1.35 Accounting controls for slot booths and change machines
- 19:45-1.35A Accounting controls for automated jackpot payout machines and gaming voucher redemption machines
- 19:45-1.36 Slot machines and bill changers; coin and slot token containers; slot cash storage boxes; entry authorization logs
- 19:45-1.36A Slot machines; hopper storage areas
- 19:45-1.37 Slot machines and bill changers; electronically erasable/programmable storage media; identifications; signs; and meters
- 19:45-1.37A Electronic transfer credit systems
- 19:45-1.37B Slot machine tower light
- 19:45-1.37C Slot machines; tokenization; residual slot credit
- 19:45-1.38 Slot machines and bill changers; authorized locations; movements
- 19:45-1.39 Progressive slot machine jackpots
- 19:45-1.39A Linked slot machines interconnected in more than one casino; slot system operator; computer monitoring room
- 19:45-1.39B Table game progressive payout wagers
- 19:45-1.40 Jackpot and credit meter payouts that are not paid directly from the slot machine
- 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
- 19:45-1.40B Jackpot payouts in the form of an annuity
- 19:45-1.40C Multi-casino slot system jackpot payouts of cash
- 19:45-1.40D Inspection of slot machine jackpots
- 19:45-1.40E Jackpot payouts of cash by a slot attendant from an imprest pouch
- 19:45-1.40F Alternative procedures for a manual slot payout of less than \$10,000
- 19:45-1.41 Procedure for filling payout reserve containers of slot machines and hopper storage areas
- 19:45-1.41A Procedures governing the removal of coin, slot tokens and slugs from a slot machine hopper
- 19:45-1.42 Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; unsecured currency; meter readings
- 19:45-1.43 Procedure for counting and recording contents of slot drop buckets and slot drop boxes
- 19:45-1.44 Commission-controlled keys for dual locks; casino licensee-controlled keys and locks; notice to the Commission and surveillance department upon malfunction and repair, maintenance or replacement of alarms
- 19:45-1.45 Signatures
- 19:45-1.46 Procedures for control of coupon redemption and other complimentary distribution programs
- 19:45-1.46A Procedures and requirements for use of an automated coupon redemption machine
- 19:45-1.46B Procedures and requirements for a bill changer which can accept coupons
- 19:45-1.47 Keno booths; satellite keno booths; keno lockers; roving keno work stations
- 19:45-1.47A Keno runners
- 19:45-1.47B Public keno areas
- 19:45-1.48 Accounting controls for the operation of keno booths and keno work stations
- 19:45-1.49 Keno drawer fill procedures
- 19:45-1.50 Keno drawer credit procedures
- 19:45-1.51 Keno computer system
- 19:45-1.52 Payment of table game progressive payout wagers
- 19:45-1.53 Accounting controls for chippersons and chip carts
- 19:45-1.54 Gaming vouchers; physical characteristics; procedures for issuance and redemption
- 19:45-1.55 Computerized gaming voucher systems; required procedures

SUBCHAPTER 2. CASINO COMPUTER SYSTEMS

- 19:45-2.1 Definitions
- 19:45-2.2 Casino computer systems; authorized locations

SUBCHAPTER 3. EXPIRATION OF GAMING-RELATED OBLIGATIONS OWED TO PATRONS

- 19:45-3.1 Expiration of gaming-related obligations owed to patrons; date of expiration; payment to Casino Revenue Fund

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.

company or registered debit card verification agency, permits any merchant to which the card is presented to accept the card without the authorized user signing the card before it is presented, and the casino licensee follows the procedures established by the issuer of the recognized credit or debit card and, if applicable, the registered electronic funds transfer company or registered debit card verification agency, for accepting the credit or debit card in such circumstances; and

2. Either of the following two conditions is satisfied:

i. The casino licensee performs additional steps to verify, in accordance with its internal controls, that the patron presenting the unsigned card is the authorized user of the card, which steps shall be recorded in a log to be maintained by the casino licensee; or

ii. The unsigned card is designed to and does include a clear photograph of the face of the authorized user as a permanent part of the card and the casino licensee reasonably concludes that the presenting patron is the person whose picture is on the card.

New Rule, R.1996 d.439, effective September 16, 1996.
See: 28 N.J.R. 2809(a), 28 N.J.R. 4236(a).

19:45-1.19 Acceptance of tips or gratuities from patrons

(a) No casino key employee or boxperson, floorperson, or any other casino employee who serves in a supervisory position shall solicit or accept, and no other casino employee shall solicit, any tip or gratuity from any player or patron of the casino or casino simulcasting facility where he or she is employed. The casino licensee shall not permit any practices prohibited by this section.

