

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Administrative Correction.

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

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

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

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

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

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

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

Amended by R.1998 d.163, effective April 6, 1998.

See: 29 N.J.R. 4260(a), 30 N.J.R. 1309(a).

In (a)2, added the last two sentences in the introduction, and added i and ii.

Amended by R.2001 d.401, effective November 5, 2001.

See: 33 N.J.R. 2632(a), 33 N.J.R. 3761(a).

Rewrote (a)3; rewrote (f).

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

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

Rewrote (a).

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

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

(b) A hopper storage area shall be a separate secure compartment located within or adjacent to its corresponding slot machine. Notwithstanding the foregoing, a single hopper storage area may be used to store hopper fills for two or more slot machines. A hopper storage area used to supply two or more slot machines shall:

1. Be located on the casino floor in close proximity to its corresponding slot machines, which location shall be approved by the Commission; and

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

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

1. Placed at an authorized location identified on a casino floor plan approved by the Commission pursuant to N.J.A.C. 19:43-7.3 or 7.6; and
2. Identified on the Slot Machine Master List required by N.J.A.C. 19:43-7.4(b).

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

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

1. The manufacturer's serial number and the asset number of the moved slot machine and/or bill changer;
2. The date and time of movement of the slot machine and/or bill changer;
3. The location from which the slot machine and/or bill changer was moved;
4. The location to which the slot machine and/or bill changer was moved; and
5. The signatures of the slot shift manager and the lead technician verifying the movement of the slot machine and/or bill changer.

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

1. The machine's slot drop bucket or slot drop box shall be removed and transported to the count room;
2. All meters shall be read and recorded in conformity with the procedures set forth in N.J.A.C. 19:45-1.42; and
3. Any coins or slot tokens in any of the slot machine's hoppers or in the corresponding hopper storage area shall be removed, transported, and counted with the slot drop bucket or slot drop box; provided, however, that a slot machine may be removed from the casino with coins or slot tokens contained therein so long as:
 - i. Removal of the coins or the slot tokens, or any combination thereof, is precluded by mechanical or electrical difficulty;
 - ii. The casino licensee records in a slot machine movement log whether coins or slot tokens remain in the slot machine that is removed from the casino, and also records in that log the nature of the mechanical or electrical difficulty, the date and time that the coins or

slot tokens are removed from the slot machine and transported to the count room, the date and time that the slot machine is removed from the casino, and the date and time that the slot machine is opened; and

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

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

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

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

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

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

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

Added location and movements of slot machines.

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

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

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

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

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

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

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

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

Hopper storage area provisions added.

Administrative Correction to (c)4.

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

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

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

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

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

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

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

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

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

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".

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) Unless otherwise authorized by the Commission, 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 time limit for the progressive jackpot established pursuant to (i) below has expired; or

4. The change is necessitated by a slot machine or meter(s) malfunction, in which case:

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 time limit for offering the progressive jackpot established pursuant to (i) below has expired.

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

(i) Except as otherwise provided in (n) below, a casino licensee may remove or reduce a progressive jackpot in accordance with the following procedures:

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

2. 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.

3. 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)3i above shall be considered void and the progressive jackpot on that slot machine shall

continue to be offered until won, reduced or terminated in accordance with this section; and

4. Nothing in this section shall be deemed to prohibit the immediate and permanent removal by a casino licensee, without any prior notice to patrons, 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 and the odds of winning the jackpot are greater than 34 million to one.

(j) Notwithstanding (c)1 above, 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 greater probability of winning the progressive jackpot, and accepts a denomination of coin or slot token not greater than the denomination accepted by the slot machine which was removed. Any time limit for the offering of a progressive jackpot shall be extended by the number of days during which the progressive jackpot was not offered as the result of any action taken by a casino licensee pursuant to this subsection. 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 machine in another casino.

