

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

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

(j) Unless a computer which automatically records the information specified in (j)1, 2, 3 and 4 below is connected to the slot machines in the casino, the following entry authorization logs shall be maintained by the casino licensee:

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

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

3. With the exception of the transportation of slot cash storage boxes, pursuant to N.J.A.C. 19:45-1.17(a), whenever it is required that a bill changer, other than a separate slot cash storage box compartment, be opened, certain information shall be recorded on a form to be entitled "Bill Changer Log." The information shall include, at a minimum, the date, time, purpose of opening the bill changer, and the signature of the authorized employee opening the bill changer. The Bill Changer Log shall be maintained in the bill changer and shall have recorded thereon a sequential number and the serial number or asset number of the bill changer. If the bill changer is contained completely within the cabinet of a slot machine and there is no separate access to the bill changer unit, the information may be recorded on the Machine Entry Authorization Log required by (j)1 above, provided that any information that concerns the opening of the bill changer may be distinguished from any other information that concerns the

opening of the slot machine or any other device connected thereto.

4. Whenever it is required that a printer for an approved gaming voucher system be accessed, the date, time, purpose of such access, and the signature of the authorized employee shall be recorded in the log required by (j)1 or (j)3 above, or a separate log as approved by the Commission.

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

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

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

Petition for Rulemaking: Slot machine bill changer system.

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

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

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

Substantially amended.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Administrative Correction.

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

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

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

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

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

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

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

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).

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 "Except as provided in N.J.A.C. 19:45-154.a, each"; in (j) added 4.

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

See: 36 N.J.R. 4105(a), 37 N.J.R. 100(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
2. Contain a separate marked compartment for each corresponding slot machine, so that all hopper fills stored in the hopper storage area can be segregated and identified by slot machine.

(c) Each hopper storage area shall:

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

(d) Hopper storage areas shall be filled and utilized in accordance with the procedures in N.J.A.C. 19:45-1.41 and a casino licensee's system of internal controls. No hopper storage area and no compartment within a hopper storage area that supplies two or more slot machines shall contain more

than triple the hopper inventory level of each of the hoppers in its corresponding slot machine.

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

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

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

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

Amended by R.1997 d.489, effective November 17, 1997.

See: 29 N.J.R. 1289(a), 29 N.J.R. 4862(b).

Rewrote (b); inserted new (b)1, (b)2 and (c); recodified existing (b)1 through (b)3 as (c)1 through (c)3; recodified existing (c) as (d); and in (d), added the second sentence.

**19:45-1.37 Slot machines and bill changers; electronically erasable/programmable storage media; identifications; signs; and meters**

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

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

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

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

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

- i. The rules of play, jackpot displays which will designate jackpots and the related payouts;

- ii. If the slot machine offers a payout of merchandise or some other thing of value, a clear description of the merchandise or thing of value, including its cash equivalent value (unless the payout is an annuity jackpot), and the dates that the merchandise or thing of value will be offered if the casino licensee establishes a time limit for offering the merchandise or thing of value as provided in N.J.A.C. 19:45-1.40A (a time limit shall not be permitted for a progressive annuity jackpot); provided, however, that the display need only contain the name or a brief description of the merchandise or thing of value offered if a sign containing all of the information specified in this subparagraph is displayed near the slot machine in a manner and location approved by the Commission;

- iii. If the slot machine offers a progressive jackpot, the payout limit, if the casino licensee establishes a pay-

out limit as provided in N.J.A.C. 19:45-1.39; provided, however, that the display need not contain the payout limit if a sign which does contain the payout limit is displayed near the slot machine in a manner and location approved by the Commission;

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

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

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

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

vi. If the slot machine offers an alternative jackpot of either cash or merchandise or some other thing of value pursuant to N.J.A.C. 19:45-1.40A(m), or an annuity jackpot with a cash payout option pursuant to N.J.A.C. 19:45-1.40B, in addition to any other requirement imposed by (a)4i through v above, a clear description of the jackpots and options that are available to a winning patron and all essential terms governing the exercise of any option; provided, however, that the display need only contain a brief description of the jackpots offered if a sign containing all of the information specified in this subparagraph is displayed near the slot machine in a manner and location approved by the Commission;

vii. If the slot machine has an approved gaming voucher feature, a description of whether the patron is paid in coin/tokens and/or game vouchers;

viii. If the slot machine is equipped with tokenization pursuant to N.J.A.C. 19:45-1.37C, a conspicuous notice indicating:

(1) The denomination of the slot machine, and the denomination of the token accepted and paid by the machine;

(2) Whether or not the residual slot credit can be cashed out; and

(3) That any residual slot credit not played or cashed out by a patron shall be deemed abandoned;

ix. If the slot machine is multi-denominational pursuant to N.J.A.C. 19:46-1.28A(k), conspicuous notice that jackpots are based upon credits played at the denomination selected; and

x. If the slot machine utilizes non-cashable slot credits or non-cashable electronic transfer credits, signage disclosing all restrictions upon the use of such non-

cashable credits. Such disclosure shall, at a minimum, provide notice that a non-cashable credit:

(1) Cannot be converted into cash by a patron;

(2) Must be wagered or abandoned; and

(3) Is automatically wagered before any cashable slot credits are wagered;

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

6. A slot machine tower light that complies with the requirements of N.J.A.C. 19:45-1.37B; and

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

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

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

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

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

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

hopper by its machine denomination equivalent (for example, the jackpot meter on a 25 [cents] lot machine may display the payout of one \$3.00 prize token as the payout of "12" quarters); and

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

(1) Each hopper is connected to that meter;

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

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

4. If the slot machine utilizes slot credits or electronic transfer credits, a mechanical, electrical or electronic device, known as a "credit meter," visible from the front of the machine, that accumulates and displays to the player the denominational units or monetary value of such credits that are available for wagering;

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

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

ii. A win meter to which each hopper is connected that advises the winning player of the aggregate number of coins, slot tokens or prize tokens won on that round from both hoppers after first converting the aggregate number of any coins, slot tokens or prize tokens won that round from a payout-only hopper into its machine denomination equivalent, and a separate win meter, to be known as a "payout-only win meter," connected to each payout-only hopper that advises the player of the number of coins, slot tokens or prize tokens actually won on that

round from the corresponding hopper only (for example, a win meter on a multiple hopper 25 cent slot machine may, pursuant to this paragraph, record the payout, on the same round of play, of one \$3.00 prize token and two quarters as the payout of "14" quarters, provided there is a separate payout-only win meter advising the player that one prize token was paid out);

6. Unless otherwise authorized by the Commission, each slot machine approved to dispense gaming vouchers shall also be equipped with mechanical, electrical or electronic devices as follows:

i. A "numerical voucher out meter" that continuously and automatically counts and displays the aggregate number of gaming vouchers dispensed by the machine; and

ii. A "value voucher out meter" that continuously and automatically counts and displays the aggregate value of gaming vouchers dispensed by the machine; and

7. If the slot machine accepts coupons for non-cashable slot credits, a mechanical, electrical or electronic device, known as:

i. A "Numerical non-cashable coupon meter," that continuously, automatically and separately counts and displays the total number of all coupons for non-cashable credits accepted by the slot machine; and

ii. A "value non-cashable coupon meter" that continuously, automatically and separately counts and displays the total value of all coupons for non-cashable credits accepted by the slot machine.

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

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

(e) Unless otherwise authorized by the Commission, each slot machine that has 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) 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.

(i) 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.

(j) 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.

(k) 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.