(b) All tips and gratuities allowed to be given to dealers in the casino or casino simulcasting facility shall be:

1. Immediately deposited in a transparent locked box reserved for that purpose. If non-value chips are received at a roulette or pokette table, the marker button indicating their specific value shall not be removed until after a dealer, in the presence of a casino supervisor, has expeditiously converted them into value chips which shall then be immediately deposited in a transparent locked box reserved for that purpose;

2. Accounted for; and

3. Placed in a common pool for distribution pro rata among all dealers in accordance with (d) below. Notwithstanding the foregoing, a casino licensee, which offers the game of poker may either:

i. Establish a separate common pool for tips and gratuities received by its poker dealers;

ii. Permit each poker dealer to retain his or her own tips and gratuities, in which case the tips and gratuities received by each poker dealer shall be deposited, in accordance with procedures set forth in (c) below, in a

transparent locked box assigned to the particular dealer, which box shall be moved from table to table with the dealer; or

iii. Designate a percentage of the prize pool in an approved poker tournament to be withheld for distribution to the tournament dealers in accordance with (d) below. The percentage shall be specified by the casino licensee in its poker tournament submission as approved by the Commission.

(c) Upon receipt from a patron of a tip or gratuity, a dealer shall extend his or her arm in an overt motion, and deposit such tip or gratuity in the locked box reserved for such purpose. In addition, a poker dealer who is permitted to retain his or her own tips and gratuities shall verbally notify a supervisor prior to depositing any tip or gratuity with a value in excess of five dollars.

(d) Tips and gratuities placed in a common pool shall be distributed pro rata among all the dealers in the pool based upon the number of hours worked. In determining the number of hours which an employee has worked for purposes of tip pool distribution, a casino licensee may, in its discretion, establish standards for distribution which include hours of vacation time, personal leave time or any other authorized leave of absence in the number of hours worked by each employee. Any such standards shall apply uniformly to all employees, except that the casino licensee may establish different standards for full-time or part-time employees.

(e) Any distribution of tips and gratuities from a common tip pool pursuant to this section shall occur no more frequently than once every seven calendar days.

Amended by R.1984 d.624, effective January 21, 1985.

See: 16 N.J.R. 2076(a), 17 N.J.R. 212(a).

Substituted "boxperson, floorperson" for "boxman, floorman".

Amended by R.1992 d.453, effective November 16, 1992.

See: 24 N.J.R. 2140(a), 24 N.J.R. 4279(b).

In (b)1, added reference to pokette; deleted text regarding receptacle attached to rim of roulette wheel; stipulated "casino" supervisor and changed "are immediately deposited" to "shall then be immediately deposited".

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

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

Simulcast and tips to pari-mutuel cashiers provisions added.

Amended by R.1993 d.320, effective July 6, 1993.

See: 25 N.J.R. 1674(a), 25 N.J.R. 2913(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.1998 d.19, effective January 5, 1998.

See: 29 N.J.R. 3439(a), 30 N.J.R. 117(b).

In (b)3, inserted second and third sentences; and added (g).

Amended by R.1998 d.164, effective April 6, 1998.

See: 29 N.J.R. 2632(a), 30 N.J.R. 1304(a).

Deleted former (c) and (d); recodified former (e) as (c), and deleted a reference to casino pari-mutuel cashiers and keno writers; and recodified former (f) and (g) as (d) and (e).

Amended by R.2000 d.49, effective February 7, 2000.

See: 31 N.J.R. 120(a), 32 N.J.R. 453(a).

In (a), made an internal reference change; rewrote (b)3; in (c), added a second sentence; and in (d), added a new first sentence.

Amended by R.2006 d.69, effective February 21, 2006.

See: 37 N.J.R. 4210(a) 38 N.J.R. 1228(a).

In (c), increased the excess tip value from one dollar to five dollars.

Amended by R.2009 d.308, effective October 5, 2009.
See: 41 N.J.R. 2644(a), 41 N.J.R. 3848(a).

In the introductory paragraph of (b), inserted "to be given to"; in the introductory paragraph of (b)3, inserted a comma following "licensee"; in (b)3i, deleted "or" from the end; in (b)3ii, substituted "; or" for a period at the end; and added (b)3iii.

19:45-1.20 Table inventories

(a) Whenever a gaming table in a casino or casino simulcasting facility is opened for gaming, operations shall commence with an amount of gaming chips, coins and plaques to be known as the "table inventory" and no casino licensee shall cause or permit gaming chips, coins or plaques to be added to, or removed from, such table inventory during the gaming day except:

1. In exchange for cash, coupons, issuance copies of Counter Checks presented by casino patrons, or documents prepared to evidence a credit or debit card chip transaction, in conformity with the applicable provisions of N.J.A.C. 19:45-1.18, 1.18A and 1.25;

2. In payment of winning wagers and collection of losing wagers made at such gaming table;

3. In exchange for gaming chips or plaques received from a patron having an equal aggregate face value;

4. In conformity with the Fill and Credit Slip procedures described in N.J.A.C. 19:45-1.22 and 1.23;

5. In conformity with N.J.A.C. 19:47-3.3 and 7.3, coin may be used for the purpose of marking baccarat vigorish;

6. In conformity with N.J.A.C. 19:47-14.14, the rake collected from patrons playing the game of poker shall always be placed in the table inventory container;

7. In conformity with a table inventory return device utilized in the game of pai gow poker pursuant to N.J.A.C. 19:46-1.13B or caribbean stud poker pursuant to N.J.A.C. 19:46-1.13G, the gaming chips wagered on the progressive payout shall always be placed in the table inventory container; and

8. In conformity with N.J.A.C. 19:47-18.7, 18.8 and 18.9, gaming chips placed on or in the wagering devices utilized for the optional bonus wager in the game of let it ride poker pursuant to N.J.A.C. 19:46-1.13H(e), shall always be placed in the table inventory container.

