



MEETING AGENDA
JUNE 27, 2016

1. CALL TO ORDER AND ESTABLISHMENT OF QUORUM
2. CONSIDERATION OF MINUTES, MEETING OF MAY 23, 2016
3. REPORT OF EXECUTIVE DIRECTOR
4. RULEMAKING
 - A. ADOPTION: SGC-19-16-00014-P CONDUCT AND OPERATION OF A GAMING FACILITY
 - B. ADOPTION: SGC-19-16-00013-P SURVEILLANCE STANDARDS FOR A LICENSED GAMING FACILITY
 - C. PROPOSED CASINO RULEMAKING: DEFINITION AMENDMENTS
 - D. PROPOSED CASINO RULEMAKING: EXCLUDED PERSONS
 - E. PROPOSED CASINO RULEMAKING: JUNKET OPERATOR LICENSING
 - F. PROPOSED CASINO RULEMAKING: LOBBYIST REGISTRATION
 - G. PROPOSED CASINO RULEMAKING: REGISTRATION OF LABOR ORGANIZATIONS
 - H. PROPOSED CASINO RULEMAKING: TABLE GAME EQUIPMENT
 - I. PROPOSED CASINO RULEMAKING: TABLE GAME STANDARDS
5. OLD BUSINESS/NEW BUSINESS
6. SCHEDULING OF NEXT MEETING
7. ADJOURNMENT

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**NEW YORK STATE
GAMING COMMISSION**

MINUTES

MEETING of MAY 23, 2016

NEW YORK, NEW YORK

A meeting of the Commission was conducted in New York, New York.

1. Call to Order

Executive Director Robert Williams called the meeting to order at 12:40 p.m. Establishment of a quorum was noted by Acting Secretary Kristen Buckley. In attendance were Commissioners John Crotty, Peter Moschetti, John Poklemba and Barry Sample. Commissioner Crotty was unanimously elected as presiding officer for the meeting.

2. Consideration of the Minutes from April 25, 2016

The Commission considered previously circulated draft minutes of the meeting conducted on April 25, 2016. The minutes were accepted as circulated.

3. Report of the Executive Director

Executive Director Williams provided a brief report on construction status of the three commercial casino licensees. Williams also provided a casino rulemaking status and licensing update for Tioga Downs, discussed the upcoming Belmont Stakes, provided a cobalt and glaucine update and discussed a harness racing rules initiative.

4. Rulemaking

a. Adoption: SGC-12-16-00002-P, Problem Gaming, Prevention and Outreach

The Commission considered adoption of a proposed regulation regarding problem gambling prevention and outreach in commercial casinos.

ON A MOTION BY: Commissioner Sample
APPROVED: 4-0

b. Adoption: SGC-12-16-00002-P, Self-Exclusion

The Commission considered adoption of proposed regulation regarding patron self-exclusion from commercial casinos.

ON A MOTION BY: Commissioner Sample
APPROVED: 4-0

c. Adoption: SGC-12-16-00009-P, Consequences for Commission Licensees, Agents, and Other Regulated Parties Who Violate Prohibition on Underage Wagering

The Commission considered adoption of proposed regulations in regard to consequences for Commission licensees, agents and other regulated parties who violate prohibitions on underage play in horse racing wagering, lottery, video lottery and charitable gaming.

ON A MOTION BY: Commissioner Moschetti
APPROVED: 4-0

d. Proposed Commercial Casino Rulemaking: Independent Testing Laboratories

The Commission considered a proposal regarding Independent Testing Laboratories to be used in commercial casino gambling.

ON A MOTION BY: Commissioner Poklemba
APPROVED: 4-0

5. Adjudications

a. In the Matter of Corning VFW #524

The Commission, having considered this matter at a meeting conducted pursuant to the judicial or quasi-judicial proceedings exemption of N.Y. Public Officers Law § 108.1, announced that it had agreed, on a 4-0 vote, to accept the Hearing Officer's recommendation that license to conduct games of chance held by the Corning VFW Post #524 be suspended for 90 days and that Post #524 be fined \$3,400 but that the suspension be stayed for 60 days and not be imposed if Post #524 pays such fine within the 60-day stay period and files within such stay period each outstanding Quarterly Statement of Bell Jar Operations for the second, third and fourth quarters of 2015.

b. In the Matter of La Societe Des Quarante Hommes Et Huit Chevaux.

The Commission, having considered this matter at a meeting conducted pursuant to the judicial or quasi-judicial proceedings exemption of N.Y. Public Officers Law § 108.1, announced that it had agreed, on a 4-0 vote, to accept the Hearing Officer's recommendation that the club's license to conduct games of chance be suspended for six months and that the organization be fined \$2,400.

c. In the Matter of David Russo

The Commission, having considered this matter at a meeting conducted pursuant to the judicial or quasi-judicial proceedings exemption of N.Y. Public Officers Law § 108.1, announced that it had agreed, on a 4-0 vote, at accept the Hearing Officer's recommendation that Mr. Russo trainer's license be suspended for thirty days and that he be fined \$3,000.

6. Old Business/New Business

No old or new business was offered for discussion.

7. Scheduling of Next Meeting

It was announced that the next meeting date would be June 27, 2016.

8. Adjournment

The meeting was adjourned at 1:10 p.m.

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Gaming Commission

One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500

www.gaming.ny.gov

John A. Crotty, Commissioner
Peter J. Moschetti, Jr., Commissioner
John J. Poklemba, Commissioner
Barry Sample, Commissioner
Todd R. Snyder, Commissioner

Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners

From: Edmund C. Burns

Date: June 20, 2016

Re: Adoption of Rulemaking for the Conduct and Operation of Gaming (9 NYCRR Part 5313)

For Commission consideration is the adoption of rules for the conduct and operation of gaming. The proposed Part addresses the following topics: a gaming facility licensee's submission of a system of administrative and accounting procedures for the conduct and operation of gaming; requirements for hours of operation, minimum age participation and access; retention of realty, construction, maintenance and business records; submission of a gaming facility licensee's emergency action plan; requirements for the award of an operation certificate to commence gaming operations; procedures and requirements for key control, facial recognition, and license plate recognition; and limitations on certain financial transactions.

The Commission proposed this rulemaking on April 25, 2016. The proposal was published in the May 11, 2016 *State Register*. A copy of that notice is attached. The public comment period will end on June 27, 2016. No public comment has been received to date. We will advise if any comment is received.

A copy of the full text of the proposed Part 5313 is attached.

[REDACTED]

attachments

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

to submit a surveillance plan, the appropriate notification process for amendments to a surveillance plan and the appropriate access the Commission has to the surveillance department log book entries and incident and observation reports. The Commission is also required to promulgate these rules pursuant to Racing Law sections 1307(2)(k).

9. FEDERAL STANDARDS: There are no federal standards applicable to the licensing of gaming facilities in New York; it is purely a matter of New York State law.

10. COMPLIANCE SCHEDULE: The Commission anticipates that the affected parties will be able to achieve compliance with these rules upon adoption.

Regulatory Flexibility Analysis, Rural Area Flexibility Analysis and Job Impact Statement

These rules will not have any adverse impact on small businesses, local governments, jobs or rural areas. These rules set forth the requirement that a gaming facility licensee submit a surveillance plan to the Gaming Commission for approval in advance of commencing operations. These rules also establish standards for establishing a surveillance department, employee restrictions, required surveillance and recording and retention of surveillance records. These rules apply only to the licensed gaming facilities.

These rules do not impact local governments or small businesses as it is not expected that any local government or small business will hold a gaming facility license.

These rules impose no adverse impact on rural areas. These rules apply uniformly throughout the state and solely apply to licensed gaming facilities.

These rules will have no adverse impact on job opportunities.

These rules will not adversely impact small businesses, local governments, jobs, or rural areas. Accordingly, a full Regulatory Flexibility Analysis, Rural Area Flexibility Analysis, and Job Impact Statement are not required and have not been prepared.

**PROPOSED RULE MAKING
NO HEARING(S) SCHEDULED**

Conduct and Operation of a Gaming Facility

I.D. No. SGC-19-16-00014-P

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

Proposed Action: Addition of Part 5313 to Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(19), 1307(1), (2)(i), (k), 1331, 1332, 1333, 1334 and 1341(2)

Subject: Conduct and operation of a gaming facility.

Purpose: To govern a gaming facility licensee's system of procedures for the conduct and operation of gaming.

Substance of proposed rule (Full text is posted at the following State website: www.gaming.ny.gov): The addition of Part 5313 of Subtitle T of Title 9 NYCRR will allow the New York State Gaming Commission ("Commission") to prescribe requirements for the conduct and operation of gaming including a gaming facility licensee's system of internal procedures and administrative and accounting controls and the criteria for awarding a gaming facility licensee an operation certificate to commence gaming operations.

Section 5313.1 sets forth the requirements for the internal control system a gaming facility licensee submits to the Commission for approval. Section 5313.2 establishes the minimum age a patron must be to participate in gaming activities and the penalties associated with a gaming facility licensee's violation of such requirements. Section 5313.3 sets forth the procedure for the alteration or change of gaming facility hours of operation. Section 5313.4 cites to the federal statutory requirements for facility access to a public accommodation. Section 5313.5 sets forth the requirements for access to restricted areas of a gaming facility and an access badge and credential system a gaming facility licensee must adopt. Section 5313.6 provides that a gaming facility licensee retain realty, construction, maintenance and business records for Commission review. Section 5313.7 sets forth the requirement that a gaming facility licensee submit an emergency action plan to the Commission. Section 5313.8 establishes criteria for awarding a gaming facility licensee an operation certificate to commence gaming operations. Section 5313.9 sets forth restrictions on the possession of firearms within a gaming facility. Section 5313.10 sets forth requirements for the retention, storage and destruction of books, records and documents pertaining to the operation of the gaming facility licensee. Section 5313.11 sets forth control and maintenance requirements for sensitive keys. Section 5313.12 and 5313.13 set forth requirements for the installation of facial and license plate recognition

equipment. Section 5313.14 sets forth limitations on certain financial access.

Text of proposed rule and any required statements and analyses may be obtained from: Kristen Buckley, Acting Secretary, New York State Gaming Commission, One Broadway Center, 6th Floor, Schenectady, NY 12305, (518) 388-3407, email: gamingrules@gaming.ny.gov

Data, views or arguments may be submitted to: Same as above.

Public comment will be received until: 45 days after publication of this notice.

Regulatory Impact Statement

1. STATUTORY AUTHORITY: Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") section 104(19) grants authority to the Gaming Commission ("Commission") to promulgate rules and regulations that it deems necessary to carry out its responsibilities. Racing Law section 1307(1) grants rule making authority to the Commission to implement, administer and enforce the provisions of Racing Law Article 13.

Racing Law section 1307(2)(f) requires the Commission to prescribe the manner and method of the collection of taxes, fees, interest and penalties.

Racing Law section 1307(2)(i) prescribes that the Commission regulate the grounds and procedures for the revocation or suspension of an operation certificate.

Racing Law section 1307(2)(k) prescribes that the Commission regulate for gaming operations the procedures, forms and methods of management controls, including, employee and supervisory organization and responsibility and minimum security and surveillance standards.

Racing Law section 1331 provides that no gaming facility may open and no gaming activity may be conducted prior to a determination by the Commission that a gaming facility licensee has satisfied the requirements of Racing Law Article 13 and Subchapter B of the Commission's regulations and the issuance by the Commission of an operation certificate.

Racing Law section 1332 sets forth the minimum age for gaming participation.

Racing Law section 1333 sets forth requirements with respect to a gaming facility's hours of operation.

Racing Law section 1334 sets forth the requirements for a gaming facility licensee's internal control system including procedures relating to, among other things, gaming facility security and surveillance, administrative and accounting controls, the recordation of cash, checks and revenue, the shutdown of operations in the event of a state of emergency.

Racing Law section 1338 prescribes that the Commission regulate the access and use of certain financial systems and instruments at the gaming facility.

Racing Law section 1341(2) requires that a gaming facility licensee maintain a record of each unwritten or written agreement regarding realty, construction, maintenance or business.

2. LEGISLATIVE OBJECTIVES: These provisions enable the Commission to carry out the Upstate New York Gaming Economic Development Act of 2013 as embodied in Chapter 174 of the Laws of 2013 including to maintain the public confidence and trust in the credibility and integrity of legalized gaming activities in order to support the continued growth of the gaming industry that will contribute to economic development and job development in the state.

3. NEEDS AND BENEFITS: The proposed rules implement and help gaming facilities understand the above listed statutory directives regarding the operation and internal controls of licensed gaming facilities. The rules provide specificity with respect to the above listed statutory directives to assure transparent and accountable gaming operations. The rules represent best practices for guiding and promoting consistency in the overall operation of licensed gaming facilities and are the result of input from stakeholders and other gambling jurisdiction regulations. Specifically, best practices addressed in the proposed rules include (i) requiring each gaming facility licensee to establish a system of internal controls in regard to accounting, surveillance, emergency shutdowns and facility administration; (ii) establishing penalties when a gaming facility licensee violates minimum age rules; (iii) requiring each gaming facility licensee to comply with Title III of the American with Disabilities Act of 1990; and (iv) requiring each gaming facility licensee to meet specific benchmarks in order to obtain an operation certificate.

4. COSTS:

(a) Costs to the regulated parties for the implementation of and continuing compliance with these rules: One of the three gaming facility licensees has indicated that the anticipated costs of implementing and complying with the proposed regulations will be approximately \$2 to \$3 million.

(b) Costs to the regulating agency, the State, and local governments for the implementation of and continued administration of the rule: Based on the Commission's experience in regulating the conduct and operation of video lottery facilities, it anticipates that the costs associated with the proposed rules would be negligible. These rules will impose no additional costs on local governments.

(c) The information, including the source or sources of such information, and methodology upon which the cost analysis is based: The cost estimates are based on the Commission's experience regulating racing and gaming activities within the State.

5. LOCAL GOVERNMENT MANDATES: There are no local government mandates associated with these rules.

6. PAPERWORK: These rules impose paperwork burdens on gaming facility licensees to establish, submit and maintain a system of internal controls concerning their administrative and accounting procedures. Examples of paperwork burdens on the gaming facility licensees include the drafting and maintenance of a summary of a gaming facility's system of administrative and accounting procedures; the drafting of an annual report detailing the gaming facility's Americans with Disabilities Act policies and practices; the drafting and maintenance of access badge records; the drafting and maintenance of an emergency action plan; and the drafting of notices to the commission regarding amendments or requests with respect to specific operations and internal controls.

7. DUPLICATION: These rules do not duplicate, overlap or conflict with any existing State or federal requirements.

8. ALTERNATIVES: The Commission consulted stakeholders and reviewed other gambling jurisdiction best practices and regulations. Alternatives were discussed and considered with stakeholders and compared to other jurisdiction regulations. These included the appropriate level of internal and external attestation and verification of a gaming facility's system of internal controls; the appropriate penalties for a gaming facility found to be in violation of rules concerning age for gaming participation; the appropriate amendment and notification process for changes to a gaming facility's operation certificate; and the best practices concerning facial and license plate recognition. The Commission is also required to promulgate these rules pursuant to Racing Law section 1307(2)(f), (i) and (k). Therefore, no alternatives were considered.

9. FEDERAL STANDARDS: There are no federal standards applicable to the licensing of gaming facilities in New York; it is purely a matter of New York State law.

10. COMPLIANCE SCHEDULE: The Commission anticipates that the affected parties will be able to achieve compliance with these rules upon adoption.

Regulatory Flexibility Analysis, Rural Area Flexibility Analysis and Job Impact Statement

These rules will not have any adverse impact on small businesses, local governments, jobs or rural areas. These rules set forth the requirement that a gaming facility licensee submit its system of administrative and accounting procedures for the conduct and operation of gaming to the Commission in advance of the issuance of an operation certificate. These rules also establish requirements for hours of operation, minimum age participation and access, an emergency action plan, and procedures for key control, facial recognition and license plate recognition. These rules apply only to the licensed gaming facilities.

These rules do not impact local governments or small businesses as it is not expected that any local government or small business will hold a gaming facility license.

These rules impose no adverse impact on rural areas. These rules apply uniformly throughout the state and solely apply to licensed gaming facilities.

These rules will have no adverse impact on job opportunities.

These rules will not adversely impact small businesses, local governments, jobs, or rural areas. Accordingly, a full Regulatory Flexibility Analysis, Rural Area Flexibility Analysis, and Job Impact Statement are not required and have not been prepared.

Department of Health

PROPOSED RULE MAKING NO HEARING(S) SCHEDULED

Transgender Related Care and Services

I.D. No. HLT-19-16-00008-P

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

Proposed Action: Amendment of section 505.2(1) of Title 18 NYCRR.

Statutory authority: Public Health Law, sections 201 and 206; and Social Services Law, sections 363-a and 365-a(2)

Subject: Transgender Related Care and Services.

Purpose: To revise and clarify the criteria for Medicaid coverage of transgender related care and services.

Text of proposed rule: Subdivision (1) of section 505.2 is amended to read as follows:

(1) Gender dysphoria treatment.

(1) As provided in this subdivision, payment is available for medically necessary hormone therapy and/or gender reassignment surgery for the treatment of gender dysphoria.

(2) Hormone therapy, whether or not in preparation for gender reassignment surgery, may be covered for individuals 18 years of age or older.

(3) Gender reassignment surgery may be covered for an individual who is 18 years of age or older and has letters from two qualified New York State licensed health professionals who have independently assessed the individual and are referring the individual for the surgery. One of these letters must be from a psychiatrist, psychologist, or psychiatric nurse practitioner with whom the individual has an established and ongoing relationship. The other letter may be from a licensed psychiatrist, psychologist, physician, psychiatric nurse practitioner, or licensed clinical social worker acting within the scope of his or her practice, who has only had an evaluative role with the individual. Together, the letters must establish that the individual:

(i) has a persistent and well-documented case of gender dysphoria;

(ii) has received hormone therapy appropriate to the individual's gender goals, which shall be for a minimum of 12 months in the case of an individual seeking genital surgery, unless such therapy is medically contraindicated or the individual is otherwise unable to take hormones;

(iii) has lived for 12 months in a gender role congruent with the individual's gender identity, and has received mental health counseling, as deemed medically necessary, during that time;

(iv) has no other significant medical or mental health conditions that would be a contraindication to gender reassignment surgery, or if so, that those are reasonably well-controlled prior to the gender reassignment surgery; and

(v) has the capacity to make a fully informed decision and to consent to the treatment.

(4) Payment will not be made for the following services and procedures:

(i) cryopreservation, storage, and thawing of reproductive tissue, and all related services and charges;

(ii) reversal of genital and/or breast surgery;

(iii) reversal of surgery to revise secondary sex characteristics; and

(iv) reversal of any procedure resulting in sterilization [; and].

(5) *Payment will not be made for any surgery, services, or procedures that are performed solely for the purpose of improving an individual's appearance (cosmetic procedures). The following surgery, services, and procedures will be presumed to be cosmetic and will not be covered, unless justification of medical necessity is provided and prior approval is received:*

[(v) cosmetic surgery, services, and procedures, including but not limited to:]

[(a) (i) abdominoplasty, blepharoplasty, neck tightening, or removal of redundant skin;

[(b) (ii) breast augmentation, unless the individual has completed a minimum of 24 months of hormone therapy during which time breast growth has been negligible, or hormone therapy is medically contraindicated or the individual is otherwise unable to take hormones;

[(c) (iii) breast, brow, face, or forehead lifts;

[(d) (iv) calf, cheek, chin, nose, or pectoral implants;

[(e) (v) collagen injections;

[(f) (vi) drugs to promote hair growth or loss;

[(g) (vii) electrolysis, unless required for vaginoplasty or phalloplasty;

[(h) (viii) facial bone reconstruction, reduction, or sculpturing, including jaw shortening and rhinoplasty;

[(i) (ix) hair transplantation;

[(j) (x) lip reduction;

[(k) (xi) liposuction;

[(l) (xii) thyroid chondroplasty; and

[(m) (xiii) voice therapy, voice lessons, or voice modification surgery.

[(5) (6) For purposes of this subdivision, cosmetic surgery, services, and procedures refers to anything solely directed at improving an individual's appearance.

[(6) (7) All legal and program requirements related to providing and claiming reimbursement for sterilization procedures must be followed when transgender care involves sterilization.

Text of proposed rule and any required statements and analyses may be obtained from: Katherine Ceroalo, DOH, Bureau of House Counsel, Reg. Affairs Unit, Room 2438, ESP Tower Building, Albany, NY 12237, (518) 473-7488, email: regsqna@health.ny.gov

Part 5313

Conduct and Operation of Gaming

Section	
5313.1	System of internal control
5313.2	Age for gaming participation; signage; responsibilities
5313.3	Hours of operation
5313.4	Facility accessibility
5313.5	Access badges and temporary access credentials
5313.6	Licensee leases and contracts
5313.7	Emergency procedures
5313.8	Operation certificate
5313.9	Firearms
5313.10	Retention, storage and destruction of books, records and documents
5313.11	Key control
5313.12	Facial recognition
5313.13	License plate recognition
5313.14	Limitation on certain financial access

§ 5313.1. System of internal control.

(a) Consistent with Racing, Pari-Mutuel Wagering and Breeding Law section 1334, a gaming facility licensee shall submit to the commission a written description of its initial system of administrative and accounting procedures, including its internal control systems and audit protocols, at least 60 days prior to the projected date of issuance of an operation certificate unless otherwise approved in writing by the commission. A written system of internal controls shall include, without limitation:

- (1) organization charts depicting segregation of functions and responsibilities;
- (2) a description of the duties and responsibilities of each position shown on the organization charts and the respective lines of authority for each;
- (3) a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this Part;
- (4) a record retention policy relating to retention, storage and destruction of books, records and documents, as required by section 5313.10 of this Part;
- (5) procedures to ensure that assets are safeguarded and counted in conformance with count procedures as set forth in this Subchapter;
- (6) procedures governing the conduct of all gaming-related promotions to be offered;

- (7) procedures to ensure that the gaming facility licensee's employees comply with licensing or registration requirements;
- (8) other items the commission may request in writing to be included in such gaming facility's internal controls;
- (9) administrative controls that include the procedures and records that relate to the decision-making processes leading to management's authorization of transactions;
- (10) accounting controls that safeguard assets and revenues and ensure the reliability of financial records. Such accounting controls must be designed to provide reasonable assurance that:
 - (i) transactions or financial events that occur in the operation of a slot machine or table game are executed in accordance with management's general and specific authorization;
 - (ii) transactions or financial events that occur in the operation of a slot machine or table game are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States, Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter;
 - (iii) transactions or financial events that occur in the operation of gaming are recorded in a manner that provides reliable records, accounts and reports, including the recording of cash and evidences of indebtedness, for use in the preparation of reports to the commission;
 - (iv) transactions or financial events that occur in the operation of gaming are recorded to ensure accountability for assets and to permit the proper and timely reporting of gaming revenue, fees and taxes;
 - (v) access to assets is permitted only in accordance with management's general and specific authorization; and
 - (vi) the recorded accountability for assets is compared with existing physical assets at reasonable intervals and that appropriate action is taken with respect to any discrepancies;
- (11) procedures and controls for ensuring that each slot machine and electronic table game directly provides and communicates all required activities and financial details to the online monitoring and accounting system;
- (12) procedures and controls for ensuring that all functions, duties and responsibilities are segregated and performed in accordance with sound financial practices by qualified personnel; and

(13) procedures and controls for ensuring, through the use of surveillance and security departments, that the gaming facility is secure during normal operations and during any emergencies due to malfunctioning equipment, loss of power, natural disaster or any other cause.