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

(n) Notwithstanding any other provision of this section, if the probability of hitting the combination which shall award any progressive jackpot is greater than 34 million to one, a casino licensee may not reduce or remove the amount on the progressive meter or decrease the probability of hitting the combination that will award the progressive jackpot until the progressive jackpot amount has been actually paid to a winning patron. A casino licensee may, however, with written approval from the Commission, transfer the progressive jackpot amount, in its entirety, to the progressive meter for one or more slot machines with the same or reasonably similar probability and the same or lower denomination. If a progressive jackpot governed by this subsection is transferred to a slot machine where the probability of hitting the progressive jackpot award will be less than 34 million to one, that progressive jackpot shall still be governed by the provisions of this subsection and shall not be removed or reduced pursuant to (i) above. Notwithstanding the foregoing, 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.

(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 N.J.A.C. 19:45-1.37(a)4iii or (i) above, except as to payout limits, or 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.

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;

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

(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.

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 2j; 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.

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:

1. The original:
 - i. An accounting representative with no incompatible functions upon preparation; and
 - ii. A slot supervisor after observing the combination of characters indicated on the slot machine; and
 2. The duplicate:
 - i. An accounting representative with no incompatible functions upon preparation;
 - ii. A slot supervisor after observing the combination of characters indicated on the slot machine; and
 - iii. A security department member after observing the combination of characters indicated on the slot machine.
- (i) Upon meeting the signature requirements as described in (h) above, the security department shall maintain and control the duplicate copy of the Slip, and the accounting department shall maintain and control the original Slip.
- (j) At the end of each gaming day, at a minimum, the original Slip and duplicate copy of the Slip shall be forwarded as follows:
1. The original Slip shall be forwarded to the accounting department for agreement with the triplicate copy or stored data; and
 2. The duplicate Slip shall be forwarded to the accounting department for agreement with the triplicate copy or stored data.
- (k) Except as otherwise provided in (m) below, any merchandise or thing of value to which a patron is entitled as a result of a slot machine payout shall be given to the patron. Documentation supporting the receipt by the patron of such merchandise or thing of value shall be prepared by a representative of the casino licensee and shall be agreed to the triplicate copy of the Slip or stored data by a representative of the accounting department.
- (l) Except as otherwise provided in N.J.A.C. 19:45-1.39(n) with regard to certain annuity jackpots, a casino licensee may, at any time, establish a time limit of not less than 30 days for the offering of a jackpot of merchandise or other thing of value by providing notice of the time limit in accordance with N.J.A.C. 19:45-1.37(a)4.
- (m) A casino license may, in its discretion, offer a slot machine jackpot that includes both a cash payout and a payout of merchandise or other thing of value (a "combination jackpot") or the option to choose between a cash payout and a payout of merchandise or other thing of value, including an annuity jackpot with a cash payout option (an "alternative jackpot"). If an alternative jackpot is offered, the cash payout may but need not be equal to the cash equivalent value of the alternative payout of merchandise or other thing of value; provided, however, that the value of an annuity jackpot with a cash payout option shall be governed by the provisions of N.J.A.C. 19:45-1.40B.

1. Any merchandise or other thing of value offered as part of a combination or alternative jackpot shall not be included in determining the minimum 83 percent payout of any slot machine pursuant to N.J.A.C. 19:45-1.37(h) and shall not be included, when won by a patron, in the total of all sums paid out as winnings for purposes of determining gross revenue.

2. Any cash offered as part of a combination or alternative jackpot shall be included in determining the minimum 83 percent payout of any slot machine pursuant to N.J.A.C. 19:45-1.37(h). Notwithstanding the foregoing, if the jackpot to be offered is an annuity jackpot with a cash payout option, the jackpot shall be treated like an annuity jackpot when determining whether the slot machine satisfies the minimum 83 percent payout requirement; in other words, only an amount which is equal to the initial or reset amount of the jackpot divided by the number of years over which the jackpot will be paid shall be included in the calculation of the theoretical payout percentage of the slot machine.

3. Any cash offered as part of a combination or alternative jackpot, including an annuity jackpot with a cash payout option as set forth in N.J.A.C. 19:45-1.40B, shall be included, when won and paid to a patron, in the total of all sums paid out as winnings for purposes of determining gross revenue; in other words, if the winning patron selects the cash payout option, the present value thereof shall be deductible from gross revenue when actually paid to the patron.

