

PROPOSED RULEMAKING

PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CHS. 524, 528, 529, 605a,
613a AND 615a]

Table Game Devices

The Pennsylvania Gaming Control Board (Board), under the general authority in 4 Pa.C.S. § 1202(b)(30) (relating to general and specific powers) and the specific authority in 4 Pa.C.S. §§ 1302A(1) and (2), 1317.2, 1319 and 1319.1, proposes to rescind Chapter 524, 528 and 529 (relating to electronic gaming tables; gaming related gaming service providers; and general licensing requirements) and adopt Chapters 605a, 613a and 615a (relating to electronic gaming tables; gaming related gaming service providers; and conditional table game device licenses) to read as set forth in Annex A.

Purpose of the Proposed Rulemaking

Under 4 Pa.C.S. § 1303A (relating to temporary table game regulations), the Board initially adopted temporary regulations in Chapter 524 at 40 Pa.B. 2544 (May 15, 2010), Chapter 528 at 40 Pa.B. 1740 (April 3, 2010) and Chapter 529 at 40 Pa.B. 844 (February 13, 2010).

With this proposed rulemaking, the Board is proposing to replace the temporary regulations in Chapter 524 with the permanent regulations in Chapter 605a, the temporary regulations in Chapter 528 with the permanent regulations in Chapter 613a and the temporary regulations in Chapter 529 with the permanent regulations in Chapter 615a.

Explanation of Chapter 605a

Section 605a.1 (relating to definitions) provides definitions of “electronic gaming table,” “electronic wagering system,” “fully automated electronic gaming table,” “game account” and “progressive table game system.” These definitions mirror the definitions in 4 Pa.C.S. Part II (relating to gaming) or reflect commonly used definitions used in the gaming industry.

Section 605a.2 (relating to electronic wagering systems) sets forth the requirements that must be met by electronic wagering systems. An electronic wagering system allows players to place wagers electronically on some form of display and will add winnings or deduct losses automatically. This section specifies the minimum requirements for these systems and requires that they be approved by the Bureau of Gaming Laboratory Operations (Bureau).

Section 605a.3 (relating to procedures for buying in to and cashing out of a table game using an electronic wagering system) provides the procedures whereby a player may “buy in to” a table game, which is how the player may purchase credits that can be used to play the game, and the procedures for “cashing out” of the game, which is how the player will receive any funds remaining in his gaming account when he is ready to leave the game.

Section 605a.4 (relating to electronic gaming tables) contains the requirements that electronic gaming tables must meet. An electronic gaming table uses an electronic wagering system, but still requires a dealer or boxperson to conduct the game. These requirements include techni-

cal requirements the tables must meet, the meters the table must have, and the requirement that the tables be approved by the Bureau.

Section 605a.5 (relating to fully automated electronic gaming tables) contains the requirements for fully automated electronic gaming tables. The difference between an electronic gaming table and a fully automated electronic gaming table is that a fully automated electronic gaming table operates without a dealer, boxperson or any other certificate holder employee. This section is structured in the same manner as § 605a.4 and contains the technical requirements these tables must meet, the meters these tables must have and the requirement that these tables be approved by the Bureau.

Section 605a.6 (relating to integrated live Roulette wheels used on fully automated electronic gaming tables) contains the specific statistical requirements that the Roulette wheels used on fully automated electronic gaming tables must meet regarding the randomness of the resulting spins and the actions that are to occur if the roulette wheel does not satisfy the statistical test.

Section 605a.7 (relating to progressive table game systems) sets forth meter requirements for progressive table game systems, requires approval of progressive jackpots being offered and testing by the Bureau and limits the circumstances under which a progressive jackpot can be turned back to a lesser amount. These provisions are similar to Chapter 461a (relating to slot machine testing and control) governing progressive jackpots offered on slot machines.

Explanation of Chapter 613a

Chapter 613a sets forth the certification process for gaming related gaming service providers. These individuals or entities provide new games or wagers, game variations or similar innovations for which they have received or applied for a patent. Since they do not meet the definition of a manufacturer or supplier, the Board is creating a category of gaming service providers for these individuals and entities.

Included in Chapter 613a are provisions regarding the following: which entities or individuals are considered to be gaming related gaming service providers; the application and renewal process; the qualification process for key individuals who own or are employed by the gaming related gaming service provider; gaming related gaming service provider responsibilities; the gaming related gaming service provider list; permission to conduct business prior to certification; requirements regarding using a gaming related gaming service provider; and certificate holders’ duty to investigate.