(b) Whenever a gaming table is not open for gaming activity, the table inventory and the Table Inventory Slip prepared in conformity with the procedures set forth in N.J.A.C. 19:45-1.31 shall be stored in a separate, locked clear container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. The information on the Table Inventory Slip shall be visible from the outside of the container. All containers shall be stored either in the cashiers' cage or secured to the gaming table, provided that there is adequate security, as approved by the Commission.

(c) The keys to the locked containers containing the table inventories shall be maintained and controlled by the casino department in a secure place and shall at no time be made accessible to any cashiers' cage personnel or to any person responsible for transporting such table inventories to or from the gaming tables.

Amended by R.1989 d.97, effective February 21, 1989.
See: 20 N.J.R. 2647(b), 21 N.J.R. 460(a).

Added (a)5.

Amended by R.1992 d.110, effective March 2, 1992.
See: 23 N.J.R. 3243(a), 24 N.J.R. 858(c).

In (b): added "Whenever . . . gaming activity, the . . ." to beginning of subsection.

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), 25 N.J.R. 717(a).

In (a)1, added "coupons".

Amended by R.1994 d.141, effective March 21, 1994.
See: 25 N.J.R. 5906(a), 26 N.J.R. 1380(a).

Temporary Amendment: Caribbean Stud Poker.
See: 26 N.J.R. 3464(a).

Amended by R.1995 d.430, effective August 7, 1995.
See: 27 N.J.R. 1767(b), 27 N.J.R. 2967(a).

Added (a)7 regarding Caribbean stud poker.

Amended by R.1996 d.439, effective September 16, 1996.
See: 28 N.J.R. 2809(a), 28 N.J.R. 4236(a).

Amended by R.1998 d.554, effective November 16, 1998.
See: 30 N.J.R. 3176(a), 30 N.J.R. 4068(a).

In (a), added a new 8.

Amended by R.2002 d.185, effective June 17, 2002.
See: 34 N.J.R. 980(a), 34 N.J.R. 2143(a).

In (a)7, inserted "pai gow poker pursuant to N.J.A.C. 19:46-1.13B or" preceding "caribbean stud poker".

19:45-1.21 Procedure for opening tables for gaming

(a) Whenever gaming tables are to be opened for gaming activity, the locked container with the table inventory and the Table Inventory Slip, if not already attached to the gaming tables, shall be transported directly from the cashiers' cage to the gaming table by a security department member.

(b) Immediately prior to opening the gaming table for gaming, the casino supervisor assigned to such table shall unlock the container after assuring that it is the proper container for that table.

(c) The dealer or boxman assigned to the gaming table shall count the contents of the container in the presence of the casino supervisor assigned to such table and shall agree the count to the Opener removed from the container.

(d) Signatures attesting to the accuracy of the information recorded on the Opener shall be placed on such Opener by the dealer or boxman assigned to the table and the casino supervisor that observed the dealer or boxman count the contents of the container.

(e) Any discrepancy between the amount of gaming chips, coins and plaques counted and the amount of the gaming chips, coins and plaques recorded on the Opener shall be immediately verbally reported to the casino manager, assistant casino manager, or table games shift manager in charge

at such time, the security department and Commission inspector. For any discrepancy greater than \$5.00, security personnel will also promptly complete the standard security report in writing, as approved by the Division, and immediately forward a copy to the Commission inspector and the Division.

(f) After the count of the contents of the container and the signing of the Opener, such slip shall be immediately deposited in the drop box attached to the gaming table by the dealer or boxman after the opening of such table.



(e) Unless otherwise authorized by the Commission, each slot machine that has a 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 value 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 value 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;

3. If the 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 value of all coupons accepted by the bill changer; and

4. If the bill changer can accept gaming vouchers:

i. A "numerical voucher in meter" that continuously, automatically and separately counts the total number of all gaming vouchers accepted by the bill changer; and

ii. A "value voucher in meter" that continuously, automatically, and separately counts the total value of all gaming vouchers accepted by the bill changer.

(f) Each casino licensee that operates a slot machine with a bill changer that is controlled by a software program which may be modified without replacing any physical element of the bill changer (for example, by downloading software to the storage medium on which the bill changer control program is stored) shall submit for review and approval internal controls which shall address, at a minimum, the following:

1. The method for detecting authorized and unauthorized software changes;

2. The creation of a daily report from its slot monitoring system which immediately documents the software change;

3. Procedures for the control and installation of the software by the slot department;

4. The creation of a slot software control log by the slot department evidencing all authorized changes to the bill changer software; and

5. The review and comparison of the report and log required in (f)2 and 4 above by either the surveillance, security, casino accounting or management information systems department for any deviations and investigation.

(g) 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.

