

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 winning 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 or slot system operator may limit or terminate a progressive jackpot only in accordance with the following procedures.

1. Prior to the time that a particular amount is registered on the progressive meter, a payout limit for the progressive jackpot that is equal to or greater than the particular amount may be established 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, the progressive jackpot may be terminated 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 winning 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 winning 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 winning the progressive jackpot on such a linked progressive system shall be conspicuously displayed on each linked slot machine; and

2. The probability of winning a progressive jackpot offered on linked slot machines may vary among such ma-

chines when necessary to enable a casino licensee or the slot system operator 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)" 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 computer system, as approved by the Commission, shall record the amount indicated on the "in meter" of each progressive slot machine on the same schedule. 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.

(n) Notwithstanding any other provision of this section except (i)2 above, a casino licensee or slot system operator may, with prior written approval from the Commission and upon 30 days notice to the public provided in the same manner as is required by N.J.A.C. 19:45-1.37(a)4iii for the establishment of a payout limit, transfer a progressive jackpot amount, in its entirety, to:

1. The progressive meter for a progressive slot machine or slot system with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot (cash, annuity, annuity/cash option or a combination/alternate jackpot); provided, however, that if no other progressive slot machine or system meets all of these qualifications, the Commission may authorize a transfer of the jackpot to the progressive meter of the most similar progressive slot machine or system available if the Commission finds such a transfer would be in the public interest; or

2. The progressive meters of two separate progressive slot machines or systems, provided that:

- i. The progressive jackpot being transferred is a progressive annuity jackpot of at least \$3 million or a progressive lump-sum cash jackpot of at least \$1 million;

- ii. No less than 25 percent of the total jackpot being transferred shall be added to the progressive meter of each progressive slot machine or system;

- iii. Each progressive slot machine or system to which the jackpot is transferred shall individually satisfy the requirements of (n)1 above; and

- iv. Neither jackpot to which the transferred jackpot is added shall subsequently be split again.

(o) Each slot machine that offers a progressive jackpot which increases in value based upon either handle contributions that are adjusted and displayed by the approved program that controls the slot machine or events that are 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 display appears; and

2. The approved program for the slot machine shall limit the progressive jackpot to an amount which is less than \$1,200 unless the program is also capable of configuring, storing and recalling, in a secure manner approved by the Commission, the parameters relating to the progressive jackpot, including, but not limited to, the current amount of the progressive jackpot, the progressive reset amount, the maximum progressive amount and the increment amount.

(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).

Petition for Rulemaking.

See: 35 N.J.R. 1964(a), 2755(c).

Amended by R.2003 d.448, effective November 17, 2003.

See: 35 N.J.R. 2618(a), 35 N.J.R. 5267(b).

In (o), rewrote 2 and deleted 3.

Amended by R.2004 d.110, effective March 15, 2004.

See: 35 N.J.R. 5227(a), 36 N.J.R. 1364(a).

Rewrote (n).

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

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

Rewrote the section.

Amended by R.2005 d.121, effective April 18, 2005.

See: 36 N.J.R. 2996(a), 37 N.J.R. 1227(b).

Rewrote the section.

Amended by R.2007 d.116, effective April 16, 2007.

See: 38 N.J.R. 3289(a), 39 N.J.R. 1519(a).

Rewrote (k).

19:45-1.39A Linked slot machines interconnected in more than one casino; slot system operator; computer monitoring room

(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" or "slot system").

(b) Each multi-casino progressive slot system shall be operated and administered by the participating casino licensees in accordance with the terms of a written agreement that has been executed by each participating casino licensee and approved by the Commission ("slot system agreement"). Notwithstanding the foregoing, a slot system agreement may provide, pursuant to N.J.S.A. 5:12-82c(7), that the slot system shall be operated and administered, in whole or in part, by a gaming-related casino service industry applicant or licensee on behalf of the participating casino licensees provided that the slot system agreement is executed by the casino service industry enterprise as well. The person or persons designated in a slot system agreement as being responsible for the operation and administration of a slot system shall be referred to as a "slot system operator."