(b) An internal control systems submission shall be accompanied by an attestation by the gaming facility's chief executive officer or other delegated person with a direct reporting relationship to the chief executive officer attesting that the signatory believes, in good faith, that the submitted internal controls:

(1) conform to the requirements of Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter; and

(2) are designed to provide reasonable assurance that the financial reporting conforms to generally accepted accounting principles in the United States and complies with applicable laws and regulations, including Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter.

(c) An initial internal controls submission also shall be accompanied by a report from an independent certified public accounting firm that is in good standing with the New York State board for accountancy or with the state board for accountancy where such firm is licensed. Such report should express an opinion as to the suitability of the design of the submitted system of internal controls over financial reporting in accordance with the requirements of subdivision (a) of this section.

(d) The commission will review each initial submission made under subdivision (a) of this section and determine whether such submission conforms to the requirements of Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter and provides adequate and effective controls to ensure the integrity of the operation of gaming at a gaming facility. If the commission determines that the submission is deficient in any area, the commission will provide written notice of the deficiency to the gaming facility licensee and allow the gaming facility licensee to submit a revision to such submission.

(e) A gaming facility licensee shall submit to the commission any proposed amendment to such licensee's approved system of internal controls. Such gaming facility licensee may implement such proposed amendment on the 30th calendar day following the filing of a complete submission, unless the commission rejects such proposed amendment in writing or tolls such 30-day period pursuant of subdivision (f) of this section.

(f) If, during a 30-day review period set forth in subdivision (e) or subdivision (g) of this section, the commission preliminarily determines that a procedure or omission in a submission is likely to affect negatively the integrity of gaming operations or the control of revenue, the commission shall, by written notice to the gaming facility licensee:

(1) specify the nature of the commission's objection and, when possible, suggest an acceptable alternative procedure; and

(2) direct that the 30-calendar-day review period set forth in subdivision (e) of this section be tolled and that any proposed internal control amendments not be implemented until approved pursuant to subdivision (g) of this section.

(g) When the commission tolls a proposed amendment pursuant to subdivision (f) of this section, the gaming facility licensee may submit a revised amendment within 30 days of receipt of the written notice from the commission. Such gaming facility licensee may implement a revised amendment upon receipt of written notice of approval from the commission or on the 30th calendar day following the filing of the revision, unless the commission rejects such proposed amendment in writing or tolls such 30-day period pursuant of subdivision (f) of this section.

(h) Each gaming facility licensee shall maintain a current version of such gaming facility licensee's internal controls in electronic form available through secure computer access to the accounting and surveillance departments of such gaming facility licensee and to commission staff at such gaming facility. Each page of such internal controls document shall indicate the date on which the commission approved such page. Each gaming facility licensee also shall maintain, for a minimum of five years, a copy, either in paper or electronic form, of

- (1) any superseded internal control procedures; and
- (2) the original, signed attestation required by subdivision (b) of this section.

§ 5313.2. Age for gaming participation; signage; responsibilities.

(a) To effectuate compliance with Racing, Pari-Mutuel Wagering and Breeding Law section 1332(1), each gaming facility licensee shall post appropriate security personnel at any location in the facility that allows access to the gaming floor.

(b) A gaming facility licensee shall post signs that include a statement that is similar to the following: "It is unlawful for any individual under 21 years of age to enter or remain in any area where gaming is conducted. It is unlawful for any individual under 21 years of age to wager, play or attempt to play a slot machine or table game. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution." Such signs shall be posted prominently at each entrance and exit of the gaming floor.

(c) A gaming facility licensee shall identify and remove any person who is under 21 years of age and not otherwise authorized by law to be on the gaming floor and immediately notify onsite commission staff when a person under 21 years of age is discovered on the gaming floor, in areas off the gaming floor where gaming activity is conducted or engaging in gaming-related activities.

(d) A gaming facility licensee shall not allow or permit any person who is under 21 years of age to:

- (1) participate as a player at any game in such gaming facility;

(2) receive any complimentary services or items as a result of, or in anticipation of, such individual's gaming activity;

(3) be present on the gaming floor without the escort of a licensed gaming facility employee and for longer than necessary to reach a destination that is not on the gaming floor; or

(4) make any wager at any such gaming facility.

(e) The commission shall penalize a gaming facility licensee found to have violated paragraph (3) of subdivision (d) of this section as follows:

(1) for a first violation, a fine of \$1,000;

(2) for a second violation within one year of a violation, a fine of \$5,000;

(3) for a third violation within one year of a violation, a fine of \$10,000; and

(4) for a fourth violation or subsequent violation within one year of a violation, a fine of \$25,000 and such further action as the commission may deem appropriate, which may include without limitation the suspension or revocation of the occupational license of any key employee found to be responsible for the violation.

(f) The commission shall penalize a gaming facility licensee found to have violated paragraph (4) of subdivision (d) of this section as follows:

(1) for a first violation, a fine of \$5,000;

(2) for a second violation within one year of a violation, a fine of \$20,000;

(3) for a third violation within one year of a violation, a fine of \$25,000; and

(4) for a fourth violation or subsequent violation within one year of a violation, a fine of \$25,000 and such further action as the commission may deem appropriate, which may include without limitation the suspension or revocation of the occupational license of any key employee found to be responsible for the violation.

(g) A gaming facility licensee shall implement procedures that ensure that persons less than 21 years of age do not receive junket solicitations, targeted mailing, telemarketing promotions, player club membership materials or other promotional materials relating to gaming activities.

§ 5313.3. Hours of operation.

(a) A change in scheduled hours of operation of a gaming facility means a change in scheduled hours effected pursuant to the requirements of Racing, Pari-Mutuel Wagering and Breeding Law section 1333(2).

(b) An alteration in scheduled hours of operation of a gaming facility means a temporary deviation from established hours of operation, as contemplated by Racing, Pari-Mutuel Wagering and Breeding Law section 1333(3). A gaming facility licensee proposing an alteration of scheduled hours of operation must do so in writing to the commission at least 30 days prior to the effective date of the proposed alteration, and no such alteration shall be permitted absent prior approval by the commission; provided, however, that the commission may shorten or waive the prior notice and prior approval requirements if extraordinary circumstances exist, in the judgment of the commission.

(c) If a gaming facility is required to close during normal business hours due to an emergency, such facility shall notify the commission as soon as practicable.

§ 5313.4. Facility accessibility.

(a) Consistent with the requirements of Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12181-12189) and regulations promulgated thereunder (referred to in this section, collectively, as the ADA), each gaming facility licensee that is a public accommodation as defined in the ADA shall comply with Federal law pertaining to ensuring that individuals with disabilities are provided an equal opportunity to participate in or benefit from such licensee's goods and services. To accomplish these objectives, such gaming facility licensee's internal control system shall ensure ongoing ADA compliance, including, at a minimum:

(1) designation of or hiring an ADA compliance officer who, within 90 days of designation or hire, shall undergo training, at such gaming facility licensee's expense, in regard to the requirements of Title III of the ADA. The ADA compliance officer shall be responsible for handling, among other things, any disability-related complaints from patrons and guests of the gaming facility;

(2) training of all first-line supervisors and managers, within 90 days of hire, on Title III of the ADA as such law applies to a gaming facility and on the obligations to ensure that all guests with disabilities are afforded an equal opportunity to participate in the services, facilities and activities offered at the gaming facility; and

(3) development of an ADA-complaint resolution policy to address ADA-related complaints by patrons and guests of such gaming facility and provide a copy of such policy to the commission for review and input. Such policy shall identify the ADA compliance officer and the process by which complaints will be investigated and resolved. Such gaming facility licensee shall implement such policy within 60 days of receiving and implementing the commission's comments.

(b) Each gaming facility licensee shall report annually to the commission in regard to such licensee's ADA practices, including any complaints received and their resolution, any policies adopted and any training of employees that occurred (by date and the content of training). The commission may order such corrective or remedial action as

the commission may deem necessary or advisable for a gaming facility licensee to undertake.

(c) The facility licensee shall also provide to the commission annually any research, proposed practices or practices implemented with regard to accommodations for disabled persons gaming within the facility.

§ 5313.5. Access badges and temporary access credentials.

(a) A gaming facility licensee shall develop an access control matrix indicating the restricted areas in a licensed facility to which each employee, and each employee of a vendor or any other authorized person has access in accordance with such person's job description. Access to restricted areas by a gaming facility employee or vendor employee shall be limited to the restricted areas to which such employee needs access in the course of the performance of such employee's normal duties listed in such employee's job description.

(b) A gaming facility licensee shall adopt an access badge system consisting of a badge that contains an employee's name, picture and identifying code that indicates such employee's title and/or job function.

(c) A gaming facility licensee shall prepare and maintain internal control procedures for:

(1) issuance of access badges for employees, vendor employees and other non-employees permitted to have access to one or more restricted areas and issuance of replacement access badges when a badge is misplaced, stolen, forgotten, damaged, not functioning or obsolete;

(2) issuance of temporary identification credentials to employees, vendor employees and other non-employees; and

(3) collection of such access badges or credentials when an employee, vendor employee or other non-employee has been suspended or discharged or when an employee's employment has been terminated.

(d) Each gaming facility employee shall be required to wear an access badge in a location visible to guests, surveillance cameras and security personnel at all times while working in a gaming facility.

(e) A complete listing of badge records, including without limitation the name of each badge recipient, employment position, badge number and assigned employment and access level shall be provided to the commission or the commission's designees prior to the issuance of a gaming facility's operation certificate. All additions, deletions and changes to such initial listing shall be provided to the commission or the commission's designees at a frequency that the commission may direct.

(f) Commission employees or designees shall have immediate, unfettered access to restricted areas during the performance of their respective duties and responsibilities.

§ 5313.6. Licensee leases and contracts.

(a) Consistent with Racing, Pari-Mutuel Wagering and Breeding Law section 1341, each gaming facility applicant or licensee shall maintain a record of each written or unwritten agreement in regard to the realty, construction, maintenance or business of a proposed or existing gaming facility or related facility, without regard to whether such gaming facility applicant or licensee is a party to such agreement.

(b) The commission may review any agreement described in subdivision (a) of this section on the basis of the reasonableness of its terms, including the terms of compensation, and of the qualifications of the owners, officers, employees and directors of any enterprise involved in the agreement.

(c) If the commission disapproves of such an agreement or of the owners, officers, employees or directors of any enterprise involved in such agreement, the commission may require termination of such agreement.

§ 5313.7. Emergency procedures.

(a) A gaming facility licensee shall submit to the commission, the New York State Police, local police department and the local fire department, no less than 90 days before the issuance of an operation certificate, an emergency action plan for the response to, and management of, fire, medical emergencies, loss of power, critical system and/or equipment failures, including without limitation surveillance and accounting, and natural disasters in all areas of the gaming facility and ancillary developments.

(b) Such plan shall include procedures for notification of the New York State Police, local police department, the local fire department or emergency medical personnel, and procedures for expedited and unimpeded access of the personnel into all areas of the gaming facility or ancillary developments in the event of a fire, medical or other emergency.

(c) Such plan shall also include a proposed inspection schedule allowing the New York State Police, local police department and local fire department personnel to inspect all areas of the gaming facility and ancillary developments for compliance with applicable fire and emergency laws, codes and ordinances.

§ 5313.8. Operation certificate.

(a) A gaming facility licensee may not open a gaming facility for business or begin gaming operations until the commission has issued a valid operation certificate in accordance with the requirements of Racing, Pari-Mutuel Wagering and Breeding Law section 1331.

(b) To obtain an operation certificate, each gaming facility shall establish to the satisfaction of the commission that the:

- (1) gaming facility complies in all respects with the applicable requirements of Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter;
- (2) gaming licensee has implemented necessary internal control procedures for the safe and efficient operation of the gaming facility;
- (3) gaming facility has complied with the licensing provisions of this Subchapter;
- (4) commission has been provided proof that all employees are licensed or registered for the performance of their respective responsibilities;
- (5) gaming facility is prepared in all respects to receive and entertain the public;
- (6) gaming facility meets or exceeds State and local fire and safety standards; and
- (7) gaming facility has provided payroll records that establish to the satisfaction of the commission that it has complied with the requirements of Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law, if applicable. Such payroll records shall be accompanied by an attestation by the gaming facility's chief executive officer or other delegated person as to their accuracy.

(c) Subject to the commission's authority to revoke, suspend, limit or otherwise alter an operation certificate, each such certificate, once issued, shall remain in full force and effect for so long as the licensee holding such certificate remains licensed, under such terms and conditions as the commission may impose. Such operation certificate shall not be altered, modified or amended except in accordance with Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter.

(d) The continued effectiveness of each operation certificate shall be a prerequisite for the gaming facility to which such certificate applies to remain open to the public for the operation of gaming.

(e) Each gaming facility licensee to which an operation certificate is issued shall operate such licensee's gaming facility strictly in accordance with the terms of such licensee's original operation certificate and the approved gaming floor layout submitted in support thereof, and shall not change any of the items to which the operation certificate applies, except in accordance with Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter and after obtaining any required amendments to such operation certificate. Nothing in this subdivision shall prevent a gaming facility licensee from moving or reconfiguring gaming devices within the approved gaming floor layout provided the commission is notified of such change in writing at least five business days in advance of implementation and that such change is in compliance with State building code and this Subchapter.

(f) Whenever a gaming facility licensee proposes a physical change to such licensee's gaming facility or to a restricted area that requires commission approval in order for such licensee's original operation certificate, or any approved amendments to such operation certificate, to continue in force and effect, such gaming facility licensee must submit an application for amended operation certificate, the form of which the commission shall provide to the applicant upon request. Such application shall include, without limitation, the following:

(1) a revised gaming floor layout reflecting the proposed change, in which the revised plan shall be submitted in a format approved in writing by the commission and filed with such application; and

(2) a statement from an architect or other suitable professional licensed to practice in the State of New York certifying that the proposed change as presented will be in compliance with State building code and this Subchapter.

(g) The commission shall review any proposed change for compliance with Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter and shall issue a determination and, if approved, notice to proceed, within a reasonable time after receipt of the application for amended operation certificate.

(h) Upon receipt of the notice to proceed, the gaming facility licensee shall complete the changes outlined in the application for amended operation certificate and notify the commission in writing within five days of final completion of any proposed change. A gaming floor layout that depicts the actual changes made shall accompany the notice of final completion and be filed with the commission. Each such gaming floor layout shall depict the change and shall include updates, based on the actual changes made, for each item required to be included in the application for amended operation certificate pursuant to subdivision (f) of this section and described in the notice to proceed; provided, however, that a floor plan of the entire gaming facility that depicts all changes proposed in the application for amended operation certificate and any amendment thereto shall accompany the notice of final completion.

(i) Promptly after the filing of a notice of final completion pursuant to subdivision (h) of this section, the commission shall inspect the physical changes actually made to the gaming facility to ensure that such changes conform to the gaming floor layout accompanying the notice of final completion and the description previously submitted to the commission, as modified by any properly filed amendments thereto. Following such inspection, the commission shall notify the gaming facility licensee in writing as to which physical change is approved and which is rejected, whereupon:

(1) the gaming facility licensee, in the event any change is rejected, shall either:

(i) correct any rejected change to conform with the floor plan accompanying the notice of final completion and the description previously submitted to the

commission, as modified by any properly filed amendments thereto, which correction shall be completed and inspected pursuant to this section;

(ii) submit for approval, pursuant to subdivision (f) of this section, a new application for amended operation certificate; or

(iii) take such other action as the commission may direct to ensure that the currently approved gaming floor layout accurately depicts the physical layout of the gaming facility, including any restricted areas; and

(2) the operation certificate shall be amended to conform to each inspected and approved physical change.

(j) An operation certificate shall be revoked, suspended or limited by the commission if the commission initiates disciplinary action against the gaming facility licensee and determines that the gaming facility licensee is in violation of Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law or this Subchapter or that the commission's action is in the best interests of the State and reasonably necessary and appropriate to protect and enhance the credibility and integrity of commercial gaming operations in this State.

§ 5313.9. Firearms.

(a) No person shall possess, or be permitted to possess, any firearm within a gaming facility without the prior express written consent of the commission, except any on-duty officer or agent of any local, State or Federal law enforcement agency, when such officer or agent is acting in an official capacity.

(b) The gaming facility licensee shall post in a conspicuous location at every entrance to the gaming facility a sign stating: "No Person Shall Possess Any Firearm Within This Facility."

§ 5313.10. Retention, storage and destruction of books, records and documents.

(a) For the purposes of this section, *books, records and documents* means any book, record or document pertaining to, prepared in or generated by the operation of a gaming facility licensee, including all forms, reports, accounting records, ledgers, subsidiary records, computer-generated data, internal audit records, correspondence and personnel records required to be generated and maintained (excluding physical tickets generated by slot machines as long as an electronic record of each ticket printed is maintained within the slot management system). This definition applies without regard to the medium through which the record is generated or maintained (e.g., paper, magnetic media or encoded disk).

(b) Original books, records and documents pertaining to the operation of a gaming facility licensee shall be:

(1) prepared and maintained in a complete, accurate and legible form. Electronic data shall be stored in a format that ensures readability, without regard to whether the technology or software that created or maintained such data has become obsolete;

(2) retained in a secure location in the gaming facility that is equipped with a fire suppression system or at another location approved pursuant to subdivision (d) of this section;

(3) made available for inspection by the commission and the commission's designees during all hours of operation;

(4) organized and indexed in a manner to provide immediate accessibility to the commission and the commission's designees; and

(5) destroyed only after expiration of the minimum retention period specified in subdivision (c), except that the commission may, upon the written request of a gaming facility licensee and for good cause shown, permit destruction at an earlier date.

(c) Unless otherwise authorized by Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law or this Subchapter, all original books, records and documents shall be retained in accordance with a retention schedule annually issued by the commission. Nothing herein shall be construed as relieving a gaming facility licensee from meeting any obligation to maintain any book, record, or document required by any other Federal, state or local; governmental body authority, or agency.

(d) The commission may approve, upon the written request of a gaming facility licensee, a location outside the gaming facility to store original books, records and documents. Such request shall include the following:

(1) a detailed description of the proposed location, including security and fire suppression systems; and

(2) the procedures under which the commission and the commission's designees will be able to gain access to the retained original books, records and documents.

(e) The commission may approve, upon the written request of a gaming facility licensee a microfilm, microfiche or other suitable media system for the copying and storage of original books, records and documents. Such request shall include representations in regard to the:

(1) processing, preservation and maintenance methods that will be employed to ensure that the books, records and documents are available in a format that makes such material readily available for review and copying;

(2) inspection and quality control methods that will be employed to ensure that microfilm, microfiche or other media, when displayed on a reader or viewer or reproduced on paper, exhibits a high degree of legibility and readability;

(3) availability of a reader or printer for use by the commission and the commission's designee at such licensed facility or other location approved by the commission and the readiness with which the books, records or documents being stored on microfilm, microfiche or other media can be located, read and reproduced; and

(4) availability of a detailed index of all microforms or other stored data maintained and arranged in a manner to permit the immediate location of any particular book, record or document.

§ 5313.11. Key control.

(a) Any key that is considered sensitive and is required to be controlled and maintained and any corresponding locking device shall be approved by the commission. Such keys shall be legally duplicated only by the manufacturer, or the manufacturer's designee, and shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within the gaming facility. Nothing in this subdivision shall preclude the commission from exempting a type of secure box, compartment or location from the requirements of this subdivision upon a determination that the security of such box, compartment or location would not otherwise be compromised.

(b) As approved by the commission, sensitive keys shall include, without limitation, the following:

(1) table drop box contents keys;

(2) table drop box release keys;

(3) table drop box trolley keys;

(4) slot machine keys;

(5) count room entrance keys;

(6) locations housing a computer that controls a progressive payout wager system for table games offering a progressive payout wager;

(7) storage cabinets or trolleys for unattached table drop boxes;

(8) float keys; and

(9) pit podium keys.

(c) A gaming facility licensee shall establish key control procedures for any sensitive key as approved by the commission. Such procedures shall provide for, at a minimum, the following:

- (1) the maintenance of perpetual inventory records and the physical inventory of all sensitive keys by an independent department;
- (2) the requisitioning of keys and locking devices from vendors; and
- (3) the security and restrictions that control access to keys, whether manually or through an electronic system, and records and reports generated or prepared.

§ 5313.12. Facial recognition.

The commission may require a gaming facility licensee to install security and surveillance equipment where any chips, tokens, tickets, electronic cards or similar objects can be redeemed for cash, whether by a gaming employee or by electronic means, that must capture, for law enforcement purposes, facial feature pattern characteristics, including a computerized facial image. Such system must be able to compare a photograph or image of one or more persons to live or recorded video in order to determine if such person is or has been in the facility.

§ 5313.13. License plate recognition.

The commission may require a gaming facility licensee to install security and surveillance equipment in garages and parking lots to capture a vehicle license plate. Such system must be able to include the time, color image and the vehicle's license plate number.

§ 5313.14. Limitation on certain financial access.

(a) Automated teller machines shall be prohibited from accepting electronic benefit cards, debit cards or similar negotiable instruments issued by the State or political subdivisions of the State for the purpose of accessing temporary public assistance, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1338(2).