(n) Any advertising involving slot machine payouts of any merchandise or thing of value by the casino licensee shall include an accurate description of the merchandise or thing of value, the dates the merchandise or thing of value will be offered if the casino licensee establishes a time limit for offering the merchandise or thing of value pursuant to (l) above, and, except for annuity jackpots, the cash equivalent value of the merchandise or thing of value. Any advertising concerning annuity jackpots shall also provide clear notice of the following:

1. That the jackpot will be paid over time and not in one lump sum, unless the annuity jackpot includes a cash payout option, in which event the option shall be described; and

2. The number of payments and the time interval between payments.

(o) Until the expiration of any time limit established in accordance with (l) above or, if no such time limit is established by the casino licensee, until the merchandise or thing of value offered as a slot machine payout is won by a patron, a casino licensee shall not decrease the probability of hitting the combination that will award the merchandise or thing of value, increase the denomination of the machine, nor in any other way vary the terms upon which the merchandise or thing of value is offered to the public.

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

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

New Rule, R.1987 d.302, effective July 20, 1987.

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

Experimental 90-day implementation of amendment, 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).

Amended by R.1990 d.238, effective May 7, 1990.

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

Revised rule to be consistent with new rules in chapter regarding annuity jackpots.

Clarified new procedural and recordkeeping requirements, including stylistic changes.

Added new (a) and relettered old (a) as (b).

In (c): added text "If the payout . . . N.J.A.C. 19:45-1.40B".

In (d): added language specifying employee accountability for series of numbers of all slips.

In (g)4: added "unless the jackpot is an annuity jackpot . . ." to text.

Deleted (l) regarding slot machine payouts of tokens redeemable for any merchandise, and reserved subsection.

In (m): added "Except when the payout is an annuity jackpot . . ." to text.

In (n): added annuity jackpot exception and language describing annuity jackpot advertising in new (n)1 and 2.

Notice of Receipt of Petition for Rulemaking in (n) and (o).

See: 23 N.J.R. 624(a).

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

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

In (g)1: 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 a time limit of not less than 30 days for the offering of merchandise or other thing of value.

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.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.574, effective November 6, 1995.

See: 27 N.J.R. 3147(a), 27 N.J.R. 4448(a).

Amended by R.1997 d.424, effective October 6, 1997.

See: 29 N.J.R. 3440(a), 29 N.J.R. 4305(a).

In (c), deleted provision for a quarterly report.

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).

In (m), changed N.J.A.C. reference in the second sentence.

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); in (c), inserted reference to treasury instruments in last sentence; in (g), rewrote 5; rewrote (k) through (m); and in (n)1, inserted reference to annuity jackpot with cash payout option.

19:45-1.40B Jackpot payouts in the form of an annuity

(a) For purposes of this section, the phrase "annuity jackpot" refers to any slot machine jackpot offered by a casino licensee or group of casino licensees pursuant to which a patron wins the right to receive cash payments at specified intervals in the future. No annuity jackpot shall be permitted unless it provides for the payment of fixed amounts at fixed intervals. In addition, no annuity jackpot shall be permitted unless it expressly prohibits the winner from encumbering, assigning or otherwise transferring in any way his or her right to receive the future cash payments, except as permitted by (k)2i below, and except for a transfer to the estate of the winner upon his or her death. A casino licensee or group of casino licensees may, with the prior approval of the Commission, terminate all future payments to a winner who attempts to encumber, assign or otherwise transfer the right to receive future payments in violation of this prohibition.

1. Notwithstanding the foregoing or any other provision of this chapter to the contrary, a casino licensee or group of casino licensees that offers an annuity jackpot which is payable over at least 10 years may offer a winning patron the option to be paid a single cash payment, in lieu of the annuity jackpot, in an amount that is equal to the present value of the face amount of the jackpot (a "cash payout option").

i. The present value of a cash payout option shall be determined by applying a discount rate to each of the future annuity jackpot payments, taking into consideration the number of years until each jackpot payment would otherwise have been received, and adding thereto the amount of the first cash payment that would otherwise have been received.

ii. The discount rate shall equal the United States Treasury constant maturity rate for 20-year United States government securities for the week ending prior to the date of the jackpot, as identified in the applicable H.15 Statistical Release issued by the Federal Reserve Board, plus one-half of one percent.