(h) If a casino licensee elects to conduct jackpot payouts that are not automatically and totally paid by the slot machine by registering them on the credit meter of the slot machine in accordance with the procedure set forth in N.J.A.C. 19:45-1.40(s), the slot machine shall contain a device (jackpot-to-credit-meter switch) that:

1. When activated by a key, increments the credit meter in the exact amount of the jackpot and does not increment the manual jackpot meter; and

2. Is subject to internal controls, as approved by the Commission, to provide:

i. Advance notice to the Commission and Division whenever a casino licensee intends to turn the option to utilize the jackpot-to-credit-meter switch on or off; and

ii. An audit trail of the following information each time the option to utilize the jackpot-to-credit-meter switch is turned on or off:

(1) The name and license number of the employee who performed the action;

(2) The asset number of the slot machine on which the jackpot-to-credit meter switch is installed;

(3) The date and time the action was taken; and

(4) A description of the action that was taken.

(i) Each casino licensee shall set each of its slot machine games to have a theoretical payout percentage that complies with N.J.A.C. 19:46-1.28A and shall maintain a record of each slot machine game setting and the theoretical payout percentage for each slot machine game. No cash or gaming voucher 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 meter, numerical and value voucher out meters, or manual jackpot meter required by (b)3, (b)5 and (c) above, the progressive jackpot meter required by N.J.A.C. 19:45-1.39(b)2 or in accordance with procedures authorized by N.J.A.C. 19:45-1.40A and 1:40B.

(j) 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.

(k) 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.

(l) If the probability of hitting a proposed jackpot is greater than 34 million to one, the jackpot shall not be approved by the Commission unless it is offered on a linked progressive slot machine; provided, however, that this subsection shall not apply to a jackpot with a probability that may exceed 34 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.

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).

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

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

In (a)4iii, added new N.J.A.C. reference; amended (g); and inserted (j).

Amended by R.1999 d.225, effective July 19, 1999 (operative January 15, 2000).

See: 30 N.J.R. 3175(a), 31 N.J.R. 1947(a).

Inserted a new (f); and recodified former (f) through (j) as (g) through (k).

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)4iii, (h) and (k).

Amended by R.2000 d.336, effective August 21, 2000.

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

Rewrote (a)4 and (h).

Amended by R.2000 d.405, effective October 2, 2000.

See: 32 N.J.R. 1154(a), 32 N.J.R. 3582(a).

Rewrote (a)6.

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 (h) and (k).

Amended by R.2001 d.284, effective September 3, 2002 (operative October 18, 2002).

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

In (a)4, inserted "(a time limit shall not be permitted for a progressive annuity jackpot)" following "N.J.A.C. 19:45-1.40A", in ii; rewrote iii.

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

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

In (a), added 4vii; in (b), added 5; in (e), added 4; rewrote (h).

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

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

In (a)4, added viii.

Amended by R.2003 d.462, effective December 1, 2003.

See: 35 N.J.R. 2792(a), 35 N.J.R. 5435(a).

In (a)4, added ix.

Amended by R.2005 d.12, effective January 3, 2005.

See: 36 N.J.R. 4105(a), 37 N.J.R. 100(a).

Amended by R.2005 d.267, effective August 15, 2005.

See: 36 N.J.R. 4431(a), 37 N.J.R. 3069(a).

Rewrote (a) and (b). As a part of R.2005 d.267, effective August 15, 2005 (operative August 15, 2006), added (b)7.

Amended by R.2007 d.222, effective July 16, 2007.

See: 39 N.J.R. 359(b), 39 N.J.R. 2655(a).

In (a)5, substituted "that is not totally and automatically paid directly by the slot machine" for "requiring a manual payout"; added new (h); and recodified former (h) through (k) as (i) through (l).

Amended by R.2009 d.83, effective March 16, 2009.

See: 40 N.J.R. 6766(a), 41 N.J.R. 1269(b).

Rewrote the introductory paragraph of (a)4.

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).

19:45-1.37A Electronic transfer credit systems

(a) A casino licensee may operate an electronic transfer credit system which permits a patron to convert cash complimentaries accumulated by the patron pursuant to 19:45-1.9(f) or received by the patron pursuant to N.J.A.C. 19:45-1.9(g) through (i) or distributed to the public pursuant to N.J.A.C. 19:45-1.46 into electronic credits and to have those credits transferred directly to a slot machine.

1. A casino licensee may, in its discretion and upon fair notice to the public, convert cash complimentaries that are issued as part of a mass marketing program governed by N.J.A.C. 19:45-1.9(h) or a complimentary distribution program governed by N.J.A.C. 19:45-1.46 into "temporary electronic credits" that shall expire no later than 48 hours

after their issuance if they are not transferred to a slot machine.

2. A casino licensee may, in its discretion and upon fair notice to the public, issue electronic transfer credits that are cashable or non-cashable. An electronic transfer credit is cashable if it can be converted into cash by the patron. An electronic transfer credit is non-cashable if it cannot be converted into cash by the patron but can only be used to activate play at a slot machine.

i. No winning slot machine wager, including a winning wager made with a non-cashable electronic transfer credit, shall be paid with non-cashable electronic transfer credits.

ii. If a slot machine has both cashable and non-cashable electronic transfer credits available for play, all non-cashable electronic transfer credits shall automatically be wagered before any cashable electronic transfer credits are wagered.