#### 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 review 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 address the integrity, security and control of its electronic transfer credit system and shall, without limitation, include:

1. An overview of the system design;
2. Computer access restrictions including, at a minimum, copies of all menus;
3. Hardware and software controls;
4. Magnetic tape controls;
5. Override policies and restrictions;
6. Copies of all reports generated related to the use of electronic transfer credits and, if applicable, temporary anonymous accounts or temporary electronic credits;
7. Backup and recovery procedures 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;
9. Patron access controls;
10. Procedures for handling customer disputes;
11. Network security;
12. Audit programs;
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;

i. A casino security department member who shall verify that the jackpot display on the slot machine or the amount on the credit meter and the amount to be paid match those which appear on the duplicate Payout; and

ii. If the manual slot payout is \$25,000 or more, a slot shift manager who shall similarly verify that the jackpot display on the slot machine or the amount on the credit meter and the amount to be paid match those which appear on the duplicate Payout;

4. If a Receipt was issued and all required verifications of the jackpot display or the amount on the credit meter were completed in accordance with (b) above, the slot attendant or slot attendant supervisor shall:

i. Summon the following personnel to witness the payment to the patron:

(1) The casino security department member who signed the Request if the manual slot payout is less than \$25,000; or

(2) The casino security department member and the slot shift manager who signed the Request if the manual slot payout is \$25,000 or more;

ii. Require the patron to present the duplicate Receipt and sign it in his or her presence in order to receive the payment; and

iii. Compare the duplicate Receipt to the original Receipt;

5. If the manual slot payout is being dispensed to a slot attendant or slot attendant supervisor by an automated jackpot payout machine, that person shall cause his or her name or identification number and password to be input into the slot monitoring system, together with the asset number of the slot machine, the amount of the manual slot payout and the jackpot display or an indication that it is a credit meter payout; and

i. If the asset number of the slot machine and the amount of the manual slot payout entered agree, within two attempts, with the information recorded in the slot monitoring system, the automated jackpot payout machine shall indicate that the information agrees, and the slot attendant or slot attendant supervisor shall:

(1) Instruct the automated jackpot payout machine to dispense the amount of the manual slot payout;

(2) Generate the two-part Payout from the automated jackpot payout machine printer;

(3) Verify the amount of cash dispensed by the machine and the data on the Payout;

(4) Sign the original and duplicate Payout attesting to the accuracy of the information on the Payout

and the receipt of the cash from the automated jackpot payout machine or any shortage or overage;

(5) Drop the original Payout with the Request attached thereto into a locked accounting box at the automated jackpot payout machine;

(6) Transport the manual slot payout and the duplicate Payout to the patron; and

(7) The manual slot payout shall thereafter be completed in accordance with the procedures in (m)6 through 9 below; provided, however, if the casino licensee satisfies the requirements of N.J.A.C. 19:45-1.40F and the amount of the manual slot payout is less than \$10,000, a casino security department member shall not be required to participate in the transaction.

ii. If the asset number of the slot machine or the amount of the manual slot payout do not agree, within two attempts, with the information recorded in the casino licensee's slot monitoring system, the manual slot payout shall not be paid from the automated jackpot payout machine, but shall be paid in accordance with the override procedures in N.J.A.C. 19:45-1.40(h)1.

6. Once the verifications required by (m)3, 4 or 5 above have been completed, the slot attendant or slot attendant supervisor shall pay the winning patron in the presence of the following personnel, who shall sign the duplicate Payout attesting to the verification of the jackpot display on the slot machine or the amount on the credit meter, the accuracy of the information on the Payout and the disbursement of the payment to the patron:

i. The casino security department member who verified the jackpot display and the amount to be paid or the amount on the credit meter if the payment is less than \$25,000; or

ii. The casino security department member and the slot shift manager who verified the jackpot display and the amount to be paid or the amount on the credit meter if the payment is \$25,000 or more;

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

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

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

the disbursement is made from the cashiers' cage, all forms shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(n) Nothing in this section or N.J.A.C. 19:45-1.40F shall preclude a casino licensee, in its discretion, from rounding, either manually or automatically, the amount of a manual slot payout recorded on a Request or recorded by a slot monitoring system, up to the nearest denomination of coin or token or the nearest whole dollar, as long as any funds paid in excess of the actual amount recorded on the Request, pursuant to (b)4 above, are not deducted from gross revenue and are reported and adjusted by the casino licensee once each month, at a minimum, in a manner approved by the Commission.

(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 soon 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 soon 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 information recorded pursuant to N.J.A.C. 19:45-1.42(o); and
- ii. The information required to appear on the triplicate Payout or in stored data pursuant to (i) above.