2. When a patron wins an annuity jackpot which includes a cash payout option, the casino licensee or group of casino licensees shall:

i. Complete the appropriate documentation required by N.J.A.C. 19:45-1.40, 1.40A and 1.40C, as applicable;

ii. Within three business days, either personally deliver or mail to the winner (by certified mail, return receipt requested) the original of a Jackpot Declaration, a two-part form, at a minimum, on which the winning patron shall indicate his or her decision to receive either the annuity jackpot or the cash payout option, which form shall include, without limitation, the following information:

(1) The face amount of the annuity jackpot, the number of years over which the annuity would be paid and the amount of the initial cash payment and each annual annuity payment;

(2) A summary of the restrictions on alienation of annuity jackpots as set forth in (a) above;

(3) The present cash value of the face amount of the jackpot, the method used to calculate the present cash value, and the discount rate used to calculate that value;

(4) A statement that the winning patron is under no obligation to accept the cash payout option in lieu of the annuity jackpot;

(5) A statement that the winning patron shall have until 5:00 P.M. of the 21st day following the date of the winning jackpot, expressed as a date certain, within which to select or decline the cash payout option and to inform the casino licensee or group of casino licensees of his or her decision by returning the original signed Jackpot Declaration in a manner specified on the form;

(6) A statement that once a method of payment has been selected through the return of the Jackpot Declaration, the method of payment cannot be changed; and

(7) A statement that if the patron fails to return the completed Jackpot Declaration by the time set forth therein, the patron shall receive the annuity jackpot rather than the cash payout option; and

iii. Forward the duplicate Jackpot Declaration to the casino accounting department or such other location designated by approved internal controls where it shall be retained with the Jackpot Payout Slip and, if applicable, the original Jackpot Payout Receipt until the patron returns the original Jackpot Declaration or the time period for selecting the cash payout option expires.

3. Upon receipt of a completed Jackpot Declaration from a winning patron or the expiration of the time period for selecting the cash payout option, a casino licensee or group of casino licensees shall complete the awarding of the jackpot as follows:

i. If a winning patron selects the cash payout option, the casino licensee or the trust shall, within five business days of its receipt of the Jackpot Declaration, issue a check to the winning patron in an amount equal to the present value of the annuity jackpot at the time the jackpot was won; or

ii. If a winning patron either declines the cash payout option or fails to return the Jackpot Declaration in a timely manner, the casino licensee or trust shall, within five business days of the triggering event, issue a check to the winning patron in an amount equal to the first installment of the annuity jackpot and pay the remainder of the annuity jackpot in accordance with the provisions of this section.

(b) Any casino licensee or group of casino licensees planning to offer an annuity jackpot shall establish a trust fund which shall be used to make future cash payments. The trust fund shall be administered in accordance with a written trust agreement which shall be reviewed and approved by the Commission prior to the offering of the jackpot. The trust agreement shall, at a minimum, require that:

1. Any casino licensee participating in offering the annuity jackpot serve as trustee for the trust fund;

2. The monies in the trust fund be used to purchase annuity contracts or United States treasury bonds, treasury notes, or treasury bills in accordance with (c) or (d) below to assure that the trust will have sufficient monies available in each year to make all annuity jackpot payments which are required under the terms of the annuity jackpots which are won;

3. A reserve be established and maintained within the trust fund which is sufficient to purchase the annuity contracts, treasury bonds, treasury notes or treasury bills required under (b)2 above as annuity jackpots are won;

4. The trust continue to be maintained until all payments owed to winners of the annuity jackpots have been made; and

5. The trustees obtain and file with the Commission and the Division within 30 days of receipt an annual audit by an independent certified public accountant licensed to practice in the State of New Jersey attesting to:

i. The financial position of the trust fund, including whether the trust will be able to pay all of its obligations when due; and

ii. Disclosing whether the records and control procedures examined are maintained in accordance with the Act, the Commission's regulations, and generally accepted accounting principles.