(b) All aspects of an electronic transfer credit system, including all hardware and software utilized therein, shall be subject to testing by the Division and approval by the Commission prior to the implementation of the system by the casino licensee. The internal control procedures submitted by the casino licensee shall provide for the integrity, security and control of its electronic transfer credit system and shall, without limitation, address the following:

1. An overview of the system design;
2. Computer access controls, including, at a minimum, the use of a unique operating system account by each user, except that a user assigned to a controlled area under surveillance may use a shared user account, provided that:
 - i. Access to the shared user account is limited to terminals in the controlled area; and
 - ii. The shared user account is not used to create, withdraw, or adjust electronic transfer credits;
3. Hardware and software controls;
4. Software installation procedures;
5. Override policies and restrictions;
6. Copies of all menus, screens and reports related to the creation, withdrawal, use and adjustment of electronic transfer credits and, if applicable, temporary anonymous accounts or temporary electronic credits;
7. Backup and recovery procedures, including, but not limited to, controls over backup media, such as magnetic tape and failure analysis;
8. The duties and responsibilities of the MIS, internal audit, slot and casino accounting departments with regard to the electronic transfer credit system which, at a minimum, shall provide that:

i. The MIS department shall be responsible for the receipt, control and testing of all software related to the operation of the electronic transfer system; provided that, with prior Commission approval, nothing shall preclude the MIS Department from utilizing a person who is not an employee of the MIS Department to perform such tests, if such person is licensed as a casino key employee or casino employee, except for residency, as determined by the Commission, and the final responsibility for such testing remains with the MIS Department, which shall establish the test parameters and requirements, review the test procedures and results, and certify to the Commission that the results are accurate and satisfactory prior to accepting them and utilizing the tested software; and

ii. The internal audit department shall be responsible for conducting live on-site testing, in a manner approved by the Commission, on a designated sample of slot machines upon implementation of the electronic transfer credit system, after any approved changes thereto, and on a semi-annual basis to ensure the continued accuracy, integrity and suitability of the system;

9. Patron access controls;

10. Procedures for handling customer disputes;

11. Network security;

12. Audit programs that, at a minimum, shall only permit audit data to be adjusted in the casino accounting department premises, and only by authorized casino accounting personnel;

13. The manner in which cash complimentaries in the form of electronic credits shall be issued, and how the recipients of those credits shall be identified;

14. If applicable, the manner in which temporary anonymous accounts shall be established and terminated or converted to permanent accounts, how electronic credits shall be issued and credited to such accounts, and how transfers of electronic credits from such accounts shall be recorded and reconciled with the complimentary distribution program from which they were issued; and

15. If applicable, the manner in which temporary electronic credits shall be issued, how temporary electronic credits shall be activated, transferred, converted or terminated, and how transfers and conversions of electronic credits from such accounts shall be recorded and reconciled with the complimentary distribution program from which they were issued.

(c) Each transfer of electronic credits to a slot machine authorized by this section shall be initiated by a patron using an access control approved by the Commission. All patron access controls shall require the use of a unique access code for each patron that shall be:

1. Selected by and only available to the patron;

2. Encrypted in a manner approved by the Commission at all times during its use and transmission; and

3. Stored at the casino licensee's casino-hotel premises and verified at that location prior to each transaction at that casino facility.

(d) Notwithstanding (c) above, an access control for the transfer of electronic credits issued pursuant to a mass marketing program governed by N.J.A.C. 19:45-1.9(h) or a complimentary distribution program governed by N.J.A.C. 19:45-1.46 shall not require a unique access code provided that the electronic credits are:

1. Temporary electronic credits issued pursuant to (a) above; or

2. Transferred from a temporary anonymous account established pursuant to (f) below.

(e) An electronic transfer credit system shall:

1. Prohibit the transfer of more than \$1,000 in electronic transfer credits to a slot machine in a single transaction; and

2. Notify the casino licensee of any frequent withdrawals of electronic transfer credits from a slot machine, as well as the dollar amounts of such withdrawals, within a prescribed period of time. The parameters for frequency and amount of the transfers, as well as the prescribed period of time and the manner of notice, shall be approved by the commission.

(f) A record of each transfer of electronic credits to a slot machine authorized by this section shall be maintained by the casino licensee in an individual account established for each patron, which account shall be identified by, at a minimum, an identification number assigned to the patron who initiated the transaction and shall include, at a minimum, the date, time and amount of the transfer, as well as the asset number of the slot machine to which the transfer occurred. The identification number assigned to each patron for the purposes of this subsection shall be different from the unique access code selected by that patron as part of a patron access control. Notwithstanding the foregoing, a casino licensee may, in its discretion, establish a "temporary anonymous account" for any patron who is converting cash complimentaries issued as part of a mass marketing program governed by N.J.A.C. 19:45-1.9(h) or a complimentary distribution program governed by N.J.A.C. 19:45-1.46. A temporary anonymous account shall expire no later than 48 hours after its activation; provided, however, that a temporary anonymous account which has not expired may be converted into a permanent account, if a permanent record is created that identifies the original temporary account status and its activity, the date and time the temporary account was converted into a permanent account, the name of the patron on the permanent account, and any other information required by the Commission.