(b) An automated teller machine shall have a label on the top and front that displays a unique identification number. Each such label shall have a color combination approved by the commission that is easily visible to the gaming facility's surveillance department and that may not be easily removed. The label on the top of each automated teller machine shall be at least 1½ inches by 5½ inches and the label on the front of each automated teller machine shall be at least 1 inch by 2½ inches.

(c) A gaming facility may use an automated teller machine that also contains an automated gaming voucher redemption machine, an automated coupon redemption machine or bill breaker, provided that such machine complies with the requirements in

regard to such gaming facility's automated gaming voucher and coupon redemption machine accounting controls.

(d) The use of credit cards, debit cards, similar devices and instruments described in subdivision (a) of this section are prohibited in slot machines or at table games, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1338(3).

(e) The proximity of an automated teller machine to a slot machine or table game that is on a gaming floor is subject to the following limitations:

(1) no automated teller machine may be placed closer than five feet to a slot machine or table game; and

(2) there may be no more than one automated teller machine for every 100 slot machines and table game seats.

(f) Exclusive of transaction fees or surcharges, the maximum amount that a player may withdraw from an account by using an automated teller machine located on a gaming floor shall be no more than \$3,500 per calendar day.

(g) No gaming facility is permitted to cash a paycheck from a patron, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1338(4).



Gaming Commission

One Broadway Center, P.O. Box 7500, Schenectady, NY 12301-7500

www.gaming.ny.gov

John A. Crotty, Commissioner
Peter J. Moschetti, Jr., Commissioner
John J. Poklemba, Commissioner
Barry Sample, Commissioner
Todd R. Snyder, Commissioner

Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners

From: Edmund C. Burns

Date: June 20, 2016

Re: Adoption of Rulemaking for Casino Surveillance (9 NYCRR Part 5314)

For Commission consideration is the adoption of rules for gaming facility surveillance. The proposed Part addresses the following topics: submission of a gaming facility licensee's surveillance plan of operation; requirements for the surveillance department including location and equipment and the monitoring of certain areas and activities; surveillance department employee training and restrictions; and the retention of records.

The Commission proposed this rulemaking on April 25, 2016. The proposal was published in the May 11, 2016 *State Register*. A copy of that notice is attached. The public comment period will end on June 27, 2016. No public comment has been received to date. We will advise if any comment is received.

A copy of the full text of the proposed Part 5314 is attached.

[REDACTED]

attachments

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

Text of rule and any required statements and analyses may be obtained from: Kristen Buckley, New York State Gaming Commission, One Broadway Center, P.O. Box 7500, Schenectady, New York 12301, (518) 388-3407, email: gamingrules@gaming.ny.gov

Initial Review of Rule

As a rule that does not require a RFA, RAFA or JIS, this rule will be initially reviewed in the calendar year 2021, which is no later than the 5th year after the year in which this rule is being adopted.

Assessment of Public Comment

The agency received no public comment.

NOTICE OF ADOPTION

Thoroughbred Pick-Four, Pick-Five and Pick-Six Wagers

I.D. No. SGC-07-16-00011-A

Filing No. 436

Filing Date: 2016-04-26

Effective Date: 2016-07-22

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following action:

Action taken: Amendment of sections 4011.23 and 4011.26; renumbering of section 4011.24 to 4011.23; and addition of section 4011.25 to Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 103(2), 104(1) and (19)

Subject: Thoroughbred pick-four, pick-five and pick-six wagers.

Purpose: To standardize and improve the pick-four, pick-five and pick-six wagers in thoroughbred racing.

Text or summary was published in the February 17, 2016 issue of the Register, I.D. No. SGC-07-16-00011-P.

Final rule as compared with last published rule: No changes.

Text of rule and any required statements and analyses may be obtained from: Kristen Buckley, New York State Gaming Commission, One Broadway Center, P.O. Box 7500, Schenectady, New York 12301, (518) 388-3407, email: gamingrules@gaming.ny.gov

Initial Review of Rule

As a rule that does not require a RFA, RAFA or JIS, this rule will be initially reviewed in the calendar year 2021, which is no later than the 5th year after the year in which this rule is being adopted.

Assessment of Public Comment

The Gaming Commission received a public comment from the New York Racing Association, Inc. supporting the adoption of the rules and requested that the changes be effective on July 22, 2016, which is the start of the Saratoga meet, in order to allow for appropriate testing of the totalisator system to prepare for the rules changes.

As the result of the request, the Commission adopted the rules to become effective on July 22, 2016.

**PROPOSED RULE MAKING
NO HEARING(S) SCHEDULED**

Surveillance Standards for a Licensed Gaming Facility

I.D. No. SGC-19-16-00013-P

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

Proposed Action: Addition of Part 5314 to Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(19), 1307(1), (2)(k) and 1331

Subject: Surveillance standards for a licensed gaming facility.

Purpose: To govern a gaming facility licensee's system of procedures and standards for surveillance.

Substance of proposed rule (Full text is posted at the following State website: www.gaming.ny.gov): The addition of Part 5314 of Subtitle T of Title 9 NYCRR will allow the New York State Gaming Commission ("Commission") to prescribe rules that require a gaming facility licensee to establish and implement a surveillance plan of operation for its gaming facility. These rules also establish standards for a gaming facility's surveillance department including location and equipment and the monitoring of certain areas and activities, surveillance department employee training and restrictions, and the retention of records.

Section 5314.1 sets forth the requirements for a gaming facility licensee's submission of a surveillance plan of operation. Sections 5314.2 through 5314.4 guide a gaming facility licensee on, among other things, surveillance department staffing and equipment. Section 5314.5 and 5314.6 set forth the areas and activities within the gaming facility that are required to be monitored and recorded by the surveillance department. Section 5314.7 establishes the retention periods for audio, visual and other recorded activities.

Text of proposed rule and any required statements and analyses may be obtained from: Kristen Buckley, Acting Secretary, New York State Gaming Commission, One Broadway Center, 6th Fl., Schenectady, NY 12305, (518) 388-3407, email: gamingrules@gaming.ny.gov

Data, views or arguments may be submitted to: Same as above.

Public comment will be received until: 45 days after publication of this notice.

Regulatory Impact Statement

1. STATUTORY AUTHORITY: Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") section 104(19) grants authority to the Gaming Commission ("Commission") to promulgate rules and regulations that it deems necessary to carry out its responsibilities. Racing Law section 1307(1) authorizes the Commission to adopt regulations that it deems necessary to protect the public interest in carrying out the provisions of Racing Law Article 13.

Racing Law section 1307(2)(k) authorizes the Commission to prescribe for system gaming operations the procedures, forms and methods of management controls including minimum security and surveillance standards. Prior to receiving a gaming facility license, an applicant shall submit to the Commission pursuant to Racing Law section 1334, its internal procedures relating to, among other things, gaming facility surveillance.

2. LEGISLATIVE OBJECTIVES: The above referenced statutory provisions carry out the legislature's stated goal "to tightly and strictly" regulate casinos "to guarantee public confidence and trust in the credibility and integrity of all casino gambling in the state and to prevent organized crime from any involvement in the casino industry" as set forth in Racing Law section 1300(10).

3. NEEDS AND BENEFITS: The proposed rules implement and help gaming facilities understand the above listed statutory directives regarding the security and surveillance of licensed gaming facilities. The rules provide specificity with respect to the above listed statutory directives to assure transparent, credible and secure gaming operations. The rules represent best practices in gaming facility surveillance standards and are the result of input from stakeholders and other gambling jurisdiction best practices and regulation. Best practices addressed in the proposed rules include the submission and approval of a surveillance plan of operation and any amendments, surveillance department independence and employee restrictions, surveillance room access, required equipment, surveillance locations and activities, and record retention.

4. COSTS:

(a) Costs to the regulated parties for the implementation of and continuing compliance with these rules: One of the three gaming facility licensees has indicated that the anticipated costs of implementing and complying with the proposed rules will be approximately \$4 to \$5 million.

(b) Costs to the regulating agency, the State, and local governments for the implementation of and continued administration of the rule: The Commission currently reviews surveillance plans in video lottery. Based on that experience the Commission anticipates that the costs associated with the proposed rules would be negligible. These rules will not impose any additional costs on local governments.

(c) The information, including the source or sources of such information, and methodology upon which the cost analysis is based: The cost estimates are based on the Commission's experience regulating racing and gaming activities within the State.

5. LOCAL GOVERNMENT: There are no local government mandates associated with these rules.

6. PAPERWORK: These rules impose paperwork burdens on gaming facility licensees to establish, submit and maintain a surveillance plan of operation that includes a listing of surveillance department equipment and employee staffing. Examples of paperwork burdens on the gaming facility licensees include the drafting and maintenance of surveillance logs, retention of surveillance records, and drafting of notices to the Commission regarding amendments or requests.

7. DUPLICATION: These rules do not duplicate, overlap or conflict with any existing State or federal requirements.

8. ALTERNATIVES: The Commission consulted stakeholders and reviewed other gambling jurisdiction best practices and regulation. Alternatives were discussed and considered with stakeholders and compared to other jurisdictions regulations. These included the appropriate equipment for the surveillance department, the appropriate time period

to submit a surveillance plan, the appropriate notification process for amendments to a surveillance plan and the appropriate access the Commission has to the surveillance department log book entries and incident and observation reports. The Commission is also required to promulgate these rules pursuant to Racing Law sections 1307(2)(k).

9. FEDERAL STANDARDS: There are no federal standards applicable to the licensing of gaming facilities in New York; it is purely a matter of New York State law.

10. COMPLIANCE SCHEDULE: The Commission anticipates that the affected parties will be able to achieve compliance with these rules upon adoption.

Regulatory Flexibility Analysis, Rural Area Flexibility Analysis and Job Impact Statement

These rules will not have any adverse impact on small businesses, local governments, jobs or rural areas. These rules set forth the requirement that a gaming facility licensee submit a surveillance plan to the Gaming Commission for approval in advance of commencing operations. These rules also establish standards for establishing a surveillance department, employee restrictions, required surveillance and recording and retention of surveillance records. These rules apply only to the licensed gaming facilities.

These rules do not impact local governments or small businesses as it is not expected that any local government or small business will hold a gaming facility license.

These rules impose no adverse impact on rural areas. These rules apply uniformly throughout the state and solely apply to licensed gaming facilities.

These rules will have no adverse impact on job opportunities.

These rules will not adversely impact small businesses, local governments, jobs, or rural areas. Accordingly, a full Regulatory Flexibility Analysis, Rural Area Flexibility Analysis, and Job Impact Statement are not required and have not been prepared.

PROPOSED RULE MAKING NO HEARING(S) SCHEDULED

Conduct and Operation of a Gaming Facility

I.D. No. SGC-19-16-00014-P

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

Proposed Action: Addition of Part 5313 to Title 9 NYCRR.

Statutory authority: Racing, Pari-Mutuel Wagering and Breeding Law, sections 104(19), 1307(1), (2)(i), (k), 1331, 1332, 1333, 1334 and 1341(2)

Subject: Conduct and operation of a gaming facility.

Purpose: To govern a gaming facility licensee's system of procedures for the conduct and operation of gaming.

Substance of proposed rule (Full text is posted at the following State website: www.gaming.ny.gov): The addition of Part 5313 of Subtitle T of Title 9 NYCRR will allow the New York State Gaming Commission ("Commission") to prescribe requirements for the conduct and operation of gaming including a gaming facility licensee's system of internal procedures and administrative and accounting controls and the criteria for awarding a gaming facility licensee an operation certificate to commence gaming operations.

Section 5313.1 sets forth the requirements for the internal control system a gaming facility licensee submits to the Commission for approval. Section 5313.2 establishes the minimum age a patron must be to participate in gaming activities and the penalties associated with a gaming facility licensee's violation of such requirements. Section 5313.3 sets forth the procedure for the alteration or change of gaming facility hours of operation. Section 5313.4 cites to the federal statutory requirements for facility access to a public accommodation. Section 5313.5 sets forth the requirements for access to restricted areas of a gaming facility and an access badge and credential system a gaming facility licensee must adopt. Section 5313.6 provides that a gaming facility licensee retain realty, construction, maintenance and business records for Commission review. Section 5313.7 sets forth the requirement that a gaming facility licensee submit an emergency action plan to the Commission. Section 5313.8 establishes criteria for awarding a gaming facility licensee an operation certificate to commence gaming operations. Section 5313.9 sets forth restrictions on the possession of firearms within a gaming facility. Section 5313.10 sets forth requirements for the retention, storage and destruction of books, records and documents pertaining to the operation of the gaming facility licensee. Section 5313.11 sets forth control and maintenance requirements for sensitive keys. Section 5313.12 and 5313.13 set forth requirements for the installation of facial and license plate recognition

equipment. Section 5313.14 sets forth limitations on certain financial access.

Text of proposed rule and any required statements and analyses may be obtained from: Kristen Buckley, Acting Secretary, New York State Gaming Commission, One Broadway Center, 6th Floor, Schenectady, NY 12305, (518) 388-3407, email: gamingrules@gaming.ny.gov

Data, views or arguments may be submitted to: Same as above.

Public comment will be received until: 45 days after publication of this notice.

Regulatory Impact Statement

1. STATUTORY AUTHORITY: Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") section 104(19) grants authority to the Gaming Commission ("Commission") to promulgate rules and regulations that it deems necessary to carry out its responsibilities. Racing Law section 1307(1) grants rule making authority to the Commission to implement, administer and enforce the provisions of Racing Law Article 13.

Racing Law section 1307(2)(f) requires the Commission to prescribe the manner and method of the collection of taxes, fees, interest and penalties.

Racing Law section 1307(2)(i) prescribes that the Commission regulate the grounds and procedures for the revocation or suspension of an operation certificate.

Racing Law section 1307(2)(k) prescribes that the Commission regulate for gaming operations the procedures, forms and methods of management controls, including, employee and supervisory organization and responsibility and minimum security and surveillance standards.

Racing Law section 1331 provides that no gaming facility may open and no gaming activity may be conducted prior to a determination by the Commission that a gaming facility licensee has satisfied the requirements of Racing Law Article 13 and Subchapter B of the Commission's regulations and the issuance by the Commission of an operation certificate.

Racing Law section 1332 sets forth the minimum age for gaming participation.

Racing Law section 1333 sets forth requirements with respect to a gaming facility's hours of operation.

Racing Law section 1334 sets forth the requirements for a gaming facility licensee's internal control system including procedures relating to, among other things, gaming facility security and surveillance, administrative and accounting controls, the recordation of cash, checks and revenue, the shutdown of operations in the event of a state of emergency.

Racing Law section 1338 prescribes that the Commission regulate the access and use of certain financial systems and instruments at the gaming facility.

Racing Law section 1341(2) requires that a gaming facility licensee maintain a record of each unwritten or written agreement regarding realty, construction, maintenance or business.

2. LEGISLATIVE OBJECTIVES: These provisions enable the Commission to carry out the Upstate New York Gaming Economic Development Act of 2013 as embodied in Chapter 174 of the Laws of 2013 including to maintain the public confidence and trust in the credibility and integrity of legalized gaming activities in order to support the continued growth of the gaming industry that will contribute to economic development and job development in the state.

3. NEEDS AND BENEFITS: The proposed rules implement and help gaming facilities understand the above listed statutory directives regarding the operation and internal controls of licensed gaming facilities. The rules provide specificity with respect to the above listed statutory directives to assure transparent and accountable gaming operations. The rules represent best practices for guiding and promoting consistency in the overall operation of licensed gaming facilities and are the result of input from stakeholders and other gambling jurisdiction regulations. Specifically, best practices addressed in the proposed rules include (i) requiring each gaming facility licensee to establish a system of internal controls in regard to accounting, surveillance, emergency shutdowns and facility administration; (ii) establishing penalties when a gaming facility licensee violates minimum age rules; (iii) requiring each gaming facility licensee to comply with Title III of the American with Disabilities Act of 1990; and (iv) requiring each gaming facility licensee to meet specific benchmarks in order to obtain an operation certificate.

4. COSTS:

(a) Costs to the regulated parties for the implementation of and continuing compliance with these rules: One of the three gaming facility licensees has indicated that the anticipated costs of implementing and complying with the proposed regulations will be approximately \$2 to \$3 million.

(b) Costs to the regulating agency, the State, and local governments for the implementation of and continued administration of the rule: Based on the Commission's experience in regulating the conduct and operation of video lottery facilities, it anticipates that the costs associated with the proposed rules would be negligible. These rules will impose no additional costs on local governments.

PART 5314
Surveillance

Section	
5314.1	Surveillance plan of operation; approval; plan amendment
5314.2	Surveillance department establishment; independence; physical characteristics; employee restrictions; training
5314.3	Surveillance room access, required logs
5314.4	Required equipment; capabilities
5314.5	Required surveillance
5314.6	Required recording
5314.7	Surveillance records retention

§ 5314.1. Surveillance plan of operation; approval; plan amendment.

(a) A gaming facility licensee shall not be permitted to commence operations until the commission has approved in writing such licensee's surveillance plan of operation. Such plan shall be submitted for commission review no later than 60 days prior to the expected date of issuance of such gaming facility's operation certificate.

(b) A surveillance plan of operation shall detail the:

- (1) surveillance system and equipment used;
- (2) placement of all surveillance equipment in the gaming facility; and
- (3) staffing necessary to provide for the continuous monitoring of activities inside and outside the licensed facility taking into account the size and layout of the facility as well as the number and location of gaming devices on the gaming floor.

Such plan also shall address any planned shutdown of the surveillance system and any equipment failure that affects the surveillance room or any other equipment that may hinder the appropriate execution of surveillance functions and provide for an emergency contact listing with telephone numbers for persons required to be notified of any such event.

(c) The commission shall review a gaming facility's surveillance plan of operation and approve such plan if such plan is consistent with this Subchapter.

(d) A gaming facility licensee shall not alter or amend its surveillance plan of operation unless the commission has first approved in writing such alteration or amendment. A gaming facility licensee seeking to alter or amend its surveillance plan shall submit proposed alterations or amendments to such surveillance plan to the commission not less than seven days before the desired alteration or amendment would take effect. All requests for a plan alteration or amendment shall include:

- (1) details of the change, including the floor plan;

(2) reason for the change; and

(3) expected results of the change.

(e) In the event of an emergency, a gaming facility licensee may deviate from such licensee's approved surveillance plan of operation. In such instance, such gaming facility licensee shall notify the commission promptly that an emergency exists before deviation from the surveillance plan, then shall, as soon as practicable, submit a written description to the commission of the emergency and the circumstances necessitating the emergency deviation. As soon as the circumstances necessitating the emergency deviation abate, the gaming facility licensee shall resume compliance with the approved surveillance plan of operation. If the emergency does not abate, the gaming facility licensee shall seek, as soon as practicable, an amendment to its surveillance plan of operation.

(f) The commission shall have full access to, but not be capable of overriding, a gaming facility licensee's surveillance system and the transmissions therein. Each member of a gaming facility's surveillance department shall comply with any commission request to:

(1) use, as necessary, any surveillance monitoring room in the gaming facility;

(2) display on the monitors in the monitoring room any event capable of being monitored by the surveillance system; and

(3) make a video and, if applicable, audio recording of, and take a still photograph of, any event capable of being monitored by the surveillance system.

§ 5314.2. Surveillance department establishment; independence; physical characteristics; employee restrictions; training.

(a) Each gaming facility licensee shall establish and maintain a surveillance department, independent of all other departments at such gaming facility, which shall be responsible for the clandestine monitoring and recording of certain activities inside and outside the gaming facility.

(b) A surveillance monitoring room, or rooms, shall be located within a gaming facility. Such room or rooms shall be staffed continuously by employees who shall at all times monitor activities inside and outside the gaming facility, including those enumerated in section 5314.5 of this Part.

(c) A surveillance monitoring room shall:

(1) contain such equipment and supplies as necessary to undertake the required surveillance activities, taking into consideration current developments in electronic and computer technology, for the effective performance of the activities to be conducted therein including, without limitation:

- (i) a communication system capable of monitoring all gaming facility security department activities; and
 - (ii) a view-only terminal allowing access to the computerized monitoring systems used by the gaming facility licensee in monitoring and management of its gaming operations;
- (2) be connected to all gaming facility alarm systems, which may provide a visible, audible or combination signal; provided, however, that any robbery or other emergency-type alarm shall be perceptually distinguishable from all non-emergency alarm types in a manner approved by the commission;
- (3) contain a library consisting of photographs that
- (i) are no more than four years old, of all current employees of the licensee; and
 - (ii) represent patrons on any self-exclusion or excluded persons list;
- (4) contain and have readily accessible to all surveillance room employees an updated operational blueprint depicting all areas of the gaming facility and elsewhere in the gaming facility where surveillance coverage is available.
- (5) be equipped with telephones connected to the gaming facility licensee's general telephone system and at least one direct outside line independent of the general telephone system; and
- (6) be equipped with radio communication connectivity with the security department.
- (d) A gaming facility licensee shall require surveillance and security employees to undergo annual incident management training administered by a certified trainer in cooperation with law enforcement and the local fire department. Such training shall be geared to prepare surveillance and security employees on proper procedures to follow in the event of a fire, robbery attempt, bomb threat, terrorist activity, medical emergency or other major occurrence. Such training shall be geared to instruct gaming facility employees in all of the following:
- (1) incident management procedures;
 - (2) incident management notifications and communications to, for example, police, fire, ambulance and hospitals;
 - (3) securing facility records;
 - (4) securing the facility;
 - (5) evacuation; and
 - (6) fire and medical emergencies.

(e) No former gaming facility licensee surveillance department employee shall accept employment

(1) in another capacity within the same gaming facility; or

(2) within any other gaming facility whose surveillance department is under the operational control of the same person who controlled the surveillance department in which such employee had been employed previously,

unless one year has passed since such former employee worked in such surveillance department.

(f) A current or former surveillance department employee may petition the commission for a waiver of a restriction set forth in subdivision (e) of this section and permission to be employed in a particular position. The commission may grant or deny the waiver upon consideration of factors including, but not limited to:

(1) whether the former surveillance department employee will be employed in a department or area of operation that the surveillance department monitors;

(2) whether the surveillance and security systems of the licensee will be jeopardized or compromised by the employment of the former surveillance department employee in the particular position; and

(3) whether the former surveillance department employee's knowledge of the procedures of the surveillance department would facilitate the commission by any individual of irregularities or illegal acts or the concealment of any actions, errors or omissions.

§ 5314.3. Surveillance room access, required logs.