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

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

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

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

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

Amended by R.1980 d.437, effective November 16, 1981.  
See: 13 N.J.R. 534(b), 13 N.J.R. 848(b).

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

(f) added.

Renumbered (f)-(i) as (g)-(j) without change in text.  
Amended by R.1986 d.398, effective October 6, 1986.  
See: 18 N.J.R. 1360(a), 18 N.J.R. 2059(b).

Manual jackpot changed to \$1,200 from \$600.00.  
Amended by R.1987 d.302, effective July 20, 1987.  
See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a).

Added text "of cash or tokens to be exchanged for cash".  
Amended by R.1989 d.34, effective January 17, 1989.  
See: 20 N.J.R. 2050(b), 21 N.J.R. 175(b).

Added text to (b) "Notwithstanding the above ...".  
Amended by R.1991 d.230, effective May 6, 1991.  
See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).

In (e)1: added "asset" to define number.  
Amended by R.1992 d.110, effective March 2, 1992.  
See: 23 N.J.R. 3243(a), 24 N.J.R. 858(c).

In (j): stylistic revisions.  
Amended by R.1992 d.258, effective June 15, 1992.  
See: 24 N.J.R. 932(a), 24 N.J.R. 2296(b).

In (a), added text regarding general cashier or master coin bank cashier. Throughout text, replaced "payout" with "jackpot payout slips".  
Added new (e)5, recodifying 5.-6. as 6.-7. In new (e)6, deleted reference to slot booth number and added "location."

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

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

In (j)1: added procedures for jackpot slip if prepared by the master coin bank. Added new (j)2, recodifying (j)2 as 3.  
Notice of Receipt of Petition for Rulemaking: to amend Jackpot Payouts of Cash rule to increase dollar threshold of the jackpot payout limits and to increase the authority of slot personnel to attest to and pay jackpots.

See: 24 N.J.R. 2084(c).  
Amended by R.1993 d.292, effective June 21, 1993.  
See: 25 N.J.R. 917(a), 25 N.J.R. 2702(b).  
Amended by R.1993 d.491, effective October 4, 1993.  
See: 25 N.J.R. 2227(b), 25 N.J.R. 4615(a).  
Amended by R.1994 d.504, effective October 3, 1994.  
See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).  
Amended by R.2000 d.336, effective August 21, 2000.  
See: 31 N.J.R. 2527(a), 32 N.J.R. 3077(a).

In (d), rewrote 4.  
Amended by R.2001 d.403, effective November 5, 2001.  
See: 33 N.J.R. 2635(a), 33 N.J.R. 3763(a).

Inserted references to jackpot payouts not paid directly by the slot machines in (b)4, (b)7i, (b)7ii and (d)4; rewrote (i)4.  
Amended by R.2002 d.131, effective May 6, 2002.  
See: 33 N.J.R. 3882(a), 34 N.J.R. 1737(a).

In (b)5, inserted "or, if available, gaming chips"; in (i), inserted a new 5 and recodified former 5 and 6 as 6 and 7; in (k), inserted "or any gaming chips paid in accordance with (q) below" in the introductory paragraph, and inserted references to gaming chips in 2i and 2i; in (m)2, inserted a reference to gaming chips; and added (q).  
Amended by R.2002 d.132, effective May 6, 2002.  
See: 34 N.J.R. 17(a), 34 N.J.R. 1735(a).

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

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

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

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

Petition for Rulemaking.

See: 35 N.J.R. 1457(a), 1964(b).

Petition for Rulemaking.

See: 35 N.J.R. 3419(a).

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.2007 d.116, effective April 16, 2007.

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

Rewrote (o)2i.

Amended by R.2007 d.117, effective April 16, 2007.

See: 38 N.J.R. 4669(a), 39 N.J.R. 1505(a).

Section was "Jackpot payouts that are not paid directly from the slot machine". Rewrote the section.

#### 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 mini-

mum, 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 jackpot display;
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 jackpot display 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 jackpot display on the slot machine; and

iii. A security department member after observing the jackpot display 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 progressive 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 licensee 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.