(g) In addition to the requirements of N.J.A.C. 19:45-1.37(b), each slot machine at which play can be activated through the use of an electronic transfer credit shall:

1. Be equipped with an "electronic transfer credit meter" that continuously and automatically increments in an amount equal to the value of any cash complimentaries converted into electronic credits and transferred to and accepted by that slot machine and, if the slot machine utilizes non-cashable electronic transfer credits, shall also be equipped with a "value non-cashable electronic transfer credit meter" that continuously, automatically and separately counts and displays the total value of all non-cashable electronic transfer credits accepted by the slot machine; and

2. Be part of an electronic transfer credit system that shall:

i. Store the information required by (g)1 above in a machine-readable form that is not susceptible to unauthorized alteration or deletion by any person;

ii. Have the capability to permit a member of the casino accounting department to generate reports on a daily basis that:

(1) Compare by slot machine denomination and by each slot machine the amounts withdrawn from patron accounts to each electronic transfer credit meter required by (g)1 above, which reports shall be attached to the Slot Win Report in accordance with (i) below; and

(2) Identify each asset with a variance between the amounts withdrawn from patron accounts and the electronic transfer credit meter required by (g)1 above, which reports shall be reviewed in accordance with (i) below.

(h) No slot machine or other device may be connected to, or disconnected from, an electronic transfer credit system without the prior written approval of the Commission.

(i) A casino accounting department employee shall review the reports required by (g)2ii above, and then:

1. Record the total patron withdrawal amounts on the Slot Win Report prepared pursuant to N.J.A.C. 19:45-1.43;

2. Prepare a summary schedule of all cashable and non-cashable electronic transfer credit variances that details the date, the asset number of the slot machine, the variance amount and the reason for the variance; and

3. Report a manual adjustment to increase the Slot Win Report amount for any cashable and non-cashable electronic transfer credit variances where the meter exceeds the patron withdrawal amount, unless the reason for the variance documented in (i)2 above is sufficient to support a determination that a patron withdrawal transaction did not occur as listed on the supporting documentation.

(j) On at least a monthly basis, each casino licensee using an electronic transfer credit system shall provide a statement to each patron whose account established and maintained in accordance with (f) above has been active or whose account balance has changed during the month. These statements may be provided either on paper or electronically pursuant to (k) below, unless the patron indicates to the casino licensee that the patron does not want to receive such statements or if the casino licensee has on file, prior to August 18, 2008, a written request from the patron that he or she be sent no mailings. The preference of each patron shall be obtained, verified and documented by the casino licensee in a manner approved by the Commission, provided that a paper statement shall be provided if requested by the patron. The statement shall include, at a minimum, the patron's beginning and ending monthly balance, credits issued, received or otherwise made available pursuant to (a) above, including whether they are cashable or non-cashable, credits transferred to a slot machine pursuant to this section and credits that expired during the month. In addition, if requested by a patron, the casino licensee shall provide a detailed account of all electronic transfer credit transactions initiated by that patron. Notwithstanding the foregoing, a monthly statement shall not be required to include transfers of temporary electronic credits or transfers of electronic credits from a temporary anonymous account, or credits offered or otherwise made available to a patron but which never reside in the account because of the failure of the patron to redeem them.

(k) A casino licensee that provides electronic statements to patrons in accordance with (j) above shall utilize a secure process approved by the Commission that physically and logically isolates the licensee's electronic transfer credit system and the data therein from any other system or network, such as a proxy server and firewall, or by the transfer of data by magnetic tape or other removable media in accordance with procedures approved by the Commission.

(l) If a slot monitoring system is used to convey any transfers of electronic credits or other data between a slot machine and the casino computer system that maintains the patron withdrawal amounts and balances, the slot monitoring system shall generate, on a daily basis and in a manner approved by the Commission, a report that compares the electronic transfer credit meters required pursuant to (g)1 above for each slot machine to the information maintained by the slot monitoring system, and lists all variances over \$100.00. The casino licensee shall be required to have its slot department, in cooperation with its casino accounting department, investigate the cause of each reported variance, and to prepare and file an incident report documenting the variance with the casino controller, the director of surveillance, the Commission and the Division. The casino licensee shall report the actual cause of the variance unless the cause cannot be definitively determined after a diligent investigation, in which case the probable cause of the variance shall be reported.

(m) No adjustment to the amount of any electronic transfer credit shall be made by a casino licensee without the approval of the Commission.

(n) Any slot machine that utilizes non-cashable electronic transfer credits as well as all written promotional materials and application forms relating to such credits shall disclose all restrictions upon the use of non-cashable electronic transfer credits. Such disclosure shall, at a minimum, provide notice that a non-cashable electronic transfer credit:

1. Cannot be converted into cash by a patron;
2. Must be wagered or abandoned; and
3. Is automatically wagered before any cashable electronic transfer credits are wagered.