(a) Entrances to the monitoring room or rooms shall not be visible from the gaming area. Access by gaming facility licensee employees to a monitoring room or any other designated area capable of receiving a surveillance transmission shall be prescribed by the gaming facility's system of internal controls, as approved by the commission.

(b) Any person, other than a commission representative, who enters any monitoring room or designated area related to surveillance and is not a surveillance department employee shall sign a monitoring room entry log upon entering the restricted area. The monitoring room entry log shall be kept in the monitoring room and maintained in a book with bound numbered pages that cannot be removed readily.

(c) The entry log book shall include, at a minimum, the:

(1) date and time of entering into the monitoring room or designated area;

(2) entering person's name and his or her department or affiliation;

- (3) reason for entering the monitoring room or designated area;
- (4) name of the surveillance department employee authorizing the person's entry into the monitoring room or designated area; and
- (5) date and time of exiting the monitoring room or designated area.

(d) Each gaming facility licensee shall maintain a daily surveillance log in an electronic format that has an audit function that prevents modification of information after the information has been entered into the system. Such daily surveillance log shall:

- (1) be maintained continuously by surveillance employees;
- (2) be changed with each shift change of employees;
- (3) be chronological; and
- (4) contain, at a minimum, all of the following information:
 - (i) the date and time of each log entry;
 - (ii) the identity of the employee making the log entry;
 - (iii) a summary of the activity recorded;
 - (iv) whether the activity was monitored; and
 - (v) disposition of the recording, if any.

(e) All daily surveillance log entries shall contain the following information, unless otherwise directed in writing by the commission:

- (1) the identity of any surveillance room employee each time any such person enters or exits the surveillance room and the reason for such entry or departure;
- (2) the notification of any maintenance or repair of any gaming device or money-handling equipment;
- (3) live table drop box exchanges;
- (4) electronic gaming device drop bucket exchanges;
- (5) transfers of cash, chips, tokens, cards or dice;
- (6) any detention or questioning of patrons or employees by the security department, including the identity of the patrons or employees and the security department employees involved;

- (7) the beginning, end and any interruptions of the soft count;
- (8) an observed violation of Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law or this Subchapter or of the gaming facility licensee's internal control procedures;
- (9) suspected criminal activity;
- (10) malfunction or repair of surveillance equipment;
- (11) an emergency activity;
- (12) surveillance conducted on anyone or any activity that appears unusual, irregular or illegal or appears to violate Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law or this Subchapter;
- (13) surveillance conducted at the request of the gaming facility licensee, an employee of the gaming facility licensee, a commission representative or the New York State police;
- (14) other notations deemed necessary by surveillance room employees or the commission to ensure compliance with Article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this Subchapter.

§ 5314.4. Required equipment; capabilities.

The surveillance system shall include, at a minimum, the following:

(a) A surveillance system shall include light-sensitive cameras with lenses of sufficient magnification to allow the reading of information on, at a minimum, gaming chips, plaques, playing cards, dice, tiles, slot machine reel symbols, slot machine credit meters and employee credentials. Such cameras shall have 360-degree-pan, tilt and zoom capabilities, without camera stops, that allow effective and clandestine monitoring in detail and from various vantage points. A gaming facility licensee may use either an analog or digital video recording format, so long as the format selected incorporates current technology with regard to secure system access, video cameras, monitors, recorders, video printers, switches, selectors and other ancillary equipment and provides for surveillance of activities inside and outside the gaming facility.

(b) A surveillance system shall include video recording equipment that, at a minimum, shall:

- (1) permit the preservation and viewing of a clear copy of the transmission produced by any camera connected to the surveillance system;
- (2) be capable of superimposing the time and date of the transmission on each recording made by the video recording equipment; and

(3) enable the operator to identify and locate, through the use of a meter, counter or other device or method, a particular event that was recorded.

(c) A surveillance system shall be capable of recording media, which shall be replaced immediately upon the manifestation of any significant degradation in the quality of the images or sound, if applicable, recorded thereon.

(d) A surveillance system shall have audio capability in the soft-count room;

(e) A surveillance system shall have an emergency power system that can be used to operate the surveillance system in the event of a power failure, such power system to be tested at least annually, or more frequently if a test is failed; and

(f) A gaming facility shall implement a preventive maintenance program, executed by technicians subject to the direction and control of the director of surveillance, that ensures that the entire surveillance system is maintained in proper working order and that transparent covers over surveillance system cameras are cleaned in accordance with a routine maintenance schedule. In the event that preventive maintenance to be performed by a technician assigned to another department is required on an emergency basis, the surveillance department shall have priority with respect to staffing resources of such other department to ensure the efficacy of the surveillance system.

(g) Routine maintenance of surveillance equipment must be completed in one of the following ways:

(1) without compromising any of the surveillance coverage provided by the surveillance system; or

(2) according to a plan subject to the review and approval of the commission.

§ 5314.5. Required surveillance.

(a) Each gaming facility licensee shall provide surveillance of the following locations and activities:

(1) gaming conducted at each table game and the activities in the gaming pits;

(2) gaming conducted at the slot machines;

(3) operations conducted at and in the cashiers' cage, any satellite cage and each office ancillary thereto;

(4) operations conducted at and in the slot booths;

(5) operations conducted at automated coupon-redemption machines;

(6) count processes conducted in the count rooms;

- (7) movement and storage of cash, gaming chips and plaques, drop boxes, bill validator boxes, slot cash storage boxes, slot drop boxes and slot drop buckets;
- (8) entrances and exits to the gaming facility, count rooms and any other location required by the commission;
- (9) equipment designated by the commission in conjunction with the operation of an electronic-transfer credit system, a gaming-voucher system and a slot-monitoring system approved to conduct manual slot payouts;
- (10) operation of automated jackpot-payout machines, gaming-voucher-redemption machines, gaming-voucher systems and electronic-transfer credit systems;
- (11) all table games;
- (12) gaming facility licensee's parking garages, driveways and valet parking areas; and
- (13) all other areas as that the commission may designate.

(b) Whenever a gaming facility licensee replaces or modifies a gaming device on the gaming floor or other restricted areas, the surveillance department shall conduct an inspection as to the sufficiency of surveillance coverage. For those replacements or modifications that impact surveillance coverage, the director of the surveillance department shall prepare and submit to the commission prior to implementation a written certification attesting that the inspection was conducted and the surveillance coverage is sufficient.

§ 5314.6. Required recording.

A surveillance system shall be required to record, during the times and in the manner indicated below, all transmissions from cameras used to observe the following locations, persons or transactions:

- (a) all table games, whether active or inactive;
- (b) all activities conducted inside the cage, count room and satellites;
- (c) each simulcast and keno window that is open for business;
- (d) such main bank areas where gross revenue functions are performed;
- (e) the collection of drop boxes, slot drop boxes and slot cash storage boxes and the count of the contents therein;
- (f) any armored car collection or delivery of cash for which security escort or surveillance coverage is required;

- (g) the inspection and distribution of gaming equipment to gaming pits;
- (h) the retrieval of gaming equipment from gaming pits at the end of the gaming day and their delivery to the location designated and approved for inspection, cancellation, destruction or, if applicable, reuse;
- (i) each transaction conducted at a kiosk, automated bill breaker, voucher/coupon redemption and jackpot payout machine, as well as each replenishment or other servicing of any such machines; and
- (j) the entrances and exits to the gaming facility, count rooms and all other locations as the commission may require in writing.

§ 5314.7. Surveillance records retention.

(a) A recording of routine activity shall contain a date-and-time reading and shall be retained for not less than 14 days. All activity in the cage and count rooms shall be retained for not less than 21 days. The commission may, in its discretion, order a longer retention period for a particularly identified recording.

(b) A visual or audio recording of detention or questioning of a detained patron or employee shall be provided immediately to the commission upon request. Such recording shall contain a date-and-time reading and shall be labelled with all of the following:

- (1) the date and time the recording was made;
- (2) the identities of the surveillance department employee or employees responsible for the monitoring; and
- (3) the identity of the surveillance department employee who provides such recording media and the time and date of delivery to the commission. Such recording shall be retained for not less than 14 days after the original recording is provided to the commission.

(c) An original recording of a violation of internal controls or criminal activity shall be provided immediately to the commission. A copy of such recording shall be retained for not less than 90 days after the original is provided to the commission. Such recording shall contain a date-and-time reading and be marked with all of the following:

- (1) the date and time the recording was made;
- (2) the identity of the surveillance department employee or employees responsible for the monitoring; and
- (3) the identity of the surveillance department employee who provided to the commission the media from the recorder.



Gaming Commission

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John A. Crotty, Commissioner
Peter J. Moschetti, Jr., Commissioner
John J. Poklemba, Commissioner
Barry Sample, Commissioner
Todd R. Snyder, Commissioner

Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners
From: Edmund C. Burns
Date: June 20, 2016
Re: Proposed Rulemaking to Amend Casino Rule Definitions (9 NYCRR § 5300.1)

For Commission consideration are amendments to the rule setting forth the definitions of terms used in the Commission's rules on casino gaming, adding definitions relevant to new rules in the ongoing casino rulemaking process and clarifying existing definitions in certain instances. Some examples of new definitions that relate to proposed rules on excluded persons and table game regulations are definitions for *gaming cheat*, *hand*, *match-play coupon* and *pit*.

Pre-proposal comments have been solicited from the three gaming facility licensees and the applicant for the fourth casino license.

The text of the proposed rules is attached.

[Redacted]

attachment

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

PART 5300

General

Section
5300.1 Definitions

§ 5300.1. Definitions.

Unless the context indicates otherwise, the following definitions and the definitions set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1301 are applicable throughout this Subchapter:

(a) *Ancillary casino vendor* means a vendor providing goods or services to a gaming facility applicant or licensee that are ancillary to gaming activity.

(b) *Casino vendor* means a vendor providing goods or services to a gaming facility applicant or licensee that directly relate to gaming activity.

(c) *Career or professional offender* means any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, using such methods as are deemed criminal violations of the public policy of this State.

(d) *Career offender cartel* means any group of persons who operate together as career offenders.

(e) *Commission* means the commissioners, staff and designees of the New York State Gaming Commission.

(f) *Credit slip* means a form used to record either the return of chips from a gaming table to the cage or the transfer of markers or negotiable checks from a table game to a cage or bankroll.

(g) *Dealer* means a person assigned to operate games.

(h) *Drop box* means the box attached to a table game that is used to collect the following items:

(1) currency;

(2) coin;

(3) cash equivalents;

(4) damaged chips; and

(5) all other forms used by the gaming facility and deposited in the drop box as part of the audit trail.

[(f)] (i) *Excluded person* means a person who is excluded from a gaming facility pursuant to Part 5326 of this Subchapter.

(j) *Fill* means a transaction whereby a supply of chips or coins is transferred from a bankroll to a table.

(k) *Gaming cheat* means a person who is engaging in or attempting to engage in, or who is suspected of cheating, theft, embezzlement, a violation of this Subchapter or other illegal activities, or activities that are deemed a violation under Penal Law article 225 or equivalent violations in other jurisdictions, including a person who is required to be excluded or ejected from the licensed facility under Racing, Pari-Mutuel Wagering and Breeding Law section 1342 or Part 5327 of this Subchapter.

[g] (l) *Gaming facility* means the premises approved under a gaming license, which includes a gaming area and any other nongaming structure related to the gaming area and may include, without limitation, hotels, restaurants and other amenities.

(m) *Hand* means either one game in a series, one deal in a card game or the cards held by a player in a card game, as the context requires.

(n) *Match-play coupon* means a coupon with a fixed, stated value that is issued and redeemed and the stated value of which, when presented by a patron with chips that are equal to or greater in value to the stated value of the coupon, is included in the amount of the patron's wager in determining the payout on any winning bet at an authorized game.

[h] (o) *Material change* means modification to physical or financial aspects in a manner that creates an inconsistency with the application submitted by a licensee or applicant for license. Physical aspects impact the proposed gaming facility or project site through addition, removal or alteration of the quality and nature of gaming and non-gaming amenities. Financial aspects impact the capital and financing structure through addition, removal or alteration of financing source or sources, schedule of financing source or sources and arrangement or agreements of financing plan.

[(i)] (p) *Non-gaming employee* means any natural person, not otherwise included in the definition of casino key employee or gaming employee, who is employed by a gaming facility licensee or an affiliate, intermediary, subsidiary or holding company of a gaming facility licensee.

[(j)] (q) *Passive investor* means an investor owning, holding or controlling up to 25 percent of the publicly traded securities issued by a gaming facility licensee or applicant or holding, intermediate or parent company of a licensee in the ordinary course of business for investment purposes only and who does not, nor intends to, exercise influence or control over the affairs of the issuer of such securities, nor over any licensed subsidiary of the issuer of such securities.

(r) Pit means the area enclosed or encircled by the arrangement of table games in which gaming facility personnel administer and supervise the live games played at the tables by patrons located outside the perimeter of such area.

(s) Promotional gaming chip and promotional coupon mean non-cashable instruments that may be used for game play.

[k] (t) Qualified institutional investor means an institutional investor holding up to 15 percent of the publicly traded securities of a gaming facility applicant or licensee, or holding, intermediary or subsidiary company thereof, for investment purposes only and does not, nor intends, to exercise influence or control over the affairs of the issuer of such securities, nor over any licensed subsidiary of the issuer of such securities. To qualify as an institutional investor, an investor, other than a State or Federal pension plan, must meet the requirements of a qualified institutional buyer as defined in regulations of the United States Securities and Exchange Commission. A qualified institutional investor includes, without limitation, any of the following:

- (1) a bank as defined under Federal securities laws;
- (2) an insurance company as defined under Federal investment company laws;
- (3) an investment company registered under Federal investment company laws;
- (4) an investment advisor registered under Federal investment company laws;
- (5) collective trust funds as defined under Federal investment company laws;
- (6) an employee benefit plan or pension fund subject to the Employee Retirement Income Security Act, subject to certain exclusions;
- (7) a State or Federal government pension plan; and
- (8) such other persons as the commission may determine for reasons consistent with policies of the commission.

[l] (u) Qualifier means a related party in interest to an applicant, including, without limitation, a close associate or financial resource of such applicant. Qualifiers may include, without limitation:

- (1) if the gaming facility applicant is a corporation:
 - (i) each officer;
 - (ii) each director;
 - (iii) each shareholder holding five percent or more of the common stock of such company; and

- (iv) each lender;
- (2) if the gaming facility applicant is a limited liability corporation:
 - (i) each member;
 - (ii) each transferee of a member's interest;
 - (iii) each director;
 - (iv) each manager; and
 - (v) each lender;
- (3) if the gaming facility applicant is a limited partnership:
 - (i) each general partner;
 - (ii) each limited partner; and
 - (iii) each lender;
- (4) if the gaming facility applicant is a partnership:
 - (i) each partner; and
 - (ii) each lender;
- (5) any gaming facility licensee manager or operator;
- (6) any direct and indirect parent entity of a gaming facility applicant or licensee, including any holding company;
- (7) any entity having a beneficial or proprietary interest of five percent or more in a gaming facility applicant or licensee;
- (8) any other person or entity that has a business association of any kind with the gaming facility applicant or licensee; and
- (9) any other person or entity that the commission may designate as a qualifier.

(v) *Shift* means the normal daily work period of a group of employees administering and supervising the operations of live gaming devices.

(w) *Supervisor* means a person employed in the operation of the authorized games in a gaming facility in a supervisory capacity or empowered to make discretionary decisions that regulate gaming facility operations, including without limitation, pit managers.

floorpersons, gaming facility shift managers, the assistant gaming facility manager and the gaming facility manager.

[m] ~~(x)~~ *Temporary service provider* means a vendor, a vendor's agents, servants and employees engaged by a gaming facility licensee to perform temporary services at a gaming facility for no more than 30 days in any 12-month period.

[n] ~~(y)~~ *Vendor registrant* means any vendor that offers goods and services to a gaming facility applicant or licensee that is not a casino vendor or an ancillary casino vendor.



Gaming Commission

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John J. Poklemba, Commissioner
Barry Sample, Commissioner
Todd R. Snyder, Commissioner

Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners
From: Edmund C. Burns
Date: June 20, 2016
Re: Proposed Rulemaking for Excluded Persons at Casinos (9 NYCRR Part 5327)

For Commission consideration are proposed rules for excluded persons at casinos. Racing, Pari-Mutuel Wagering and Breeding Law sections 1342 through 1345 set forth various restrictions in regard to persons to be excluded from casinos and requires the Commission to regulate aspects of the exclusion process. The Commission would establish and maintain a Statewide excluded persons list. The proposed rules would set forth criteria for exclusion, the process for placement on the excluded persons list, the process to petition to remove a name from the excluded persons list and the requirements once a person is placed on the excluded persons list.

Pre-proposal comments have been solicited from the three gaming facility licensees and the applicant for the fourth casino license.

The text of the proposed rules is attached.

[REDACTED]

attachment

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

PART 5327

Excluded Persons

Section

- 5327.1 Maintenance of the excluded persons list
- 5327.2 Criteria for exclusion
- 5327.3 Placement on the excluded persons list
- 5327.4 Petition to remove name from the excluded persons list

§ 5327.1. Maintenance of the excluded persons list.

(a) The commission shall maintain a list of persons to be excluded or ejected from the gaming facility. The commission shall maintain such list on the commission's website. Such list shall not be deemed all-inclusive.

(b) Each gaming facility licensee shall exclude from its premises any person who such gaming facility licensee knows meets the exclusion criteria of Racing, Pari-Mutuel Wagering and Breeding Law section 1342 and section 5327.2 of this Part.

(c) The following information shall be provided on the list for each excluded individual:

- (1) the full name and all aliases the person is believed to have used;
- (2) a description of the person's physical appearance, including height, weight, type of build, color of hair and eyes and other physical characteristics that may assist in the identification of the person;
- (3) the person's date of birth;
- (4) the effective date of the order mandating the exclusion of the person; and
- (5) photograph, if obtainable, and the date thereof.

(d) Each gaming facility licensee shall ensure that it reviews the excluded persons list on a regular basis and that such list is made available to all employees of the gaming facility.

§ 5327.2. Criteria for exclusion.

A person shall be placed on the excluded persons list if the commission determines that the person meets one or more of the following criteria:

(a) is a career or professional offender, whose presence in a gaming facility would, in the opinion of the commission, be contrary to the interests of New York State or of casino gaming therein, or both;

(b) has a known relationship or connection with a career or professional offender whose presence in a licensed facility would be contrary to the interest of New York State or of casino gaming therein, or both;

(c) has been convicted of a gambling offense under the laws of any state or the United States that is punishable by more than 12 months in a state prison, a house of correction or any comparable incarceration, a crime of moral turpitude or a violation of the gaming laws of any state;

(d) has a notorious or unsavory reputation that would adversely affect public confidence and trust that casino gaming is free from criminal or corruptive elements;

(e) poses, by presence in a gaming facility, the potential of injurious threat to the interests of New York State if the person is permitted in a gaming facility. In determining whether a person poses a potential of injurious threat, the commission may consider whether the person:

(1) is a gaming cheat;

(2) has had a license or registration issued in accordance with Parts 5303 through 5307 of this Subchapter, or a like license or registration issued by another jurisdiction, suspended or revoked or has been otherwise subjected to adverse action;

(3) poses a threat to the safety of the patrons or employees of a gaming facility;

(4) has a documented history of conduct involving the undue disruption of gaming operations in any jurisdiction;

(5) is subject to an order of a court of competent jurisdiction in New York State excluding those persons from a gaming facility;

(6) is subject to a no trespass order at any casino or gaming facility in any jurisdiction;

(7) is excluded from any video lottery facility in New York State;

(8) is excluded from any Indian gaming facility in New York State;

(9) is excluded from any horse racing track or off-track betting facility in New York State for any misconduct or behavior involving wagering or wagering integrity; or

(10) has pending charges or indictments for a gaming crime or a crime related to the integrity of gaming operations in New York State or any other jurisdiction.

§ 5327.3. Placement on the excluded persons list.

The placement of a person on the excluded persons list shall have the effect of requiring the exclusion or ejection of the excluded person from all New York State licensed gaming facilities.

§ 5327.4. Petition to remove name from the excluded persons list.

(a) An excluded person may file a petition with the secretary of the commission to request a hearing for removal of his or her name from the excluded persons list after five years from the placement of his or her name on the excluded persons list.

(b) Any petition pursuant to this section shall be signed by the excluded person, contain supporting affidavits and state specific grounds believed by the excluded person to constitute good cause for removal from the excluded persons list.



Gaming Commission

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Todd R. Snyder, Commissioner

Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners
From: Edmund C. Burns
Date: June 20, 2016
Re: Proposed Rulemaking for Casino Junkets (9 NYCRR Part 5308)

For Commission consideration are proposed rules for the licensing of casino junkets, which is required by Racing, Pari-Mutuel Wagering and Breeding Law section 1328. The proposed Part addresses permissible junket activity, licensing, waivers of licensing and reporting requirements.

Pre-proposal comments have been solicited from the three gaming facility licensees and the applicant for the fourth casino license.

The text of the proposed rules is attached.

[REDACTED]

attachment

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

PART 5308
Junket Operator Licensing

Section	
5308.1	Permissible junket activity
5308.2	License or registration of junket operator
5308.3	Waiver
5308.4	Agreement
5308.5	Reporting
5308.6	Junket operator prohibitions

§ 5308.1. Permissible junket activity.

A junket, junket enterprise or junket representative, as such terms are defined in Racing, Pari-Mutuel Wagering and Breeding Law sections 1301(29), (30) and (31), shall be organized or participate with a gaming facility licensee only in accordance with Racing, Pari-Mutuel Wagering and Breeding Law section 1328.

§ 5308.2. License or registration of junket operator.

(a) A junket representative who is employed by a gaming facility licensee, an applicant for a gaming facility license or an affiliate of a gaming facility licensee, is required to be licensed as, and meet the qualifications of, a casino key employee in accordance with Part 5304 of this Subchapter, except that a junket representative does not need to fulfill the residency requirement of a casino key employee.

(b) A junket enterprise and any junket representative not employed by a gaming facility licensee, applicant for a gaming facility license or junket enterprise, is required to be licensed as, and meet the qualifications of, an ancillary casino vendor as set forth in Part 5307 of this Subchapter.

(c) A non-supervisory employee of a junket enterprise or junket representative is required to be registered as, and meet the qualifications of, a non-gaming employee as set forth in Part 5306 of this Subchapter.