New Rule, R.1991 d.152, effective March 18, 1991.
See: 22 N.J.R. 3708(b), 23 N.J.R. 885(a).
Amended by R.1992 d.110, effective March 2, 1992.
See: 23 N.J.R. 3243(a), 24 N.J.R. 858(c).

In (h) and (o): stylistic revisions.
Amended by R.1993 d.142, effective April 5, 1993.
See 24 N.J.R. 278(a), 25 N.J.R. 1522(a).

In (f): added text regarding location of automated coupon machines.
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).

19:45-1.46B Procedures and requirements for a bill changer which can accept coupons

(a) Each bill changer which can accept coupons shall be able to establish the dollar value and validity of each coupon inserted therein by interpreting the coded information which must be contained on the coupon pursuant to (b) below.

(b) In addition to complying with the requirements of N.J.A.C. 19:45-1.46, each coupon which can be accepted by a bill changer shall contain encoded data that identifies the dollar value of the coupon and such other information as the Commission may require. Each coupon shall also contain a unique code or other security measure, which can be interpreted only by the bill changer, to ensure that the coupon is valid.

(c) The methods by which a bill changer and each coupon which can be accepted therein will comply with the requirements of (a) and (b) above shall be submitted to and approved by the Commission before any such bill changer or coupon may be used by a casino licensee.

(d) Unless the slot machine to which the bill changer is attached contains the coupon meters identified in N.J.A.C. 19:45-1.37(e)3 and 19:46-1.26(d), a bill changer which can accept coupons shall be equipped with mechanical, electrical or electronic devices as follows:

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

(e) Each coupon accepted by a bill changer shall be deposited and stored in the bill changer's slot cash storage box. Each such coupon shall be counted as part of the slot cash storage box drop in accordance with the count procedures in N.J.A.C. 19:45-1.33.

(f) Each coupon accepted by a bill changer shall be cancelled in a manner approved by the Commission which shall prevent the acceptance of the cancelled coupon by any bill changer, any automated coupon redemption machine or any other form of authorized redemption. The coupon shall be cancelled by the bill changer immediately upon

acceptance, or pursuant to N.J.A.C. 19:45-1.33(h)7, in the count room prior to the conclusion of the count.

(g) Unless otherwise authorized by the Commission, any coupon which can be accepted by a bill changer shall be accounted for and controlled pursuant to N.J.A.C. 19:45-1.46.

New Rule, 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).
Petition for Rulemaking.
See: 34 N.J.R. 1750(c), 2344(a).

19:45-1.47 Keno booths; satellite keno booths; keno lockers; roving keno work stations

(a) Keno gaming operations shall only be conducted in a separate and distinct area approved by the Commission, although a casino licensee may conduct the same keno game or different keno games in separate approved areas. Any area designated for keno gaming activity shall be located:

1. On the casino floor;
2. In a casino simulcasting facility; or
3. In a public keno area in accordance with the provisions of N.J.A.C. 19:45-1.47B.

(b) Any area designated for keno may contain a physical structure known as a keno booth to house the keno writers and to serve as the central location for the following:

1. The custody of the keno booth inventory, including currency, coin, coupons, gaming chips, slot tokens, and forms and documents normally associated with the operation of a keno booth;
2. The exchange by patrons of coupons for currency, coin or keno tickets in conformity with N.J.A.C. 19:45-1.46(j);
3. The receipt of currency, coin, gaming chips, coupons and slot tokens for wagering at the game of keno;
4. The issuance of cash to patrons upon the presentation of a recognized credit or debit card in accordance with N.J.A.C. 19:45-1.25(i);
5. The payment of winning wagers at the game of keno; and
6. Such other functions normally associated with the operation of a keno booth.

(c) The keno booth shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein, and shall include the following:

1. Separate work stations which shall include:
 - i. Manually triggered silent alarm systems connected directly to the monitoring rooms of the closed circuit

television system, the security department office and the on-site office of the Division;

ii. A computer terminal which shall be used to issue keno tickets and calculate payouts for winning keno tickets; and

iii. An area for the storage of a keno drawer.