New Rule, R.1996 d.486, effective October 21, 1996.

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

Amended by R.1997 d.248, effective June 16, 1997.

See: 29 N.J.R. 541(a), 29 N.J.R. 2674(c).

In (a), amended N.J.A.C. reference; and added (b)13.

Amended by R.2005 d.216, effective July 5, 2005.

See: 36 N.J.R. 3242(a), 37 N.J.R. 2561(a).

In (b), substituted "provide for" for "address" and "address the following" for "include" in the second sentence of the introductory paragraph, substituted "Computer" for "System" in 2 and "Patron access" for "Access" in 9; in (c), inserted references to "Patron" preceding "access" throughout; in (e), inserted "amount of the transfer, as well as" preceding "the asset number" and inserted "a patron" preceding "access control".

Amended by R.2005 d.267, effective August 15, 2005.

See: 36 N.J.R. 4431(a), 37 N.J.R. 3069(a).

Rewrote (a) through (e) and (i); and added (k). As a part of R.2005 d.267, effective August 15, 2005 (operative August 15, 2006), rewrote (f).

Amended by R.2008 d.235, effective August 18, 2008.

See: 39 N.J.R. 4390(a), 40 N.J.R. 4830(a).

In the introductory paragraph of (b), substituted "testing by the Division" for "review", "provide for" for "address" and "address the following" for "include"; rewrote (b)2, (b)4, (b)6, (b)7, (b)8 and (b)12; rewrote (c); added new (c)1 through (c)3; recodified the former third sentence of (c) as the introductory paragraph of new (d); in the introductory paragraph of (d), substituted "(c) above" for "the foregoing" and inserted the second occurrence of "N.J.A.C."; recodified former (c)1 and (c)2 as new (d)1 and (d)2; in (d)2, substituted "(f)" for "(e)"; recodified former (d) through (g) as new (e) through (h); rewrote (g); in (h), inserted "or other device"; deleted former (h); added new (i); recodified former (i) as (j); rewrote (j); added new (k) and (l); and recodified former (j) and (k) as (m) and (n).

19:45-1.37B Slot machine tower light

(a) Each slot machine shall be connected to a slot machine tower light located on top of the slot machine cabinet. The slot machine tower light shall be used to identify the slot machine's denomination and the operational status of the slot machine and any device connected thereto that may affect the operation of the slot machine. The slot machine tower light shall be visible to the surveillance department closed circuit camera system from all sides of the slot machine cabinet, unless the slot machine cabinet is against a wall or is in another location approved by the Commission that results in the partial obstruction of the light.

(b) A slot machine tower light shall be approved by the Division and Commission pursuant to N.J.A.C. 19:46-1.20 and 1.28 and shall consist of two separate lights, one on top of the other, except as otherwise provided in (c) below, that function in accordance with the requirements of this section.

1. At any given point in time, each of the two lights may be in one of five states as follows:

- i. "Off" means the light is off;
- ii. "On" means the light is on continually;
- iii. "Slow flash" means the light is flashing regularly at a 500 millisecond interval;
- iv. "Medium flash" means the light is flashing regularly at a 250 millisecond interval; and
- v. "Fast flash" means the light is flashing regularly at a 125 millisecond interval.

2. The top light of the two lights shall always be white. The color of the bottom light shall indicate the denomination of the slot machine to which it is attached, provided, however, if the slot machine is multi-denominational, the color of the bottom light shall indicate the lowest denomination:

- i. Gray means a penny machine;
- ii. Red means a two-cent, three-cent, four-cent or nickel machine;
- iii. Green means a dime machine;
- iv. Yellow means a quarter machine;
- v. Orange means a half-dollar machine;
- vi. Blue means a dollar machine;
- vii. Pink means a two-dollar machine; and
- viii. Purple means a five dollar or higher denomination machine.

(c) Notwithstanding the provisions of (b) above, the tower lights on any slot machine that has a horizontal display screen mounted at a bar (a "bar-top" slot machine) or an angled display screen (a "slant-top" slot machine) may be side by side, as opposed to one on top of the other, provided the following requirements are met:

1. When viewed from the front of the slot machine, the left light shall assume the functions of the top light described in (b)2 above, and the right light shall assume the functions of the bottom light described in (b)2 above;

2. The left and right lights shall be similar in height from the floor and shall be located at or near the highest point on the slot machine;

3. The left and right lights shall be immediately adjacent with no obstruction or other object between them; and

4. The lights shall be visible to the surveillance department closed circuit camera system from all sides of the slot machine cabinet, unless the slot machine cabinet is against a wall or in another location approved by the Commission that results in the partial obstruction of the lights.

(d) For the purposes of this section, there shall be three separate methods by which a slot machine may be placed in an unplayable state.

1. "Administrative mode" means that a member of the department that is responsible for the operation of slot machines and bill changers has placed the slot machine in an unplayable state in order to access the set up or recall functions of a slot machine game.