(d) In addition to the requirements set forth in subdivisions (a) and (b) of this section, such applicants must submit a statement in writing affirming the applicant's agreement to submit to the jurisdiction of, and service of process in, the State of New York.

§ 5308.3. Waiver.

Upon petition by a gaming facility licensee in accordance with Racing, Pari-Mutuel Wagering and Breeding Law section 1328(13), the commission may exempt arrangements otherwise included within the definition of "junket" from compliance with this Part.

§ 5308.4. Agreement.

(a) A gaming facility licensee shall participate in a junket pursuant to a junket operator agreement with a junket representative or junket enterprise licensed in accordance with section 5308.2 of this Part. The junket operator agreement shall be filed with the commission prior to the commencement of the junket.

(b) The term of a junket operator agreement shall not exceed the expiration date of the junket representative or junket enterprise license or registration related thereto.

(c) A gaming facility licensee must notify the commission of any change to a junket operator agreement no later than three days before the commencement of the first junket arrangement subject to the revised terms.

(d) A gaming facility licensee must notify the commission of the termination of any junket operator agreement no later than five days after such termination.

§ 5308.5. Reporting.

(a) *Junket operator report.* A gaming facility licensee shall submit a quarterly report to the commission describing the operation of any junket representative or junket enterprise engaged on its premises, which report shall include:

- (1) name of each licensed junket representative or junket enterprise;
- (2) status of current relationship with each junket representative or junket enterprise;
- (3) compensation paid in that quarter to each junket representative or junket enterprise;
- (4) number of preferred guests attributed to each junket representative or junket enterprise;
- (5) arrival and departure time and date of each junket representative or junket enterprise;
- (6) list of gaming facility licensee employees acting as junket representatives; and
- (7) such other information the commission may require.

(b) *Patron list.* A gaming facility licensee, junket representative and junket enterprise shall submit a quarterly report to the commission identifying any list of junket patrons or potential junket patrons purchased directly or indirectly by the gaming facility licensee, junket representative or junket enterprise, which report shall include:

- (1) name and address of the person or enterprise selling the list;

- (2) purchase price paid for the list or any other terms of compensation related to the transaction;
- (3) date of purchase of the list; and
- (4) zip codes of all junket patrons or potential junket patrons.

(c) *Junket patron report.* The junket patron report shall be made available to the on-site commission staff. The report shall include:

- (1) information relating to each junket patron, including without limitation:
 - (i) name;
 - (ii) date of birth;
 - (iii) citizenship;
 - (iv) address of usual place of residence; and
 - (v) identity card, passport, taxpayer identification or any other government-issued identity document as evidence of such patron's nationality or residence and bearing a photograph of the individual;
- (2) date and time of arrival of each patron at the gaming facility;
- (3) name and license number of each junket representative accompanying a patron; and
- (4) amount and type of commission, rebate or complimentary given to each patron.

§ 5308.6. Junket operator prohibitions.

No junket enterprise or junket representative or person acting as a junket representative may engage in the activities set forth in Racing, Pari-Mutuel Wagering and Breeding Law 1328(14).



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Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners
From: Edmund C. Burns
Date: June 20, 2016
Re: Proposed Rulemaking for Casino Lobbyist Registration (9 NYCRR Part 5309)

For Commission consideration are proposed rules for the registration of casino lobbyists, which is required by Racing, Pari-Mutuel Wagering and Breeding Law section 1329. The proposed rules address requirements for lobbyist registration applications and notice of termination of a lobbyist's services.

The text of the proposed Part is:

PART 5309 **Lobbyist Registration**

Section	
5309.1	Registration of lobbyists
5309.2	Termination

§ 5309.1. Registration of lobbyists.

A lobbyist seeking to engage in lobbying activity on behalf of a client or a client's interest before the commission shall, in advance of such activity and in accordance with Racing, Pari-Mutuel Wagering and Breeding Law section 1329, file a lobbying registration form the commission supplies and may amend from time to time.

§ 5309.2. Termination.

Upon the termination of a lobbyist's retainer, employment or designation, such lobbyist and the client on whose behalf such service has been rendered shall give written notice to the commission within 30 days after the lobbyist ceases the activity that required such lobbyist to file a lobbying registration form. Such lobbyist shall nevertheless comply with reporting requirements up to the date such activity has ceased, as required by Article 1-A of the Legislative Law.

Pre-proposal comments have been solicited from the three gaming facility licensees and the applicant for the fourth casino license.

[REDACTED]

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming



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Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners
From: Edmund C. Burns
Date: June 20, 2016
Re: Proposed Rulemaking for Casino Labor Organization Registration (9 NYCRR Part 5310)

For Commission consideration are proposed rules for the registration of casino lobbyists, which is required by Racing, Pari-Mutuel Wagering and Breeding Law section 1330. The proposed rules address the application process for labor organization registration, the application process for a labor organization's officer, agent and principal employee and access for the authorized representative of the labor union or affiliate.

The text of the proposed Part is attached.

Pre-proposal comment has been solicited from certain labor organizations whose members are likely to be employed as gaming facilities.

The text of the proposed rules is attached.

[REDACTED]

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

PART 5310

Labor Organization Registration

Section	
5310.1	Labor organization registration
5310.2	Labor organization officers, agents and principal employees
5310.3	Authorized representative access

§ 5310.1. Labor organization registration.

(a) A labor organization, union or affiliate seeking to represent employees who are employed in a gaming facility by a gaming facility licensee, shall file biennially with the commission a labor organization registration statement the commission supplies and may amend when necessary.

(b) A labor organization registration statement shall include, without limitation, the following:

(1) names and addresses of labor organizations, unions or affiliates associated with the registrant;

(2) information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee licensed by the commission and employed by a gaming facility licensee;

(3) information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in the gaming facility licensee;

(4) names of any pension and welfare systems maintained by the registrant and all officers and agents of such organizations and systems;

(5) names of all officers, agents and principal employees of the registrant; and

(6) such other information the commission may require.

(c) A labor organization, union or affiliate may satisfy the requirements of paragraphs (1) through (6) of subdivision (b) of this section by providing the commission a copy of a report, or relevant portion thereof, filed with the United States Secretary of Labor pursuant to 29 USC 431 et seq. (Labor-Management Reporting and Disclosure Act).

(d) A labor organization, union or affiliate that meets the exemptions set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1330(1) may, upon petition to the commission, be exempted from the registration requirements set forth in subdivisions (a) and (b) of this section.

§ 5310.2. Labor organization officers, agents and principal employees.

(a) Each officer, agent and principal employee of a labor organization, union or affiliate registered or required to be registered pursuant to this Part shall:

(1) file with the commission a labor organization individual disclosure form the commission supplies and may amend from when necessary; and

(2) be qualified in accordance with criteria set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1318, unless the commission waives such qualification in accordance with Racing, Pari-Mutuel Wagering and Breeding Law section 1330(2).

(b) Notwithstanding subdivision (a) of this section, a labor organization individual disclosure form shall not be filed by an officer, agent or principal employee of a labor organization, union or affiliate who exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matters relating to licensed gaming facility employees.

§ 5310.3. Authorized representative access.

A gaming facility licensee shall grant authorized representatives of a labor organization, union or affiliate registered pursuant to this Part access to non-sensitive, back-of-house areas within the gaming facility to permit meetings with their members.



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Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners

From: Edmund C. Burns

Date: June 20, 2016

Re: Proposed Rulemaking for Table Game Equipment (9 NYCRR Part 5322)

For Commission consideration are proposed rules that set forth requirements for the inspection, use, storage and destruction of table game equipment. The proposed rule also prescribes the physical characteristics for certain table game equipment. The proposed Part addresses the following table game equipment: chips; tournament chips and plaques; big wheels; roulette; manual and automated shakers; dice; pai gow tiles; playing cards; card readers and dealing shoes.

Within the proposed Part:

- Section 5322.1 sets forth the definitions applicable to the Part.
- Section 5322.2 establishes the physical characteristics of chips.
- Section 5322.3 establishes the procedure for reserve chip use.
- Section 5322.4 sets forth the procedure for the exchange and redemption of chips and table game promotional coupons.
- Section 5322.5 sets forth the procedure for the receipt, security, storage and destruction of chips.
- Sections 5322.6 and 5322.7 set forth the physical characteristics and use of tournament chips and plaques.
- Sections 5322.8 and 5322.9 set forth the physical characteristics of big wheels and roulette equipment.

- Section 5322.10 establishes the inspection and storage requirements for manual or automated shakers.
- Sections 5322.11 through 5322.13 set forth the physical characteristics, use, storage, inspection and destruction requirements for dice and pai gow tiles.
- Sections 5322.14 and 5322.15 set forth the physical characteristics, use, storage, inspection and destruction requirements for playing cards.
- Section 5322.16 establishes procedures for the pre-shuffle and pre-inspection of playing cards.
- Sections 5322.17 through 5322.19 establish requirements for the use of card readers, dealing shoes, automated dealing devices and automated card shuffling devices.

Pre-proposal comments have been solicited from the three gaming facility licensees and the applicant for the fourth casino license.

The text of the proposed rules is attached.

[REDACTED]

attachment

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

PART 5322

Table Game Equipment

Section	
5322.1	Definitions
5322.2	Gaming chips; physical characteristics, issuance and use
5322.3	Reserve set of chips and removal from active use
5322.4	Nature, exchange and redemption of chips, plaques and table game promotional coupons
5322.5	Receipt of chips from manufacturer or distributor; inventory, security, storage, destruction
5322.6	Tournament chips
5322.7	Plaques; issuance, use and physical characteristics
5322.8	Big wheels
5322.9	Roulette; wheels, balls and readers
5322.10	Manual or automated shakers
5322.11	Dice; physical characteristics
5322.12	Pai gow tiles; physical characteristics
5322.13	Dice; pai gow tiles; receipts, storage, inspections, removal from use, destruction
5322.14	Playing cards; physical characteristics
5322.15	Playing cards; receipts, storage, removal from use
5322.16	Pre-shuffled and pre-inspected playing cards
5322.17	Card readers
5322.18	Hand deals; dealing shoes; automated dealing devices
5322.19	Automated card shuffling devices

§ 5322.1. Definitions.

Unless the context indicates otherwise, the following definitions are applicable throughout this Part.

- (a) *Base plate* means the interior shelf of the dealing shoe on which the cards rest.
- (b) *Continuous shuffling device* means an electronic dealing device designed to reshuffle continuously the cards of a discard rack randomly into a dealing shoe so that those integrated cards are being dealt from a changing card stack.
- (c) *Edge* means the surface of a chip across which its thickness can be measured in a perpendicular line from one face to the other.
- (d) *Edge spot* means an identifying characteristic used on the edge of each value chip issued by a gaming facility licensee.
- (e) *Face* means each of the two surfaces of a chip across which the diameter of the chip can be measured.

(f) *Face plate* means the front wall of the dealing shoe against which the next card to be dealt rests and that typically contains a cutout.

(g) *Impress* means the roulette chips, which are used for gaming, that remain at each roulette table or table inventories that are maintained by player-banked Poker dealers on an impress basis.

(h) *Impressment* means an inventory conducted on each impress.

(i) *Primary color* means the predominant color used on a chip.

(j) *RFID chip* means a chip that contains a radio-frequency identification tag that can be used to determine the authenticity of the chip.

(k) *Secondary color* means any color on the face or edge of the chip that is used as a contrast to the chip's primary color.

§ 5322.2. Gaming chips; physical characteristics, issuance and use.

(a) *Physical characteristics applicable to all chips; issuance and use.*

(1) Each chip shall be in the form of a disk and, except as otherwise provided in this Part, shall have a uniform diameter of one and 9/16^{ths} inches, or the metric equivalent, for each chip in a denomination of less than \$500. Each chip in a denomination of \$500 or more shall have a uniform diameter of one and 11/16th inches, or the metric equivalent.

(2) No chip shall be used in a gaming facility unless and until the design specifications of the proposed chip are, prior to the manufacture of the chip, submitted to and approved in writing by the commission, which submission shall include a detailed schematic depicting the actual size and, as appropriate, location of the following:

(i) each face, including any indentations or impressions;

(ii) the edge; and

(iii) any colors, words, designs, graphics or security measures contained on or in the chip.

(3) Each chip issued by the gaming facility shall be designed and manufactured with sufficient graphics or other security measures to the greatest extent possible, to prevent the counterfeiting of the chip.

(b) *Value chips; denominations; physical characteristics.*

(1) Each chip that contains a monetary denomination on each face thereof shall be known as a "value chip."

(2) The gaming facility shall be authorized to issue and use value chips in denominations of \$1, \$2.50, \$5, \$10, \$20, \$25, \$100, \$500, \$1,000, \$5,000, \$10,000 and \$20,000 and other denominations approved in writing by the commission .

(3) Each monetary denomination of value chip issued by the gaming facility shall contain a predominant color unique to that denomination, to be known as the *primary color*, as set forth in paragraph (4) of this subdivision. A *secondary color* on a value chip is any color, other than that such chip's primary color, included on the face or edge of the chip as a contrast to such chip's primary color, except that no primary color shall be used as a secondary color on a value chip of another denomination where such use on the edge is reasonably likely to cause confusion as to the chip's denomination when the edge alone is visible.

(4) A value chip shall appear as the color set forth in this paragraph when such chip is viewed both in daylight and under incandescent light. In conjunction with the primary colors, the gaming facility shall use contrasting secondary colors for the edge spots on each denomination of value chip. The primary color that the gaming facility shall use for each denomination of value chip shall be as follows:

<u>Denomination</u>	<u>Color</u>
\$1	White
\$2.50	Pink
\$5	Red
\$10	Blue
\$20	Yellow
\$25	Green
\$100	Black
\$500	Purple
\$1,000	Orange
\$5,000	Gray
\$10,000	Brown
\$20,000	Gold

(5) Each value chip issued by a gaming facility shall contain certain identifying characteristics that may appear in any location at least once on each face of the chip and are applied in a manner that ensures that each such characteristic shall be visible clearly and remain a permanent part of the chip. These characteristics shall, at a minimum, include:

- (i) the monetary denomination of the value chip, expressed in numbers;
- (ii) the name, logo or other approved identification of the gaming facility issuing the value chip, which shall be applied in such a manner so as to be visible to the gaming facility's surveillance department using the closed-circuit television system; and

(iii) the primary color of the value chip.

(6) In addition to the characteristics specified in paragraph (5) of this subdivision, each value chip in a denomination of \$25 or more shall contain a design or other identifying characteristic that is unique to the manufacturer of the chip.

(7) Each value chip issued by the gaming facility shall contain an identifying characteristic, to be known as an edge spot, which shall:

(i) be applied in a manner that ensures that the edge spot shall be clearly visible on the edge and on each face of the value chip and remain a permanent part of the value chip; and

(ii) be created by using:

(a) the primary color of the chip;

(b) one or more secondary colors; and

(c) a design, pattern or other feature that a person with adequate training readily could use to identify, when viewed through a closed-circuit television system, the denomination of the particular value chip when placed in a stack of chips, in the table inventory or in any other location where only the edge of the value chip is visible; provided, however, that the design, pattern or feature created by the primary and secondary colors shall be sufficient by itself to satisfy the requirements of this subdivision if approved in writing for that purpose by the commission.

(8) Each value chip with a denomination less than \$25 shall contain at least one anti-counterfeiting measure and each value chip with a denomination of \$25 or more shall contain at least three anti-counterfeiting measures in addition to those items required to appear on the face or edge of a value chip by this section.

(9) In addition to any other requirement imposed by the commission and this section, the edge spots on a value chip that has non-identical faces shall appear uniform in design, pattern or other feature when viewed from the perspective of the same face on any other value chip in the set. Notwithstanding the foregoing, the edge spots on a value chip that has non-identical faces and a denomination below \$25 may appear uniform in design, pattern or other feature or as an inverted mirror image thereof when viewed from the perspective of either face on any other value chip in the set.

(c) Non-value chips; physical characteristics, permitted uses, inventory and impressment.

(1) Each chip that does not contain a denomination on either face thereof shall be known as a “non-value chip.”

(2) Each non-value chip shall only be used in games authorized by the commission.

(3) Each non-value chip issued by the gaming facility shall contain certain identifying characteristics that may appear in any location at least once on each face of the chip and shall be applied in a manner that ensures that each such characteristic shall be clearly visible and remain a permanent part of the chip. The characteristics required by paragraphs (1) and (2) of this subdivision shall be applied in such a manner so as to be visible to the gaming facility's surveillance department using the gaming facility's closed-circuit television system. The identifying characteristics of a non-value chip, at a minimum, shall include:

- (i) the name, logo or other approved identification of the gaming facility issuing the non-value chip;
- (ii) a design, insert or symbol that will permit a set of non-value chips being used at a particular gaming table to be distinguished readily from the non-value chips being used at every other gaming table in the gaming facility;
- (iii) the name of the game; and
- (iv) such color and design combinations as approved by the commission so as to distinguish readily the non-value chips of each player at a particular gaming table from the non-value chips of every other player at the same gaming table and the value chips issued by the gaming facility.

(4) Each non-value chip issued by the gaming facility shall contain an identifying characteristic, to be known as an edge spot, that shall:

- (i) be applied in a manner that ensures that the edge spot shall be clearly visible on the edge and on each face of the non-value chip and remain a permanent part of the non-value chip;
- (ii) be created by using the colors approved by the commission for the face of the particular non-value chip, in combination with one or more other colors that provide a contrast with the color on the face of the chip; and
- (iii) include a design, pattern or other feature approved in writing by the commission that a person with adequate training readily could use to identify, when viewing the non-value chip through a closed-circuit television system, the player to whom the non-value chip has been assigned when the non-value chip is placed in a stack of chips or in any other location where only the edge of the non-value chip is visible; provided, however, that the design, pattern or feature created by the colors required by paragraph (2) of this subdivision shall be sufficient by itself to satisfy the requirements of this subdivision if approved in writing for that purpose by the commission.

(5) Each non-value chip shall be assigned to a particular gaming table and shall be issued and used for gaming at that table only. All non-value chips used at a particular gaming table shall have the same design, insert or symbol. Neither the gaming facility nor any employee thereof shall knowingly allow any patron to remove a non-value chip from the table at which it was issued.

(6) An impressment of the non-value chips assigned to each gaming table shall be completed at least once every 30 days. The gaming facility shall record the results of the impressment in a chip inventory ledger and shall perform the impressment in accordance with the system of internal controls as set forth section 5313.1 of this Subchapter.

(7) The gaming facility shall record in a chip inventory ledger and submit to the commission, a monthly summary of the non-value chip inventory for each gaming table. This monthly summary shall include, at a minimum, the following information for each non-value chip color, design and other identifiers:

- (i) the number of non-value chips received from the manufacturer during the month;
- (ii) the balance on hand at the beginning of the month;
- (iii) the number of non-value chips distributed to each roulette table during the month;
- (iv) the number of non-value chips returned to inventory during the month; and
- (v) the balance on hand at the end of the month.

(d) A gaming facility licensee may issue promotional chips only to be used in promotions as approved by the commission. The physical characteristics of such chips shall be sufficiently distinguishable from the approved design specifications of any gaming value or non-value chip issued by the gaming facility licensee so as reasonably to ensure that such promotional chip will not be confused with authorized chips. At a minimum, such promotional chips shall:

- (1) be unique in terms of size, weight and color;
- (2) have no edge designs unique to chips;
- (3) bear the name of the gaming facility issuing them and the phrase "No Cash Value" on both faces; and
- (4) shall include the letters "NY" and the name of the city or county in which the gaming facility is located.

(e) A gaming facility licensee may issue promotional non-chips that are prohibited from use in gaming. The physical characteristics of such chips shall be sufficiently distinguishable from approved design specifications of any gaming value or non-value chip issued by the gaming facility licensee so as reasonably to ensure that such promotional non-chips will not be confused with authorized chips. At a minimum, such promotional non-chips shall:

- (1) be unique in terms of size, weight and color;
- (2) have no edge designs unique to chips;
- (3) bear the name of the gaming facility issuing them and language on both faces stating that they have no redeemable value; and
- (4) shall include the letters "NY" and the name of the city or county in which the gaming facility is located.

(f) A gaming facility may use RFID chips.

§ 5322.3. Reserve set of chips and removal from active use.

(a) Unless otherwise authorized in writing by the commission, for each set of value chips that a gaming facility elects to issue in a denomination of \$25, \$100 or \$500, such gaming facility shall also have at least one approved reserve set of chips that may be used as a backup for the set of chips in active use. Each reserve set of value chips maintained for use by the gaming facility shall have different secondary colors than the primary set of value chips.

(b) A gaming facility shall have a reserve non-value chip for each color used in the gaming facility, with a design insert or symbol different from those non-value chips comprising the primary set.

(c) A gaming facility shall remove the primary set of chips in use from active play whenever it is believed the gaming facility is taking on counterfeit chips or whenever any other impropriety or defect in the use of such set of chips makes removal of the chips from active use necessary or whenever the commission so directs in writing. An approved reserve set of value chips and a reserve set of non-value chips shall be placed into active play whenever the primary set is removed.

(d) Whenever the chips in active use are removed from play, the gaming facility immediately shall notify on site commission staff of such fact and the reasons for such occurrence.

(e) Notwithstanding subdivision (a) of this section, a gaming facility shall obtain written commission approval to commingle two or more different samples within a single set of value chips from the same or different manufacturers for a particular denomination of value chip with a denomination of \$100 or less, provided that each sample of a

particular denomination shall have the same secondary color and edge design. Any approved sample of a particular denomination of value chip within a single set of chips may be placed in or removed from active use by the gaming facility at any time.

(f) Each set of chips that the commission approves for use by a gaming facility shall receive a unique and permanent alphabetical designation. This designation shall be assigned by such gaming facility during the design schematic approval process and shall be used for all inventory procedures. If a gaming facility elects to commingle chips pursuant to subdivision (e) of this section, in addition to the assigned alphabetical designation for that set of chips, each different sample within the set shall also be assigned an accompanying unique numeric designation.

§ 5322.4. Nature, exchange and redemption of chips, plaques and table game promotional coupons.

(a) All wagering on gaming tables in a gaming facility shall be conducted with chips and plaques; provided, however, that table game promotional coupons shall be permitted for use in wagering at games authorized by the commission. A gaming facility licensee shall submit to the commission a sample of each table game promotional coupon.