2. A segregated area for the storage of the keno computer equipment. The location and security of the keno computer equipment shall be approved by the Commission. Nothing herein shall preclude a casino licensee from storing its keno computer equipment in another segregated and secure area of the casino hotel facility, provided that the location of and the security measures for such area have been approved by the Commission.

(d) In addition to the requirements in (c) above, a keno booth may contain the following:

1. A segregated and secure area for the storage of locked keno drawers pursuant to N.J.A.C. 19:45-1.48; and

2. A segregated and secure area, maintained on an imprest basis by the keno supervisor, which may be used to establish opening keno inventories and complete keno fills and keno credits pursuant to the requirements of this chapter.

i. The casino licensee shall submit for review and approval procedures governing how this area will be maintained on an imprest basis. In addition, each keno supervisor shall prepare a count sheet to record the opening and closing balance for their shift which shall be signed by both the incoming and outgoing keno supervisor.

(e) If a keno booth is designed so as to be immediately adjacent to the cashiers' cage or a satellite cage and access to the keno booth is through the cashiers' cage or satellite cage, the casino security department escort otherwise required by N.J.A.C. 19:45-1.48, 1.49 and 1.50 for the transportation of keno drawers and keno fills and credits shall not be required.

(f) A casino licensee may, in its discretion, operate one or more satellite keno booths. All the provisions of this subchapter governing the operation of a keno booth shall apply to a satellite keno booth with the exception of the following:

1. The keno games for which wagers are accepted at a satellite keno booth must be the same keno games for which wagers are accepted at the keno booth;

2. The only keno computer equipment which may be located at a satellite keno booth shall be the computer terminals used by the keno writers to issue keno tickets and calculate payouts of winning keno tickets;

3. A satellite keno booth may not contain a separate area for the storage of currency and coin pursuant to (d) above; and

4. A satellite keno booth may operate without the presence of a keno supervisor; however, a keno writer at a satellite keno booth may not redeem a winning keno ticket for \$1,500 or more unless a keno supervisor is present pursuant to N.J.A.C. 19:47-15.6(b).

(g) A casino licensee may, in its discretion, permit a keno runner to generate and redeem keno tickets from a keno locker located on the casino floor or in the casino simulcasting facility. Each keno locker shall be a fully enclosed structure and shall contain one keno work station. A keno locker shall be closed and locked whenever it is unattended by a keno runner. A keno work station in a keno locker shall include:

1. A manually triggered silent alarm system connected directly to the monitoring rooms of the closed circuit television system, the casino security department office and the on-site office of the Division;

2. A computer terminal which shall be used to issue keno tickets and calculate payouts for winning keno tickets;

3. An area for the storage of one or more keno drawers, which area shall only be used by a keno runner selling or redeeming keno tickets from that keno locker; and

4. A light that is located above the work station and is visible from outside the keno locker, which light shall automatically illuminate whenever the door to the keno locker is open.

(h) A casino licensee may, in its discretion, operate roving keno work stations which contain a keno terminal and a keno drawer. The roving keno work station shall be:

1. Operated by a keno writer in accordance with the rules of this Chapter and N.J.A.C. 19:47; and

2. Operated on the casino floor, in the casino simulcasting facility or in a public keno area in accordance with the provisions of N.J.A.C. 19:45-1.47B; provided, however, if a roving keno work station shall be operated in a public keno area, the keno writer shall receive and return his or her imprest funds and perform all fills and credits in a restricted casino area approved by the Commission for such activity.

New Rule, R.1995 d.285, effective June 5, 1995.

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

Amended by R.1996 d.443, effective September 16, 1996.

See: 27 N.J.R. 3597(a), 28 N.J.R. 4235(b).

Amended by R.1998 d.148, effective March 16, 1998.

See: 30 N.J.R. 36(a), 30 N.J.R. 1059(a).

Added a new (b)4 and recodified former 4 and 5 as 5 and 6.

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

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