2. "Disabled mode" means that a member of the department that is responsible for the operation of slot machines and bill changers or a computer controlled by that department has placed the slot machine in an unplayable state for any reason other than those included in administrative mode.

3. "Tilt mode" means that the slot machine placed itself in an unplayable state due to some type of malfunction or exception condition and the machine cannot be returned to a playable state without intervention by a member of the department that is responsible for the operation of slot machines and bill changers.

(e) Each of the following combinations of light states shall be displayed by a slot machine tower light to indicate the slot machine operating condition that is described therewith:

1. White light off with colored light:

i. Off means that the slot machine is idle and the slot machine door is closed;

ii. Medium flash means the slot machine is idle and the slot machine door is open; and

iii. Fast flash means the slot machine is idle and the drop compartment door is open;

2. White light on with colored light:

i. Off means a patron is requesting change and the slot machine door is closed;

ii. On means that the slot machine is in disabled mode;

iii. Medium flash means either:

(1) A patron is requesting change and the slot machine door is open; or

(2) The slot machine is in disabled mode and the slot machine door is open; and

iv. Fast flash means the slot machine is in disabled mode and the drop compartment door is open;

3. White light slow flash with colored light:

i. Off means that the slot machine is in tilt mode and the slot machine door is closed;

ii. Slow flash means either:

(1) The slot machine is displaying a hand-paid jackpot and the slot machine door is closed; or

(2) The slot machine is displaying a hand-paid jackpot while in tilt mode and the slot machine door is closed;

iii. Medium flash means either:

(1) The slot machine is displaying a hand-paid jackpot and the slot machine door is open; or

(2) The slot machine is in tilt mode and the slot machine door is open; and

iv. Fast flash means the slot machine is in tilt mode and the drop compartment door is open; and

4. White light fast flash with colored light:

i. Off means the slot machine is in administrative mode and the slot machine door is closed;

ii. Medium flash means the slot machine is in administrative mode and the slot machine door is open; and

iii. Fast flash means the slot machine is in administrative mode and the drop compartment door is open.

(f) Any combination of light states capable of display by a slot machine tower light that is not assigned a particular slot machine operating condition by (d) above may be used by the casino licensee for its own internal signals if such signals are identified in the casino licensee's approved internal control submission; provided, however, that the casino licensee shall be required to conform the light states displayed by its slot machine tower lights with any future modifications to (d) above.

(g) The provisions of this section shall apply to all slot machines submitted for Commission approval after April 2, 2001. Any slot machines approved prior to April 2, 2001 and which do not conform to the above specifications shall either be modified to comply with this section or shall be removed from the casino floor in accordance with the provisions of N.J.A.C. 19:46-1.21.

New Rule, R.2000 d.405, effective October 2, 2000.

See: 32 N.J.R. 1154(a), 32 N.J.R. 3582(a).

Amended by R.2001 d.78, effective March 5, 2001 (operative September 5, 2001).

See: 32 N.J.R. 4381(b), 33 N.J.R. 842(b).

In (b)2, added new vi, renumbered existing vi as vii.

Amended by R.2005 d.12, effective January 3, 2005.

See: 36 N.J.R. 4105(a), 37 N.J.R. 100(a).

Amended by R.2006 d.182, effective May 15, 2006.

See: 37 N.J.R. 4211(a), 38 N.J.R. 2213(a).

Rewrote (b)2.

Amended by R.2009 d.62, effective February 17, 2009.

See: 40 N.J.R. 6434(a), 41 N.J.R. 891(a).

In the introductory paragraph of (b), inserted “; except as otherwise provided in (c) below”; added new (c); and recodified former (c) through (f) as (d) through (g).

19:45-1.37C Slot machines; tokenization; residual slot credit

(a) A slot machine equipped with tokenization shall accept only slot tokens with a denomination of \$1.00 or less if the residual slot credit cannot be redeemed.

(b) Any residual slot credit not played or redeemed by a patron shall be deemed abandoned; provided, however, that any such credit shall remain on the slot machine until:

1. Played or redeemed by a patron; or

2. Cancelled by the casino licensee in a manner approved by the Commission.

(c) Any slot machine equipped with tokenization shall bear the notices required by N.J.A.C. 19:45-1.37(a)4viii.

(d) A casino licensee using slot machines equipped with tokenization shall submit and obtain approval of internal controls that set forth the manner in which tokens from different denominations of tokenized machines will be segregated, counted and recorded by denomination of slot machine including, but not limited to, the following requirements:

1. The front and back of slot drop buckets and slot drop boxes for slot machines equipped with tokenization shall be conspicuously marked in a manner approved by the Commission to identify the fact that the slot machine is equipped for tokenization, as well as the denomination of that slot machine; and

2. If a casino licensee offers slot machines which are equipped for tokenization and other slot machines which accept tokens but are not so equipped, the slot drop buckets and slot drop boxes from slot machines equipped with tokenization shall be segregated from all slot drop buckets and slot drop boxes from slot machines which accept tokens of the same denomination but are not so equipped, from the time they are removed from a slot machine until the contents of the slot drop buckets and slot drop boxes are counted in accordance with N.J.A.C. 19:45-1.43.