(b) Chips and plaques previously issued by a gaming facility licensee that are not in active use by such gaming facility shall not be used for wagering at gaming tables and shall neither be accepted nor exchanged for any purpose at a gaming table. Such chips and plaques shall be redeemed only at the cashier's cage pursuant to subdivision (g) of this section.

(c) Chips and plaques shall be issued to a patron only at the request of such patron and shall not be given as change in any other transaction but a gaming transaction. Chips and plaques shall be issued only by dealers to patrons at gaming tables. Chips and plaques shall be redeemed by patrons only at the cashier's cage; provided, however, that value chips may be:

(1) issued to a patron in payment of a winning keno bet and as part of a keno wagering transaction in which value chips are tendered for wager; and

(2) used by a patron for keno wagering, including keno wagers in public keno areas.

(d) Except as provided in subdivision (j) of this section and as the commission otherwise may specifically approve in writing, a gaming facility shall redeem such gaming facility's chips and plaques only from such gaming facility's gaming patrons and shall not knowingly redeem such gaming facility's chips and plaques from any non-gaming-patron source.

(e) Non-value chips shall be presented for redemption only at the table from which such chips were issued and shall not be redeemed or exchanged at any other location within a gaming facility. When non-value chips are presented for redemption, a dealer shall accept such chips in exchange for an equivalent amount of value chips or plaques,

which a patron may then use in gaming or redeem in the same manner as any other value chip or plaque.

(f) A gaming facility shall have the discretion to permit, limit or prohibit the use of value chips at games where the use of non-value chips is authorized by the commission; provided, however, that when value chips are in use, a gaming facility and such gaming facility's employees shall keep an accurate account of the wagers made with value chips at any such game so that the wagers made by each player are readily distinguishable from those being made by every other player at such table.

(g) Each chip and plaque is solely evidence of a debt that the gaming facility owes to the person legally in possession of such chip or plaque, and shall remain the property of the issuing gaming facility licensee. A gaming facility shall have the right at any time to demand that a person in possession of a chip or plaque surrender the item for redemption in accordance with Racing, Pari-Mutuel, Breeding Law section 1335(9), except when the chips were obtained or are being used unlawfully as set forth in Racing, Pari-Mutuel Wagering and Breeding Law sections 1332(2) and 1345.

(h) If a patron requests by mail to redeem value chips in any amount, a gaming facility may effectuate such redemption in accordance with such gaming facility's system of internal controls.

(i) A gaming facility shall accept, exchange or redeem only chips that such gaming facility has issued and shall not knowingly accept, exchange or redeem chips or plaques, or objects purporting to be chips or plaques, that have been issued by any other gaming facility.

(j) Non-gaming employees of a gaming facility who are authorized to receive chips as personal gratuities may redeem such chips at the cashier's cage or at another secure location in the gaming facility as approved in writing by the commission. Gaming chips redeemed by employees at a non-cage employee redemption site shall be exchanged on a daily basis with the cashier's cage in accordance with procedures approved in writing by the commission.

§ 5322.5. Receipt of chips from manufacturer or distributor; inventory, security, storage, destruction.

(a) When chips are received from the manufacturer or distributor thereof, they shall be opened and checked in accordance with the gaming facility's system of internal controls. Any deviation between the invoice accompanying the chips and the actual chips received or any defects found in such chips or plaques shall be reported immediately to the commission.

(b) After checking the chips received, a gaming facility licensee shall cause to be recorded in a chip inventory ledger the assigned alphabetical designation (*i.e.*, active or reserve), the denomination of the value chips received, the number of each denomination of value chip received and the number and description of all non-value

chips received, the date of any such receipt and the signatures of the individuals who checked any such chips. If the chips will not be put into active use, the ledger also shall identify the storage location.

(c) Any chips not in active use shall be stored in a secured storage area approved by the commission adjacent to and accessible exclusively from the casino floor.

(d) Whenever any chips are taken from or returned to a secured storage area approved by the commission, at least two employees shall be present and the following information shall be recorded with the date and signatures of the employees involved:

- (1) the alphabetical designation (*i.e.*, active or reserve), and if applicable, any numeric designation;
- (2) the number and dollar amount for each denomination of value chip removed or returned;
- (3) the number and description of the non-value chips removed or returned;
- (4) the specific storage area being entered; and
- (5) the reason for the entry into the storage area.

(e) At the end of each gaming day, each gaming facility shall compute and record the unredeemed liability for each denomination of value chips by comparing the total chips purchased less chips destroyed or taken into income to the amount of chips on hand in the cages and in the table inventories. At least once every three months, at a minimum, each gaming facility shall inventory all sets of value chips in the possession of such gaming facility and shall record the result of such inventory in the chip inventory ledger. The unredeemed chip liability and value chip inventory shall be tracked electronically using a computerized system that details the total authorized amount of the chips by denomination as recorded by a cage supervisor or high-ranking gaming facility employee, and the on-hand physical inventory of the chips controlled in the chip bank and on each gaming table. The unredeemed chip liability represents the difference between chips authorized and chips in inventory. A physical inventory of value chips not in active use shall be required annually only if the inventory procedures incorporate the sealing of the locked compartment.

(f) If a gaming facility elects to commingle chips, an employee of such gaming facility's accounting department shall, on a quarterly basis, inventory all chips of a particular sample and readjust the starting inventory for those chips that are no longer in the possession of such gaming facility. The adjusted inventory figure shall be recorded in the chip inventory ledger and shall be the new beginning inventory figure for the next quarter for purposes of computing the daily outstanding chip liability required by this section.

(g) Prior to the destruction of chips, a gaming facility shall notify the commission in writing of the date and the location at which the destruction will be performed, the denomination, number and amount of value chips to be destroyed, the description and number of non-value chips to be destroyed and a detailed explanation of the method of destruction. Unless otherwise authorized by the commission in writing, the destruction of chips shall be carried out in the presence of at least two employees of the gaming facility, one of whom shall be from the accounting department of the gaming facility and one of whom shall be from the security department. The denomination, number and amount of value chips, in the case of non-value chips, the description and number so destroyed shall be recorded in the chip inventory ledger together with the signatures of the individuals carrying out such destruction and the date on which such destruction took place. A gaming facility also shall maintain a written log of the names and titles of all personnel involved in each such destruction.

(h) A gaming facility shall ensure that at all times there is adequate security, as approved by the commission in writing, for all chips in its possession.

§ 5322.6. Tournament chips.

(a) If a gaming facility conducts table game tournaments, the tournaments shall be conducted using tournament chips.

(b) The identifying characteristics of a tournament chip shall include, at a minimum:

(1) the name, logo or other approved identification of the gaming facility issuing the tournament chip;

(2) the word "Tournament";

(3) the denomination of the chip;

(4) the phrase "No Cash Value"; and

(5) color or design combinations so as to readily distinguish the tournament chips from:

(i) the roulette chips used for the play of roulette at such gaming facility; and

(ii) the value chips issued by any other gaming facility.

(c) Tournament chips shall be stored in a secure area approved by the commission in writing.

(d) Each gaming facility shall conduct an inventory of all tournament chips prior to the start and after the completion of each tournament.

(e) Discrepancies in any inventory shall be reported immediately to the commission. The discrepancy report shall include the balance for denomination of tournament chips on hand at the beginning of the tournament and the balance on hand at the end of each tournament.

§ 5322.7. Plaques; issuance, use and physical characteristics.

(a) Plaques issued by a gaming facility shall be a solid, one-piece object constructed entirely of plastic or other substance and have at least two but no more than six smooth, plane surfaces. At least two of the plane surfaces, each to be known as a face, shall be opposite and parallel to each other and identical in shape, which shall be a square, rectangle or ellipse. Other surfaces of a plaque shall be known collectively as the edge.

(b) Plaques may not be issued or used by a gaming facility unless:

(1) the design specifications of the proposed plaque are submitted to the commission and approved. The submission shall include a detailed schematic depicting the actual size and, as appropriate, location of the following:

(i) each face;

(ii) the edge; and

(iii) any colors, words, designs, graphics or security measures on the plaque including the minimum identifying characteristics listed in subdivision (f) of this section.

(2) a sample plaque of each denomination to be used, manufactured in accordance with its approved design specifications, is made available to the commission for its inspection and written approval at the gaming facility; and

(3) a system of internal procedures and administrative and accounting controls governing the distribution, redemption, receipt and inventory of plaques, by serial number, is submitted and approved as part of the gaming facility's system of internal control as set forth in section 5313.1 of this Subchapter.

(c) The face of a square plaque shall have a surface area of no less than nine square inches. The face of a rectangular or elliptical plaque may not be smaller than three inches in length by two inches in width. In the case of an elliptical plaque, the length and width of the plaque shall be measured by its axes.

(d) A plaque issued by a gaming facility licensee shall be designed and manufactured with sufficient graphics or other security measures to prevent, to the greatest extent possible, the counterfeiting of the plaque.

(e) A gaming facility may issue and use plaques in denominations of \$25,000, \$50,000 and \$100,000 and other denominations approved by the commission in writing. Plaques

of a specific denomination used by a gaming facility shall be in a shape and of a size that is identical to the shape and size of all other plaques of that denomination issued by the gaming facility. The size and shape of each denomination of plaque issued by a gaming facility licensee shall be readily distinguishable from the size and shape of every other denomination of plaque issued by such gaming facility.

(f) Each plaque issued by a gaming facility shall contain identifying characteristics that appear at least once on each face of the plaque and are applied in a manner that ensures that each identifying characteristic is clearly visible and remains a permanent part of the plaque. These characteristics shall be visible to surveillance employees using such gaming facility licensee's surveillance system and include, at a minimum:

- (1) the denomination of the plaque, expressed in numbers of at least 3/8 inches in height;
- (2) the name, logo or other approved identification of the gaming facility issuing the plaque; and
- (3) a unique serial number.

(g) A gaming facility licensee may not issue, use or allow a patron to use in its gaming facility any plaque that it knows, or reasonably should know, is materially different from the sample of that plaque approved in accordance with subdivision (b) of this section.

§ 5322.8. Big wheels.

(a) *Wheel.* A mechanical wheel, circular in shape, with a diameter of less than five feet, the rim of the wheel shall be divided into 54 sections equally spaced sections with 23 containing a color, number or symbol indicating sixth prize, 15 sections containing a color, number or symbol indicating fifth prize, eight sections containing a color, number or symbol indicating fourth prize, four sections containing a color, number or symbol indicating third prize, two section containing a color number or symbol indicating second prize, and two sections containing a color, number or symbol indicating first. Each section shall be covered with glass, Plexiglas or a similar material.

(b) Wheel prize depictions shall be arranged clockwise around the rim of the wheel with the color, number or symbol indicating or corresponding to each prize in the following order: first prize, sixth prize, fifth prize, sixth prize, fourth prize, fifth prize, sixth prize, third prize, sixth prize, fourth prize, sixth prize, fifth prize, sixth prize, second prize, sixth prize, fifth prize, sixth prize, fourth prize, fifth prize, sixth prize, third prize, sixth prize, fifth prize, fourth prize, sixth prize, first prize, fifth prize, fourth prize, fifth prize, sixth prize, fifth prize, sixth prize, third prize, sixth prize, fourth prize, sixth prize, fifth prize, sixth prize, second prize, sixth prize, fifth prize, sixth prize, fourth prize, fifth prize, sixth prize, third prize, sixth prize, fifth prize, fourth prize, sixth prize, fifth prize and sixth prize.

(c) *Spindles*. The equally spaced section of the wheel referenced in subdivision (a) of this section shall be separated by spindles constructed of stainless steel or such other rigid, inflexible substance.

(d) A stationary indicator constructed of leather, rubber, plastic or such other firm, pliable substance that shall be used to identify the section occupying the space between two immediately adjacent spindles as the winning section.

(e) *Mirror*. A mirror shall be used as to enable the dealer to view the wheel and determine a winning section without have to turn away from the layout to do so.

§ 5322.9. Roulette; wheels, balls and readers.

(a) *Roulette wheel*. Each roulette wheel shall be of a single-zero variety or a double-zero variety as described in this paragraph:

(1) Each single-zero roulette wheel shall have 37 equally spaced compartments around the wheel where the roulette ball shall come to rest. The roulette wheel shall also have a ring of 37 equally spaced areas to correspond to the position of the compartments with one marked zero and colored green and the others marked 1 to 36 and colored alternately red and black, which numbers shall be arranged around the wheel as approved in writing by the commission. The color of each compartment shall either be a corresponding color to those depicted on the ring or a neutral color as approved by the commission in writing.

(2) Each double-zero roulette wheel shall have 38 equally spaced compartments around the wheel where the roulette ball shall come to rest. The roulette wheel shall also have a ring of 38 equally spaced areas to correspond to the position of the compartments with one marked zero and colored green, one marked double-zero and colored green, and the others marked 1 to 36 and colored alternately red and black, which numbers shall be arranged around the wheel as approved in writing by the commission. The color of each compartment shall either be a corresponding color to those depicted on the ring or a neutral color as approved by the commission in writing.

(3) A double-zero roulette wheel may be used as a single-zero roulette wheel, provided that:

(i) if a double-zero table layout is used, the “00” wager area on the layout is obscured with a cover or other approved device that clearly indicates that such a wager is not available; and

(ii) appropriate signage is posted at the roulette table to notify players that:

(a) a double-zero roulette wheel is being used as a single zero roulette wheel, and that double zero is not an available wager;

(b) if the roulette ball comes to rest in a compartment marked double zero, the spin will be declared void and the wheel and ball will be re-spun; and

(c) wagers on red, black, odd, even, 1 to 18 and 19 to 36 shall be lost if the roulette ball comes to rest in a compartment marked zero.

(b) *Roulette ball.* The ball used in gaming at roulette shall be made completely of a non-metallic substance and not be less than 12/16 of an inch nor more than 14/16 of an inch in diameter unless otherwise approved by the commission in writing.

(c) *Optical roulette readers.* Optical roulette readers that read the winning number and transmit it to the table terminal and to the roulette display are permitted provided that each device is tested and approved as required by Part 5318 of this Subchapter.

§ 5322.10. Manual or automated shakers.

(a) All shakers shall be tested and approved as required by Part 5318 of this Subchapter.

(b) Manual and automated shakers that have not been filled with dice may be stored in a locked compartment in a pit stand. An automated shaker that has been filled with dice shall be secured to the table at all times.

(c) At the end of each gaming day, the gaming facility shall inspect all manual or automated shakers that have been placed in use for gaming for evidence of tampering. Evidence of tampering discovered at this time shall be reported immediately to the on-site commission staff. Each such report shall include, at a minimum:

(1) the date and time when the tampering was discovered;

(2) the name and signature of the person discovering the tampering;

(3) the table number where the manual or automated shaker was used; and

(4) the name and signature of the employee assigned to operate directly the table and the supervisor assigned to the table.

§ 5322.11. Dice; physical characteristics.

(a) Except as otherwise provided in this section, each die used in a game authorized by the commission shall:

(1) be formed in the shape of a perfect cube and of a size no smaller than 0.750 inches on each side or any larger than 0.775 inches on each side;

(2) be transparent and made exclusively of cellulose except for the spots or name of the gaming facility and serial numbers or letters contained thereon;

(3) have the surface of each of its sides perfectly flat and the spots contained in each side perfectly flush with the area surrounding the spots;

(4) have all edges and corners perfectly square and forming perfect 90 degree angles;

(5) have the texture and finish of each side exactly identical to the texture and finish of all other sides;

(6) have its weight equally distributed throughout the cube and no side of the cube heavier or lighter than any other side of the cube;

(7) have its six sides bearing circular spots from one to six respectively, with the diameter of each spot equal to the diameter of every other spot on the die;

(8) have spots arranged so that the side containing one spot is directly opposite the side containing six spots, the side containing two spots is directly opposite the side containing five spots and the side containing three spots is directly opposite the side containing four spots. Each spot shall be placed on the die by drilling into the surface of the cube and filling the drilled out portion with a compound that is equal in weight to the weight of the cellulose drilled out, and that forms a permanent bond with the cellulose cube and shall extend into the cube exactly the same distance as every other spot extends into the cube to an accuracy tolerance of 0.0004 inches; and

(9) have the name, logo or other approved identification of the gaming facility imprinted or impressed thereon.

(b) Each die used in the authorized game of pai gow poker shall comply with the requirements of subdivision (a) of this section except as follows:

(1) each die shall be formed in the shape of a perfect cube and of a size no smaller than 0.637 inches on each side or any larger than 0.643 inches on each side; and

(2) the spots on each die do not have to be equal in diameter.

§ 5322.12. Pai gow tiles; physical characteristics.

(a) Pai gow shall be played with a set of 32 rectangular blocks to be known as tiles. Each tile in a set shall be identical in size and shading to every other tile in the set.

(b) Each tile used in gaming at pai gow shall:

(1) be made of a non-transparent black material, formed in the shape of a rectangle, and be of a size no smaller than 2.5 inches in length, one inch in width and 0.375 inches in thickness;

(2) have the surface of each of its sides perfectly flat, except that the front side of each tile shall contain spots that shall extend into the tile exactly the same distance as every other spot;

(3) have on the front of each tile an identifying feature unique to the gaming facility;

(4) have the texture and finish of each side, with the exception of the front side, exactly identical to the texture and finish of all other sides;

(5) have the back and sides of each tile within a set be identical and no tile within a set shall contain any marking, symbol or design that will enable a person to know the identity of any element on the front side of the tile or that will distinguish any tile from any other tile within a set; and

(6) have identifying spots on the front of the tiles that are either red or white or both.

(c) Each set of tiles shall be packaged separately and shall be sealed completely in such a manner so that any tampering shall be evident.

§ 5322.13. Dice; pai gow tiles; receipts, storage, inspections, removal from use, destruction.

(a) When dice and pai gow tiles for use in the gaming facility are received from the manufacturer or distributor thereof, such dice and pai gow tiles shall, immediately following receipt, be inspected to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that are not intact, or on which the seals are broken, shall be inspected at that time to assure that the dice and pai gow tiles within conform to regulation standards and are completely in a condition to assure fair play. Boxes satisfying these criteria, together with boxes having unbroken, intact and untampered seals, shall then be placed for storage in a locked cabinet in the cashier's cage or within a primary or secondary dice or pai gow tile storage area. Dice and pai gow tiles that are to be distributed to gaming table pits or tables for use in gaming shall be distributed from a locked cabinet in the cashier's cage or from a secure primary dice or pai gow tile storage area, the location and physical characteristics of which shall be approved in writing by the commission. Secondary dice and pai gow tile storage areas may be used for the storage of surplus dice and pai gow tiles if approved in writing by the commission. Dice and pai gow tiles maintained in secondary dice and pai gow tiles storage areas shall not be distributed to gaming table pits or gaming tables for use in gaming until such dice and pai gow tiles have been moved to a primary dice and pai gow tiles storage area. All secondary dice and pai gow tiles storage areas shall be located in secure areas, the location and physical characteristics of which shall be approved in writing by the commission.

(b) All envelopes, bags and containers used in this section for dice and pai gow tiles at a pit stand or in a primary dice and pai gow tiles storage area shall be transparent. The envelopes, bags or containers and the method used to seal them shall be designed or

constructed so that any tampering shall be evident. The envelopes, bags or containers and their seals shall be approved in writing by the commission.

(c) All dice and pai gow tiles shall be inspected and distributed to gaming tables in accordance with the gaming facility's system of internal controls as set forth in section 5313.1 of this Subchapter.

(d) The gaming facility shall remove any dice and pai gow tiles:

(1) at any time of the gaming day if there is any indication of tampering, flaws or other defects that might affect the integrity or fairness of the game; or

(2) at the request of the commission.

(e) At the end of each gaming day or at such other times as may be necessary, a gaming facility shall inspect visually each die and pai gow tiles for evidence of tampering. Such evidence discovered at such time or at any other time shall be reported immediately to the commission.

(1) Any dice and pai gow tiles showing evidence of tampering shall be placed in a clear sealed envelope, bag or container.

(i) A label shall be attached to each envelope, bag or container that shall identify the table number, date and time and shall be signed by:

(a) an employee assigned to directly operate and conduct the game at that table; and

(b) the supervisor assigned the responsibility for supervising the operation and conduct of such game.

(ii) The employees responsible for delivering such dice to the commission also shall sign the label.

(iii) The onsite commission staff receiving such dice and pai gow tiles shall sign the label and retain such dice and pai gow tiles and the original label at the commission office. Duplicate copies shall be returned to the pit and maintained in a locked compartment in the pit.

(2) All other dice and pai gow tiles shall be put into clear envelopes, bags or containers at such time.

(i) A label shall be attached to each clear envelope, bag or container that shall identify the table number, date and time and shall be signed by the appropriate employees identified in subparagraph (i) of paragraph (1) of this subdivision.

(ii) The clear envelope, bag or container shall be sealed appropriately and maintained in a locked compartment in the pit stand until collection.

(f) All extra dice and pai gow tiles in dice and pai gow tile reserve that are to be destroyed or canceled shall be placed in a sealed clear envelope, bag or container, with a label attached to each clear envelope, bag or container that identifies the date and time and is signed by gaming facility management.

(g) Notwithstanding subdivision (f) of this section, a gaming facility licensee may reconstruct tile sets with prior written approval from the commission.

(h) At the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the gaming facility and approved in writing by the commission, and at such other times as may be necessary, all envelopes, bags or containers of used dice and pai gow tiles and any dice and pai gow tiles in dice and pai gow tile reserve that are to be destroyed or canceled shall be collected and transported to the dice and pai gow tiles destruction area for cancellation or destruction. The employees involved shall record their signatures. No dice and pai gow tiles that have been placed in use in gaming shall remain on a table for more than 24 hours.

(i) At the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by a gaming facility and approved in writing by the commission, and at such other times as may be necessary, gaming facility management may collect all extra dice and pai gow tiles in dice and pai gow tile reserve. These dice and pai gow tiles shall be inspected or re-inspected in accordance to the gaming facility's system of internal controls prior to their use in gaming.

(j) A gaming facility shall control dice and pai gow tiles inventory through documentation, which at a minimum shall include the following information:

- (1) the total number on hand;
- (2) the total number removed from storage;
- (3) the total number returned to storage or received from the manufacturer;
- (4) the date of each transaction; and
- (5) the name and signatures of the supervisor and the security department representative.