1. There may be more than one slot system operator involved in the operation and administration of a particular slot system and a particular slot system operator may be involved in the operation and administration of more than one slot system.

i. If more than one slot system operator is involved in the operation and administration of a particular slot system, there may be more than one slot system agreement with regard to that slot system.

ii. Each participating casino licensee shall be a party to all slot system agreements for a particular slot system.

2. An agreement between a slot system manufacturer and a casino licensee pursuant to which the slot system manufacturer agrees to sell, lease or service, but not operate or administer, slot system components shall not be considered a slot system agreement and a separate agreement may be entered between the slot system manufacturer and each casino licensee participating in the slot system.

(c) Each slot system agreement shall specifically identify and describe the role, authority and responsibilities of each participating casino licensee and each slot system operator in the conduct of the slot system including, without limitation:

1. A description of the process by which significant decisions that affect the operation of the game are approved and implemented by each casino licensee or slot system operator;

2. If applicable, the casino licensee or slot system operator responsible for establishing, and serving as trustee of, the trust required by N.J.A.C. 19:45-1.40B for each slot system game offering an annuity jackpot;

3. The casino licensee or slot system operator initially responsible for the funding and payment of all jackpots, fees and taxes associated with the operation of the slot system; and

4. The casino licensee or slot system operator responsible for generating, maintaining and filing all records and reports required by the Act and rules of the Commission.

(d) Each party to a slot system agreement shall only be liable for acts, omissions and violations of the Act or the rules of the Commission related to its own individual responsibilities under the slot system agreement, unless the slot system agreement specifically provides for joint and several liability.

(e) 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 the conduct of gaming. Any casino licensee or slot system operator 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 the participating casino licensees and slot system operators will satisfy the requirements of the Act and the Commission's regulations concerning the operation of slot machines and multi-casino progressive slot systems. Any casino service industry enterprise seeking approval to participate in a slot system as a slot system operator shall, without limitation of the foregoing, specifically:

1. Submit the following for Commission approval:

i. A jobs compendium identifying the organizational structure and position titles involved in the operation and administration of the slot system, which jobs compendium shall comply with the requirements of N.J.A.C. 19:45-1.11A to the extent directed by the Commission;

ii. A list of each employee of the casino service industry enterprise serving in a position title identified in its approved jobs compendium, which list shall be submitted in a manner approved by the Commission and shall include the following information for each current employee:

- (1) Last name, first name and middle initial;
- (2) Date of birth;

(3) Job title as it appears in the casino service industry enterprise's approved jobs compendium;

(4) Position, represented by a job code that corresponds with a position described in the approved jobs compendium;

(5) License or registration number, if applicable; and

(6) License expiration date; and

iii. If the casino service industry enterprise shall be responsible for operating and administering the computer monitoring room required by (g) below, a separate agreement with a casino licensee pursuant to which the casino licensee accepts responsibility for surveillance of the computer monitor room unless:

(1) All terms concerning responsibility for surveillance of the computer monitoring room are established in the slot system agreement; or

(2) The casino service industry enterprise elects to comply with the optional surveillance requirements set forth in (g)2ii below; and

2. Identify the manner in which it will comply with all relevant requirements of N.J.A.C. 19:45-1.8 and 1.45 as if it were a casino licensee.

(f) 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.

(g) Each multi-casino progressive slot system shall be controlled and operated from a computer monitoring room approved by the Commission. The computer monitoring room for a multi-casino progressive slot system shall:

1. Be under the sole possession and control of, and maintained and operated by, employees of the slot system operator designated in the slot system agreement for that slot system;

2. Have continuous clandestine CCTV coverage of the operation of the slot system and its equipment by:

i. The surveillance department of a casino licensee designated in the slot system agreement for that slot system (the "surveillance casino"); or