Table games management at a gaming facility shall perform a reconciliation on a daily basis of total number of the dice and pai gow tiles distributed, the dice and pai gow tiles destroyed and canceled, the dice and pai gow tiles returned to the primary dice and pai gow tiles storage area and, if any, the dice and pai gow tiles in dice and pai gow tiles reserve. Staff of the accounting or internal audit departments of a gaming facility shall conduct, at least once every three months, a physical inventory of the dice and pai gow

tiles. Such inventory shall be verified to the total number of dice and pai gow tiles on hand. Any discrepancies shall be reported immediately to the commission.

(k) All destruction and cancellation of dice and pai gow tiles, other than those retained for commission inspections or in the custody of the commission, shall be completed within 48 hours of collection.

(1) Cancellation shall occur by drilling a circular hole of at least $\frac{1}{4}$ inch in diameter through the center of each die.

(2) Destruction shall occur by shredding or any other form of destruction as approved in writing by the commission.

(3) The destruction and cancellation of dice and pai gow tiles shall take place in a secure dice and pai gow tile cancellation and destruction area, the location of which shall be approved in writing by the commission.

(4) The gaming facility shall maintain a log, which the commission may inspect from time to time, of all destroyed and cancelled dice and pai gow tiles under this subdivision.

§ 5322.14. Playing cards; physical characteristics.

(a) Cards used to play at any table game authorized by the commission shall be in decks of 52 cards with each card identical in size and shape to every other card in such deck or decks of cards. Notwithstanding the foregoing, decks used to play pai gow poker and other games as approved by the commission shall include one or two additional cards known as a joker, the backs of which shall be identical in color, design, size and shape to every other card in such deck.

(b) Each deck shall comprise four suits: diamonds, spades, clubs and hearts.

(c) Each suit shall comprise 13 cards: ace, king, queen, jack, 10, nine, eight, seven, six, five, four, three and two. The face of the ace, king, queen, jack and 10 value cards may contain an additional marking, as approved in writing by the commission, which will permit a dealer, prior to exposing his or her hole card at the game of blackjack, to determine the value of that hole card.

(d) The backs of each card in the deck shall be identical and no card shall contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card, or that will in any way differentiate the back of that card from the back of any other card in the deck.

(e) The backs of all cards in the deck shall be designed and manufactured so as to diminish, as far as possible, the ability of any person to place concealed markings thereon.

(f) The design to be placed on the backs of cards used by a gaming facility shall contain the name, logo or other approved identification of such gaming facility and shall be submitted to the commission for written approval prior to use of such cards at a gaming table.

(g) Each deck of cards shall be packaged separately, shall contain a seal affixed to the opening of such package and shall be sealed securely in a cellophane or other such similar transparent, tamper-resistant covering.

(h) Nothing in this section shall prohibit a manufacturer from manufacturing decks of cards with one or more jokers contained therein; provided, however, that such jokers shall not be used by a gaming facility in the play of any game other than pai gow poker or other games approved by commission that require the use of a joker or jokers.

§ 5322.15. Playing cards; receipts, storage and removal from use.

(a) When decks of cards are received for use in the gaming facility from the manufacturer or distributor thereof, such decks shall be placed in a secured storage area approved by the commission.

(b) Immediately prior to the commencement of each gaming day and at other times as may be necessary, table games management, in the presence of the on-site commission staff, shall remove the appropriate number of decks of cards for that gaming day from a secured storage area approved by the commission.

(c) All decks, prior to their use at a gaming table, shall be inspected by the dealer and with such inspection verified by a supervisor. Card inspection at a gaming table shall require each deck to be used at that table to be sorted into new deck sequence, by suit, to assure that all cards are in the deck. The dealer also shall check the back of each card to assure that such card is the same color as the other cards in the deck and is not flawed, scratched or marked in any way.

(1) If, after checking the cards, the dealer finds that a card is unsuitable for use, a supervisor immediately shall notify the commission and replace the deck with a new one from the pit stand.

(2) An unsuitable deck shall be placed in a clear sealed envelope, bag or container, identified by table number, date and time and shall be signed by the dealer and supervisor assigned to that table. The supervisor shall either maintain the envelope, bag or container in a secure locked compartment within the pit stand until collection or shall turn the sealed envelope, bag or container over to the on-site commission staff if so directed.

(d) All envelopes, bags and containers used to hold or transport cards collected shall be transparent. The envelopes, bags or containers and the method used to seal them shall be designed and constructed so that any tampering shall be evident. The envelopes, bags or containers and seals shall be approved in writing by the commission.

(e) Any decks that have been opened and placed on a gaming table for use in a multi-deck dealing shoe shall be changed at least every 24 hours. In addition, cards opened for use:

(1) at any card game authorized by the commission that permits players to handle the cards and that are dealt from a dealing shoe shall be changed at least every four hours; and

(2) at any card game authorized by the commission that permits players to handle the cards and that are dealt from the dealer's hand shall be changed at least every four hours.

(f) A dealer shall replace cards damaged during the course of play by requesting a supervisor to replace the card or cards with a new card or cards from a locked compartment in the pit stand. Damaged cards shall be placed in a clear sealed envelope or bag identified by table number, date and time and shall be signed by the dealer and the employee who brought the replacement card to the table. The supervisor shall maintain the envelopes, bags or containers in a locked compartment within the pit stand and notify the on-site commission staff for inspection.

(g) At the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the gaming facility and approved in writing by the commission, and at such other times as may be necessary or if so directed by the on-site commission staff, a supervisor shall collect all used decks. Such decks shall be placed in a clear sealed envelope, bag or container. A label shall be attached to each envelope, bag or container that shall identify the table number, date and time and shall be signed by the dealer and supervisor assigned to the table. The supervisor shall maintain the envelopes, bags or containers in a locked compartment within the pit stand until collection.

(h) The gaming facility shall remove any decks:

(1) at any time during the day if there is any indication of tampering, flaws, scratches, marks or other defects to a card or cards that might affect the integrity or fairness of the game; or

(2) at the direction of the commission.

(i) All extra decks in card reserve with broken seals shall be placed in a clear sealed envelope, bag or container, with a label attached to each envelope or container identifying the date and time, that is signed by management of the gaming facility.

(j) At the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by each gaming facility and approved in writing by the commission, and at such other times as may be necessary, all envelopes, bags or containers with damaged cards, cards used during the gaming day and all extra decks in card reserve with broken outer wrappings or seals shall be collected and

delivered to the card cancellation and destruction area approved by the commission. All employees involved shall record their signatures.

(k) At the end of each gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the gaming facility and approved in writing by the commission, and at such other times as may be necessary, gaming facility management may collect all extra decks held in card reserve in a locked compartment in the pit stand. If collected, all sealed decks shall either be transported to the approved card cancellation and destruction area or returned to the secured storage area approved by the commission.

(l) When the envelopes, bags or containers of used cards and reserve cards with broken outer wrappings or seals are transported to the approved card cancellation and destruction area, such cards shall be inspected for tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play, prior to cancellation or destruction.

(1) For playing cards used at gaming tables in which the players handle the cards, the gaming facility shall cause to be inspected either:

(i) all decks used during the day; or

(ii) a sample of decks selected at random or in accordance with an approved stratification plan, provided that the procedures for selecting the sample size and for assuring a proper selection of the sample are submitted to and approved in writing by the commission. Such sample shall be collected, stored and inspected separately from the sample required by subparagraph (ii) of paragraph (2) of this subdivision and shall not be commingled with any cards from such sample.

(2) For playing cards used in baccarat, mini-baccarat or midi-baccarat, a gaming facility shall cause to be inspected either:

(i) all decks used during the day; or

(ii) a sample of decks selected at random or in accordance with an approved stratification plan, provided that the procedures for selecting the sample size and for assuring a proper selection of the sample are submitted to and approved in writing by the commission. This sample shall be collected, stored and inspected separately from the sample required by subparagraph (ii) of paragraph (1) of this subdivision and shall not be commingled with any cards from such sample.

(3) A gaming facility also shall inspect:

(i) any cards that the commission requests the gaming facility to remove for the purpose of inspection;

(ii) any cards the gaming facility removed for indication of tampering; and

- (iii) all cards used at games that permit players to handle cards.
- (4) The procedures for inspecting all decks required to be inspected under this subdivision shall, at a minimum, include:
- (i) the sorting of the cards sequentially by suit into new deck order;
 - (ii) the inspection of the backs with an ultraviolet light;
 - (iii) the inspection of the sides of the cards for crimps, bends, cuts and shaving;
 - (iv) the inspection of the front and back of all plastic cards for consistent shading and coloring; and
 - (v) any other test required by the commission.
- (5) Each gaming facility shall develop internal control procedures for returning the repackaged cards to the secured storage area approved by the commission. Repackaged cards shall be collected by a supervisor and returned to the pit stand.
- (6) The employee performing a card inspection shall detail the procedures performed and list the tables from which the cards were removed and the results of the inspection. The employee performing such inspection shall record his or her signature upon completion of the inspection procedures.
- (7) Each gaming facility shall submit the training procedures for those employees performing the inspection, which shall be approved in writing by the commission.
- (8) Evidence of tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play discovered at this time, or at any other time, shall be reported immediately to the commission. Such report shall accompany the cards when delivered to the commission. The cards involved shall be retained for investigation by the commission. The commission representative receiving the cards shall record his or her signature and secure and retain the original cards. The gaming facility shall retain an additional copy of such report.
- (m) Each gaming facility shall control the card inventory through documentation, which at a minimum shall include the following:
- (1) the total number of decks of cards on hand;
 - (2) the total number of decks of cards removed from storage;
 - (3) the total number of decks of cards returned to storage or received from the manufacturer;
 - (4) the date of each transaction;

(5) the name and signatures of the employees involved;

(6) a reconciliation by gaming facility management on a daily basis of the total number of decks of cards distributed, the total number of decks of cards destroyed and canceled, the total number of decks of cards returned to the secured storage area or areas approved by the commission and, if any, the total number of decks of cards in card reserve; and

(7) a physical inventory of the cards at least once every three months by the accounting or internal audit departments. Such inventory shall be verified to the total number of decks of cards on hand. Any discrepancies shall be reported immediately to the commission.

(n) Where decks of cards in an envelope, bag or container are inspected and found to be without any indication of tampering marks, alterations, missing or additional cards or anything that might indicate unfair play, those cards, shall, within 48 hours of collection, be destroyed or canceled. All decks of cards released by the commission immediately shall be destroyed or canceled as set forth in subdivision (j) of section 5322.10.

(o) Destruction and cancellation of cards shall take place in a secure place, the location of which shall be approved in writing by the commission. The adequacy of the destruction and cancellation process shall be approved in writing by the commission.

(1) Destruction of cards shall be by shredding by the security department or a vendor approved in writing by the commission.

(2) Cancellation of cards shall be by drilling a circular hole of at least one-fourth of an inch in diameter through the center of each card in the deck or another method approved in writing by the commission.

(3) The gaming facility shall maintain a log, which the commission may inspect from time to time, of all destroyed or cancelled cards under this subdivision.

§ 5322.16. Pre-shuffled and pre-inspected playing cards.

(a) The gaming facility may elect to pre-inspect and pre-shuffle cards prior to the delivery of the cards to an open gaming table or use a licensed manufacturer to supply pre-shuffled and pre-inspected cards.

(b) If the gaming facility elects to pre-inspect and pre-shuffle cards, the process shall occur at a closed gaming table or another location approved in writing by the commission and shall be performed by a dealer and verified by a supervisor with no concurrent supervisory responsibility for open gaming tables. A gaming facility's surveillance department shall record the procedures required by paragraphs (1) through (4) of this section and such gaming facility shall retain each such recording as required in this Subchapter.

(1) Upon receipt of the decks, the dealer shall perform the procedures in paragraphs (2) through (4) of this subdivision independently for each batch of cards that will be sealed in a container, with the number of decks of cards in each batch being equal to the number of decks of cards required for the table game, in which such decks are intended to be used.

(2) The dealer shall inspect visually the back of each card to assure that such card is not flawed, scratched or marked in any way that might compromise the integrity or fairness of the game.

(3) The dealer shall then shuffle the cards, manually or using an approved automated shuffling device in a manner permitted by the applicable rules governing the table game at which the cards will be used.

(4) To ensure that there are no missing or extra cards, the dealer shall inspect the cards using a machine approved in writing by the commission. The machine shall issue a receipt that shall, at a minimum, include:

(i) the manufacturer, model and serial number of the card inspection machine;

(ii) the name or identification number of the dealer who operated the machine;

(iii) the location at which the inspection was performed;

(iv) the date and time of the inspection;

(v) the manufacturer and type of cards, the number of decks and the table game for which the cards are inspected;

(vi) the result of the inspection and, if failed, the identification of any missing or extra card or cards; and

(vii) the number of the seal to be used on the clear container in which the cards will be placed pursuant to paragraph (7) of this subdivision.

(5) If an inspection fails, the gaming facility licensee shall follow the procedures as set forth in section 5322.15 of this Part.

(6) Upon completion of the pre-inspection and pre-shuffling of the cards in the batch, the dealer and supervisor shall sign the receipt certifying that the cards were pre-inspected and pre-shuffled in accordance with this section.

(7) For each batch of pre-inspected and pre-shuffled cards, the dealer shall place the cards together with the receipt required in paragraph (4) of this subdivision in a clear container that is designed or constructed so that any tampering shall be evident. The container shall be sealed with a pre-number label unique to such container. Procedure for the maintenance and security of used seals, and the

distribution, return and reconciliation of seals used on containers holding pre-inspected and pre-shuffled cards shall be detailed in each gaming facility's system of internal controls as set forth in section 5313.1 of this Subchapter.

(8) The sealed containers of cards shall be transported by a supervisor or a security officer in the pit stand or a secured storage area approved by the commission where such cards shall be placed back into card inventory and segregated from cards that have not been pre-inspected and pre-shuffled. A record of the transport of the sealed containers of cards to the secured storage area approved by the commission shall be maintained. When cards are needed for play, each container of cards shall be delivered by a supervisor to an open gaming table. Upon delivery, the supervisor shall unseal the container and place the decks of cards on the gaming table in front of the dealer. The supervisor shall record on the receipt contained with the container, the date, time and shift that the container was opened and the pit and table number where cards are to be used. Once such information has been recorded, the supervisor shall sign the receipt and retain the receipt and container at the gaming table.

(c) If the gaming facility elects to use a licensed manufacturer to supply pre-inspected and pre-shuffled cards, the manufacturer shall:

(1) obtain approval in writing from the commission for the automated shuffling device or automated process used to pre-shuffle cards; and

(2) implement a process for shuffling and packaging card that shall, at a minimum, include:

(i) visual inspection of the back of each card to assure that such card is not flawed, scratched or marked in any way that might compromise the integrity or fairness of the game;

(ii) verification that each package of cards contains the correct number and is constituted in accordance with the specific rules of the game in which such cards are intended to be used; and

(iii) insertion of the cards in a package with a tamper-proof seal or seals that bear or bears a conspicuous indication if the package has been opened. The exterior of the package shall indicate:

(a) the total number of decks contained within the package; and

(b) the game or games in which the cards are intended to be used;

(iv) generation by the automated shuffling device in use or automated process, of a receipt to be inserted in the sealed package or affixed to the exterior thereof that shall include the following information:

- (a) the total number of cards and decks contained with the package;
- (b) the date and time the cards were shuffled and verified;
- (c) identification of the manufacturer's employee who performed the process in this subparagraph or the identification of the specific equipment that performed the process in such a manner that a responsible employee can be identified; and
- (d) the manufacturer, model and serial number of the device used to shuffle the cards or the identity of the specific automated process or equipment used to shuffle the cards.

(d) Cards inspected and shuffled in accordance with paragraph (c) of this subdivision shall be delivered to an open gaming table in the manufacturer's sealed packaging. Prior to using the cards at a gaming table, a supervisor shall inspect such package for evidence of tampering. If there is evidence of tampering, all cards in the package shall not be used and the gaming facility shall follow procedures set forth in section 5322.15 of this Part.

(e) Upon opening the package in accordance with paragraph (c) of this subdivision, the supervisor shall record on the receipt contained within the package, the date and time that the package was opened and the pit and table number where cards are to be used. Once the information has been recorded, the supervisor shall sign the receipt, place the cards on the table in front of the dealer and retain the receipt and original package at the gaming table.

(f) For all pre-inspected and pre-shuffled cards, upon the initial use and patron request the dealer shall perform a wash and a strip shuffle or riffle shuffle of the cards and then cut the cards in the manner prescribed by the rules governing the particular table game.

(g) Upon removal from a gaming table, pre-inspected and pre-shuffled cards shall be placed in the original container or package, as applicable, in which such cards were delivered to the table, together with the receipt, and returned for inspection as needed.

(h) The commission may, at any time, require the gaming facility to provide any container or package of pre-inspected and pre-shuffled cards.

§ 5322.17. Card readers.

(a) All card readers must be tested and approved as required by Part 5318 of this Subchapter.

(b) Card readers may be used provided that a supervisor inspects each device at the beginning of the gaming day.

§ 5322.18. Hand deals; dealing shoes; automated dealing devices.

(a) Unless otherwise permitted in Part 5324 of this Subchapter, a gaming facility licensee shall not authorize hand deals pursuant to Racing, Pari-Mutuel Wagering and Breeding Law section 1335(11).

(b) Dealing shoes shall be secured to gaming tables when the tables are open for gaming activity and secured in locked compartments when the tables are not open for gaming activity.

(c) Each dealing shoe shall be designed and constructed with such features as the commission may require to maintain the integrity of the gaming table at which such shoe is used. Such features shall include, at a minimum, the following:

(1) at least the first four inches of the base plate shall be white;

(2) the sides of the shoe below the base plate shall be transparent or have a transparent sealed cutout, unless the dealing shoe is otherwise constructed to prevent any object from being placed into, or removed from, the portion of the dealing shoe below the base plate and to permit the inspection of this portion of the shoe; and

(3) a stop underneath the top of the face plate shall preclude the next card to be dealt from being moved upwards for more than 1/8 inch distance.

(d) A baccarat dealing shoe, in addition to meeting the requirements of paragraphs (1) through (3) of subdivision (c) of this section, shall also adhere to the following specifications:

(1) a removable lid shall be opaque from the point where it meets the face plate, to a point at least four inches from the face plate;

(2) the sides and back of the dealing shoe above the base plate shall be opaque; and

(3) a device within the shoe shall, when engaged, prevent the cards from moving backward in the shoe.

(e) A dealing shoe, in addition to meeting the requirements of subdivision (c) of this section, may, at the discretion of the gaming facility, also contain a device approved in writing by the commission mounted on the front of the face plate so as to preclude the players from viewing the next card to be dealt.

(f) All dealing shoes in the gaming facility shall be inspected at the beginning of each gaming day by a supervisor assigned to the table prior to cards being placed in such shoes and devices. The purpose of such inspection shall be to assure that there has been no tampering with the dealing shoe or automated shuffling device that contains no

playing cards, and that the automated card shuffling device dispenses the correct number of cards, if so designed.

(g) For table games at which a dealing shoe is used, the shoe shall be located on the side of the table to the left of the dealer, and the discard rack shall be located on the side of the table to the right of the dealer.

(h) Automated dealing devices are permitted provided they are tested and approved as required by Part 5318 of this Subchapter.

§ 5322.19. Automated card shuffling devices.

(a) Automated card shuffling devices may be used to shuffle and dispense at all card games authorized by the commission in addition to a dealing shoe, provided that:

(1) the automated card shuffling device has been tested and approved as required by Part 5318 of this Subchapter;

(2) the procedures for using such device for shuffling, dispensing and dealing the cards are approved in writing by the commission; and

(3) the internal control procedures ensuring the security of an automated card shuffling device are approved in writing by the commission.

(b) For table games at which an automated card shuffling device is used, the location of the automated card shuffling device shall be approved by the commission in writing, and the discard rack shall be on the side of the gaming table opposite such device.

(c) Unless authorized by the commission, automated card shuffling devices require locking covers.

(d) Unless authorized by the commission, a gaming facility licensee may not use a continuous shuffling device.



Gaming Commission

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Robert Williams, Executive Director
Edmund C. Burns, General Counsel

To: Commissioners

From: Edmund C. Burns

Date: June 20, 2016

Re: Proposed Rulemaking for Table Game Standards for Operation (9 NYCRR Part 5323)

For Commission consideration are proposed rules that prescribe requirements for the conduct and operation of table games at licensed gaming facilities. The proposed Part addresses the following topics: submission of a gaming facility licensee's table game staffing plans, equipment, schematics, layouts, minimum and maximum table game wagers and new table game proposals; a gaming facility licensee's establishment of a dealer training program; and requirements for a gaming facility licensee in regard to posting of payout odds and text of table game rules.

Within the proposed Part:

- Section 5323.1 sets forth the definitions applicable to the Part.
- Section 5323.2 sets forth the requirement for table game staffing plans, table game equipment schematics and table game layouts to be submitted to the Commission for approval.
- Section 5323.3 requires a gaming facility licensee to establish a dealer training program as part of its system of internal controls.
- Sections 5323.4 through 5323.7 set forth the table inventory, opening, shift change and closing requirements for table games.
- Sections 5323.8 and 5323.9 establish requirements for the distribution and removal of chips and coins.
- Section 5323.10 sets forth the requirements for the acceptance and exchange of cash and coupons for gaming chips or plaques.

- Section 5323.11 requires a gaming facility licensee to receive commission approval for minimum and maximum table game wagers.
- Sections 5323.12 and 5323.13 require a gaming facility licensee to post payout odds and table game rules at a table game.
- Section 5323.14 requires gaming facility licensees to maintain and make available the complete text of authorized table game rules.
- Sections 5323.15 and 5323.16 set for the requirements for a progressive table game system and payment of progressive wagers.
- Section 5323.17 sets forth the requirements for the conduct of table game tournaments.
- Section 5323.18 requires a gaming facility licensee to submit new table games or new features to the Commission for approval.
- Section 5323.19 authorizes the temporary operation of a new table game or table game feature.

Pre-proposal comments have been solicited from the three gaming facility licensees and the applicant for the fourth casino license.

The text of the proposed rules is attached.

[REDACTED]

attachment

cc: Robert Williams, Executive Director
Chris Palmer, Deputy Director, Division of Gaming

PART 5323

Table Game Standards

Section	
5323.1	Definitions
5323.2	Approval of table games layouts, signage, equipment and other matters
5323.3	Table games training standards
5323.4	Table inventories
5323.5	Opening table for gaming
5323.6	Shift changes at table games
5323.7	Closing table games
5323.8	Distributing chips and coins to table games
5323.9	Removing chips and coins from table games
5323.10	Acceptance of cash and coupons in exchange of chips or plaques
5323.11	Minimum and maximum wagers, additional wagering requirements
5323.12	Payout odds
5323.13	Rules of the games notice
5323.14	Patron access to the rules of the game; gaming guides
5323.15	Progressive table game system
5323.16	Payment of progressive wagers at table
5323.17	Table games tournaments
5323.18	Request to offer a new table game or new feature for an existing table game
5323.19	Temporary permission to operate table games or table game features

§ 5323.1. Definitions.

(a) Unless the context clearly indicates otherwise, the following definitions are applicable throughout this Part.

(1) *Boxperson* means the first-level supervisor who is responsible for directly participating in and supervising the operation and conduct of the game of craps.

(2) *Jackpot drop box* means a box secured with a lock used for the placement of cash or cash equivalents for contribution to the jackpot prizes.

(3) *Layout* means the table game cover containing designated areas for patrons to place the various wagers of the game and such rules of the game, payoff odds and other information or graphics as the commission may require.

(4) *Payout* means the winnings that result from a wager.

(5) *Progressive wager coupon* means non-cashable instruments that may be used for progressive play.

(6) *Tip box* means a clear box secured by a lock that is used for the collection of gratuities.

(7) *Vigorish* means the amount that may be charged by the gaming facility on a winning wager as provided in this Subchapter.

(b) A gaming facility shall submit to the commission for its review and approval procedures to be established pursuant to this Part. The commission shall approve any such procedures only in writing. Subsequent modifications to such procedures shall be submitted by the gaming facility to the commission for its approval, in writing. Any modification shall not take effect unless first approved by the commission in writing.

§ 5323.2. Approval of table games layouts, signage, equipment and other matters.

(a) The commission may require a gaming facility to submit table game staffing plans, tournament schedules, dealer training programs and schematics of gaming guides, table game layouts, signage and equipment.

(b) For purposes of this section, schematics or physical samples of table game equipment that shall be submitted to the commission for review and approval include:

- (1) cards;
- (2) dice;
- (3) pai gow tiles;
- (4) chips;
- (5) plaques;
- (6) commemorative chips;
- (7) manual and automated shakers;
- (8) big wheels and roulette wheels;
- (9) envelopes and containers used to hold or transport table game equipment; and
- (10) other table game devices that are not otherwise required to be submitted to a licensed independent testing laboratory for approval.

(c) Within 30 calendar days following the filing of a table game staffing plan, tournament schedule, dealer training program or a prototype of gaming guides, table game layouts, signage or equipment, commission staff will review the submission.

(d) The gaming facility licensee may implement the table game staffing plan, tournament schedule, dealer training program or a prototype of gaming guides, table

game layouts, signage or equipment on the 30th calendar day following the filing of such with the commission, unless the commission provides notice pursuant to subdivision (e) of this section objecting to such filing.

(e) If during the 30-day review period set forth in subdivision (c) of this section, the commission determines that a table game staffing plan, tournament schedule, dealer training program, prototype of a gaming guide, table game layout, signage or equipment is deficient or inconsistent with this Subchapter, the commission, by written notice to the gaming facility, shall specify the nature of the deficiency or inconsistency and, when possible, an acceptable alternative. The gaming facility then shall submit a revised plan, schedule, program or prototype.

(f) Prior to gaming facility use, the commission shall conduct an onsite inspection and approve the location and physical characteristics of equipment storage and destruction areas.

(g) The commission may periodically inspect the equipment storage and destruction areas approved in subdivision (f) of this section.

(h) A gaming facility shall obtain approval from the commission for:

(1) alternative locations for:

(i) equipment that is required to be on the table game, including drop boxes, shakers, shufflers, discard racks and tip boxes, prior to the commencement of operations at such table game; and

(ii) the complete text of the rules of all authorized games;

(2) amendments to such gaming facility's plan for the distribution and collection of drop boxes or jackpot drop boxes;

(3) sample sets of chips, plaques and promotional chips manufactured in accordance with approved design specifications; and

(4) the collection times for dice, cards, tiles and other table game equipment from the gaming floor.

§ 5323.3. Table games training standards.

In addition to the requirements set forth in section 5313.1 of this Subchapter, a gaming facility licensee shall, as part of its system of internal controls, establish a dealer training program.

§ 5323.4. Table inventories.

(a) Whenever a table game in a gaming facility is opened for gaming, operations shall commence with an amount of chips and coins to be known as the table inventory. A gaming facility shall not cause or permit chips or coins to be added to, or removed from, such table inventory during the gaming day except:

(1) in exchange for cash, table-game coupons or issuance copies of counter checks presented by patrons in accordance with section 5323.10 of this Part;

(2) in payment of winning wagers and collection of losing wagers made at such table game;

(3) in exchange for chips received from a patron having an equal aggregate face value;

(4) in conformity with the fill and credit slip procedures set forth in such gaming facility's system of internal controls;

(5) coin may be used for the purpose of marking vigorish and/or paying an amount won minus the vigorish; and

(6) chips placed on or in the wagering devices used for optional bonus wagers authorized by the commission always shall be placed in the table inventory container.

(b) Whenever a table game is not open for gaming activity, the table inventory including key controls and appropriate documentation prepared in conformity with the procedures set forth in this Part shall comply with standards set forth in the gaming facility's system of internal controls.

§ 5323.5. Opening table for gaming.

(a) Immediately prior to opening the table game for gaming, employees assigned to such table shall unlock the container after verifying that such container is the proper one for such table game by matching the table number affixed to such container with the table number affixed to such table game.

(b) The dealer or boxperson assigned to a table game shall count the contents of the container in the presence of a supervisor assigned to such table game and shall reconcile the count with the amount that is supposed to be inside the container.

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

(d) Any discrepancy between the amount of chips and/or coins counted and the amount of chips and/or coins recorded on the opener shall be reported immediately to management and on-site commission staff at such gaming facility. The pit personnel shall fill out a table discrepancy form, put one copy in the drop box and one copy shall be provided to the on-site commission staff. The gaming facility's security department then shall complete a report and immediately shall forward a copy of the report to the on-site commission staff.

(e) After the count of the contents of the container and the signing of the opener, such slip shall be deposited immediately in the drop box attached to the table game by the dealer or boxperson after the opening of such table.

§ 5323.6. Shift changes at table games.

(a) Whenever table games are to remain open for gaming activity at the conclusion of a shift, the chips and coins remaining at such table games at the time of the shift change shall be counted by either the dealer, boxperson or supervisor assigned to the outgoing shift and the dealer or boxperson assigned to the incoming shift or the dealer or boxperson assigned to the table game at the time of a drop box shift change that does not necessarily coincide with an employee shift change. The count shall be observed by a supervisor assigned to the table game of the outgoing shift or a supervisor assigned to the table game at the time of the drop box shift change.

(b) The chips and coins counted shall be recorded by the supervisor assigned to the table game of the outgoing shift or the supervisor assigned to the table game at the time of a drop box shift change.

(c) The supervisor shall record the following:

(1) the date and identification of the shift ended;

(2) the game and table number;

(3) the total value of each denomination of chips and coins remaining at the table game; and

(4) the total value of all denominations of chips and coins remaining at the table game.

(d) Signatures attesting to the accuracy of the information recorded shall be of either

(1) the dealer or boxperson and the supervisor assigned to the incoming and the outgoing shifts; or

(2) the dealer or boxperson and the supervisor assigned to the table games at the time of a drop box shift change.

(e) Upon meeting the signature requirements described in subdivision (d) of this section, the closer shall be deposited in the drop box that is attached to the table game immediately prior to the change of shift or the drop box shift change and the opener shall be deposited in drop box that is attached to the table game immediately following the change of shift or drop box shift change.

§ 5323.7. Closing table games.

(a) Whenever gaming activity at a table game is concluded, the chips and coins remaining at the table game shall be counted by the dealer or boxperson assigned to the table game and observed by the supervisor assigned to the table game.

(b) The chips and coins counted shall be recorded by the supervisor assigned to the table game.

(c) The supervisor shall record the following:

(1) the date and identification of the shift ended;

(2) the game and table number;

(3) the total value of each denomination of chips and coins remaining at the table game; and

(4) the total value of all denominations of chips and coins remaining at the table game.

(d) Signatures attesting to the accuracy of the information recorded at the time of closing table games shall be by the dealer or boxperson and the supervisor assigned to the table game who observed the dealer or boxperson count the contents of the table inventory.

(e) Upon meeting the signature requirements described in subdivision (d) of this section, all containers shall be locked.

§ 5323.8. Distributing chips and coins to table games.

(a) A fill request shall be prepared to authorize the preparation of a fill for the distribution of chips and coins to table games.

(b) The following information, at a minimum, shall be recorded:

(1) the date, time and shift of preparation;

(2) the denomination of chips and/or coins to be distributed to the table games;

(3) the total amount of each denomination of chips and/or coins to be distributed to the table games;

- (4) the game and table number to which the chips and/or coins are to be distributed;
- (5) the signature of the table games supervisor; and
- (6) signatures of every employee involved in the distribution, attesting to the accuracy of the information contained on the fills.

(c) Every distribution shall be performed in accordance with the standards set forth in the gaming facility's system of internal controls as set forth in section 5313.1 of this Subchapter.

§ 5323.9. Removing chips and coins from table games.

(a) A credit slip shall be prepared to authorize the removal of chips and/or coins from table games to the cashier's cage. The following information, at a minimum, shall be recorded:

- (1) the date, time and shift during which the removal of chips and/or coins occurs;
- (2) the denomination of chips and/or coins to be removed from the table game;
- (3) the total amount of each denomination of chips and/or coins to be removed from the table game;
- (4) the game and table number from which the chips and/or coins are to be removed;
- (5) the signature of the dealer or boxperson and supervisor assigned to the table game from which the chips and/or coins are to be removed;
- (6) time of preparation of the credit slip;
- (7) the signature of the preparer or, if computer prepared, the identification code of the preparer; and
- (8) signatures from every employee involved in the removing of chips and coins from table games, attesting to the accuracy of the information contained on the credit slip.

(b) Chips, tokens and/or cash equivalents shall be removed from the table tray by the dealer or boxperson and shall be broken down and verified by the dealer or boxperson in public view prior to placing them in racks for transfer to the cage; and

(c) Cross fills (the transfer of chips between table games) and cash exchanges are prohibited in the pit.

(d) Every removal shall be performed in accordance with the standards set forth in the gaming facility's system of internal controls as set forth in section 5313.1 of this Subchapter.

§ 5323.10. Acceptance of cash and coupons in exchange of chips or plaques.

(a) Whenever cash or a promotional coupon is presented by a patron at a table game for exchange for chips:

(1) the cash or promotional coupon shall be spread on the top of the table game by the dealer or boxperson accepting it in full view of the patron who presented it and the supervisor assigned to such table game;

(2) the amount of the cash or promotional coupon shall be announced orally by the dealer or boxperson accepting it in a tone of voice calculated to be heard by the patron who presented it and the supervisor assigned to such table game;

(3) the dealer or boxperson shall not distribute the chips to the patron until he or she receives approval from a supervisor; and

(4) immediately after an equivalent amount of chips has been given to the patron, the cash or promotional coupon shall be taken from the top of the table game and deposited by the dealer or boxperson into the drop box attached to the table game.

(b) Whenever a match-play coupon and chips are presented as a wager by a patron at an authorized game:

(1) such match-play coupon shall be placed underneath the chips wagered by the patron;

(2) the chips shall be placed on such coupon in such a way that the type and value of the coupon shall be visible at all times;

(3) if the chips wagered by the patron are greater than the stated value of such match-play coupon, the dealer shall physically determine the additional amount in excess of the match-play value, and distinguish the additional amount in accordance with the gaming facility licensee's system of internal controls;;

(4) only one match-play coupon may be used with the wager;

(5) if the wager wins, the wager shall be paid in accordance with the terms and conditions of the coupon; and

(6) whether the wager wins or loses, the coupon shall be deposited by the dealer into the drop box attached to the table game at the time the winning wager is paid or the losing wager is collected.

(c) Whenever a progressive wager coupon is presented by a patron at an authorized game in which a progressive payout wager coupon may be used, the dealer shall:

(1) comply with the procedures set forth in paragraphs (1) and (2) of subdivision (a) of this section;

(2) remove from the table inventory container a chip that is equal in value to the value of the progressive wager coupon, place the chip in the progressive wager acceptor device and prohibit the patron from withdrawing such progressive payout wager;

(3) immediately after placing the chip in the progressive wager acceptor device, take the coupon from the top of the table game and deposit it in the drop box attached to the table game; and

(4) permit only one progressive wager coupon to be used by a patron per hand.

(d) A gaming facility may, in its discretion, require that a coupon be canceled upon acceptance by the dealer or boxperson, so as to prevent the subsequent use of such coupon.

§ 5323.11. Minimum and maximum wagers, additional wagering requirements.

(a) Except as otherwise provided in this section, the minimum and maximum wagers permitted at any authorized table game shall be established by the gaming facility and approved by the commission.

(b) A gaming facility may offer:

(1) different maximum wagers at one table game for each permissible wager in an authorized game; and

(2) different maximum wagers at different table games for each permissible wager in an authorized game.

(c) A gaming facility may increase or decrease the permissible maximum wager or decrease the permissible minimum wager at a table game at any time. A permissible minimum wager may be increased at a table game:

(1) at any time, if no patrons are playing at the table game; or

(2) when patrons are playing the game, if the gaming facility:

(i) provides at least a 30-minute advance notice of the change;

(ii) posts a sign at the table game advising patrons of the change and the time that such change will go into effect; and

(iii) announces the change to patrons who are at such table game.

(d) Notwithstanding subdivision (c) of this section, a gaming facility may, in its discretion, permit a player to wager below the established minimum wager or above the established maximum wager at a table game.

(e) Any wager accepted by a dealer shall be paid or lost in its entirety in accordance with the rules of the game, notwithstanding that the wager exceeded the current table maximum or was lower than the current table minimum not previously approved.

(f) Nothing in this section shall preclude a gaming facility from establishing additional wagering requirements that are consistent with the rules of the game provided that the gaming facility satisfies the notice requirements under section 5323.13 of this Part.

(g) The amount of the minimum and maximum wagers shall be posted conspicuously on a sign at each table. The location, size and language of each sign required by this section shall be submitted to the commission for review and approval.

§ 5323.12. Payout odds.

The gaming facility shall post a sign at each table game advising patrons of the payout odds for the game in effect at that table. The gaming facility may change pay tables at its discretion at any time after the conclusion of a round of play upon prior notice to the commission, so long as the gaming facility complies with the minimum pay tables set forth in Part 5324. This section is not applicable if the payout odds are imprinted on the table layout, as approved by the commission.

§ 5323.13. Rules of games notice.

(a) A gaming facility shall to provide notice of the rules under which a particular table game will operate by posting a sign, or making available other documentation, at such table game advising patrons of the rules in effect at such table game.

(b) Except as provided in subdivision (c) of this section, a gaming facility may not change the rules under which a particular table game operates unless the facility submits and receives approval from the commission in writing in regard to a proposed rules of game amendment.

(c) The location, size and language of each sign or documentation required by this section shall be submitted to the commission for review and approval.

§ 5323.14. Patron access to the rules of the game; gaming guides.

(a) Each gaming facility shall maintain a printed copy of the complete text of the rules of all authorized games and all other information required to be made available to the public pursuant to this Subchapter. Such information shall be made available to the public for inspection upon request.

(b) Each gaming facility shall make available to patrons upon request an abridged version of the information required to be made available pursuant to subdivision (a) of this section. Each such version, to be known as a gaming guide, may be produced in a printed, video or other format.

(c) No gaming guide shall be issued, displayed or distributed by a gaming facility unless and until the commission has approved in writing a sample thereof.

(d) Each gaming facility may display a gaming guide at any location in its establishment. Such display shall not be considered to constitute advertising within the meaning of section 5325.6 of this Subchapter.

§ 5323.15. Progressive table game system.

(a) Each progressive electronic or live table game shall have:

(1) a progressive meter visible from the front of the table game, which shall increase in value based upon wagers, that advises the players of the amount that can be won if the player receives the corresponding outcome;

(2) a meter that accumulates the total value of credits paid as a result of progressive awards paid to the player.

(3) a cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots.

(4) a key and keyed switch to reset the progressive meter or meters or other reset mechanism; and

(5) a key locking the compartment housing the progressive meter or meters or other means by which to preclude unauthorized alterations to the progressive meters. The key or alternative security method must be different than the key or reset mechanism in subdivision (5) of this section.

(b) Progressive meters may not be turned back to a lesser amount unless one of the following occurs:

(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 the gaming facility's system of internal controls;

(3) the progressive jackpot has, upon approval by the commission in writing, been transferred to another progressive table game; and

(4) the change is necessitated by a table game or meter malfunction, in which case, a written explanation shall be sent to the commission.

(c) Prior to removing a progressive jackpot from the gaming floor, a gaming facility licensee shall:

- (1) submit to the commission for approval a plan for the transfer of accrued prize amount minus the seed value amount to another progressive prize pool within the same gaming facility; and
- (2) conduct such transfer in the presence of onsite commission staff.

(d) Subdivision (c) of this section does not apply to multi-site progressive jackpots provided that the gaming facility licensee has submitted to the commission for approval the terms and conditions of such jackpots.

§ 5323.16. Payment of progressive wagers at table.

(a) Whenever a patron wins a table game progressive payout, the gaming facility shall either:

- (1) pay the wager from the chips in the table inventory container; or
- (2) issue a receipt to the patron that may be exchanged for payment at the cashier's cage.

(b) If the gaming facility pays the wager described in paragraph (2) of subdivision (a) of this section, the following shall apply:

- (1) All table games progressive payments shall be made in the presence of a table games supervisor.
- (2) All progressive payouts shall be recorded prior to reducing or resetting the progressive meter. The documentation shall contain the following information:
 - (i) date;
 - (ii) time;
 - (iii) table number;
 - (iv) the configuration of the winning hand;
 - (v) progressive meter amount;
 - (vi) progressive award amount; and
 - (vii) signature of the table games supervisor.

(3) Receipts shall be prepared by the table games supervisor and issued to patrons for progressive payouts. Receipts shall contain the following information:

- (i) date, time and shift;
- (ii) pit and table number;
- (iii) amount of the progressive meter;
- (iv) total jackpot won;
- (v) the configuration of the winning hand;
- (vi) signature of preparer;
- (vii) signature of dealer;
- (viii) signature of patron;
- (ix) an indication as to on what hand the payout is based; and
- (x) name of patron and account number, if the patron is a member of the gaming facility licensee's player tracking system.

(4) The table games supervisor shall validate the winning progressive hand prior to preparing the documentation. Following preparation, the patron must sign and be given a duplicate copy. The progressive meter amount shall be recorded prior to resetting the progressive meter.

(5) The record of jackpots must contain the following information:

- (i) date, time and shift;
- (ii) window number;
- (iii) pit and table number;
- (iv) patron name (and account number, if applicable);
- (v) amount on the progressive meter;
- (vi) total jackpot won;
- (vii) method of payment (cash or casino check);
- (viii) the configuration of the winning hand;
- (ix) signature of cashier or supervisor preparing the form;
- (x) signature of the table games supervisor; and

(xi) an indication of the hand on which the payout is based.

(6) Appropriate tax withholding forms and other necessary paperwork shall be completed before a payout is dispersed to the patron pursuant to this section.

(7) The accounting department of the gaming facility shall verify and reconcile every progressive wager payout.

§ 5323.17. Table game tournaments.

(a) No gaming tournament shall be conducted unless the gaming facility licensee files a written notice with the on-site commission staff, at least five business days prior to the commencement of such tournament, which notice shall include, at a minimum, the following information:

(1) the date and time of the scheduled gaming tournament;

(2) a detailed description of the type of gaming tournament to be offered;

(3) the number of patrons involved in the gaming tournament;

(4) the exact location of the gaming tournament;

(5) a description of any additional security measures that will be implemented for the gaming tournament;

(6) a statement from the supervisors of the gaming facility licensee's security, gaming operations and surveillance departments that the proposed gaming tournament will not adversely affect the security and integrity of gaming operations; and

(7) a statement from the gaming facility controller or designee if the tournament impacts gross gaming revenue.

(b) For poker tournaments, a gaming facility licensee may require that a percentage of the prize pool offered to participants be withheld for distribution to the tournament dealers as tips or gratuities, pursuant to Racing, Pari-Mutuel Wagering and Breeding Law section 1337(3), so long as such gaming facility gives prior notice to the commission.

(c) The on-site commission staff may at any time require the licensee to immediately cease any gaming tournament conducted, if the gaming tournament provided is in any material manner different from the description contained in the submission filed pursuant to subdivision (a) of this section or in any way compromises the security or integrity of gaming operations or the collection of gross revenue.

(d) Gaming tournaments involving games where the outcome depends on the skill of the participant are authorized provided that some element of chance is also part of the game.

§ 5323.18. Request to offer a new table game or new feature for an existing table game.

A table game device manufacturer, gaming-related gaming service provider or a gaming facility that desires to offer a new table game that is not in this Subchapter or a new wager, pay table or feature as part of a table game included in this Subchapter shall file a written request with the commission for approval. Such request shall contain, at a minimum:

(a) A detailed description of the table game or feature, including the rules of play and wagering that would be used for such new table game or feature. In addition, the table game device manufacturer, gaming-related gaming service provider or gaming facility shall:

- (1) indicate whether the game is a variation of an authorized game, a composite of authorized games or a new game;
- (2) provide the true odds, the payout odds and the house advantage for each wager;
- (3) provide a sketch or picture of the game layout, if any; and
- (4) provide sketches or pictures of the equipment used to play the game;

(b) The reason why the new table game or feature is being proposed and, if the request is not filed by a gaming facility, the name of the gaming facility that is interested in offering the new table game or feature;

(c) A list of other gaming jurisdictions where the new table game or feature is currently being offered; and

(d) Whether the game, its name or any of the equipment used to play the game is covered by any copyrights, trademarks or patents, either issued or pending.

§ 5323.19. Temporary permission to operate table games or table game features.

The commission, by directive, may authorize the temporary operation of a table game or table game feature for the purpose of determining whether such game or feature should be authorized on a permanent basis. The rules of such table game or table game feature shall be posted on the commission's website and shall be made available for inspection by the gaming facility in the manner set forth in section 5323.14 of this Part. Any such temporary authorization shall not exceed 270 days.