Explanation of Chapter 615a

Chapter 615a establishes the requirements regarding the issuance of a conditional table game device license to entities that have applied for a table game device manufacturer, manufacturer designee or supplier license.

As part of the act of January 7, 2010 (P. L. 1, No. 1) (Act 1), entities that want to manufacture or supply table game devices are required to obtain a table game device manufacturer, manufacturer designee or supplier license. For entities that are not currently licensed by the Board, this will require the entities to file a manufacturer, manufacturer designee or supplier license application.

Typically, these applications can take a year or more to process due to the extensive background investigations that are required.

The Board will therefore issue a conditional license to a table game device manufacturer, manufacturer designee or supplier applicant that meets the requirements in § 615a.1 (relating to table game devices, conditional licenses). More specifically, these applicants will have to do the following: submit a complete licensing application; be licensed in good standing in a jurisdiction that has licensing standards which provide similar safeguards to those in this Commonwealth; have an expression of interest in acquiring the equipment they manufacture or supply from a slot machine licensee or a manufacturer, manufacturer designee or supplier licensee; have successfully completed a preliminary screening, including a criminal background check; and have paid the applicable application and licensing fees. To date, the Board has determined that Ontario, New Jersey, Nevada, Mississippi and Louisiana have licensing standards that are equivalent to the Commonwealths.

Table game device manufacturer, manufacturer designee or supplier applicants that meet these requirements will be able to begin to provide table game devices while the review of their license application continues. If, however, as part of the continuing investigation, the Office of Enforcement Counsel issues a Notice of Recommendation of Denial, the Bureau of Licensing may rescind the conditional license. If this occurs, the Bureau of Licensing will notify the applicant and all slot machine licensees and manufacturer, manufacturer designee and supplier licensees that the applicant is no longer authorized to provide table game devices in this Commonwealth. This notice will be sent by registered mail and will contain a date after which the applicant will no longer be permitted to provide table game devices.

Affected Parties

With respect to Chapter 605a, slot machine licensees that elect to become certificate holders and decide to install electronic or fully automated gaming tables will be required to comply with this chapter. Additionally, manufacturers of electronic or fully automated gaming tables will be required to submit their tables to the Bureau for testing and will have to meet the design requirements in this chapter.

The Board will experience increased regulatory demands to review the tables submitted by manufacturers and review the procedures and inspect the tables installed at licensed facilities.

Regarding Chapter 613a, individuals and entities that want to become gaming related gaming services providers will have to complete a certification application and pay the applicable fees. To date, the Board has received four applications for certification from gaming related gaming service providers. Applications the Board receives will be reviewed by existing Bureau of Licensing staff.

Regarding Chapter 615a, slot machine licensees will benefit from this proposed rulemaking because they will have more sources from whom they may obtain table game devices in a shorter period of time. Additionally, applicants for table game device manufacturer, manufacturer designee or supplier licenses will benefit from being able to offer their products in this Commonwealth within a shorter period of time.

The Board has experienced increased regulatory demands resulting from the implementation of table games, including the review of electronic and fully automated

tables and the review of additional applications from gaming related gaming service providers, table game device manufacturers, manufacturer designees and suppliers.

Fiscal Impact

Commonwealth. The Bureau experienced increased costs regarding the review of electronic and fully automated electronic gaming tables that manufacturers have elected to offer for sale in this Commonwealth, but these costs will be recovered directly from these manufacturers. The Board also anticipates that additional demands will be placed on existing staff regarding the inspection of these tables when they are installed in a licensed facility. However, because most certificate holders are not planning on using many of these tables at this time, the Board does not expect it will need to hire additional personnel to meet these demands.

Additionally, the Board experienced increased costs related to the review of the applications for gaming related gaming service provider certification and for conditional table game device licenses for manufacturers, manufacturer designees and suppliers. However, the increased costs did not exceed the additional supplemental funding of approximately \$2.1 million provided to the Board under Act 1.

Political subdivisions. This proposed rulemaking will not have fiscal impact on political subdivisions of this Commonwealth. Host municipalities and counties will benefit from the local share funding mandated by Act 1.

Private sector. This proposed rulemaking will result in additional costs for certificate holders that elect to use electronic or fully automated electronic gaming tables because these tables are more expensive. However, these costs would be offset by reduced labor costs and increased speed of play.

Manufacturers of electronic or fully automated gaming tables will have to reimburse the Bureau for the costs incurred by the Bureau to complete its technical review of these gaming tables. It is anticipated that the manufacturers will recover the costs as part of the prices they charge for these tables.

Applicants for a table game device manufacturer, manufacturer designee or supplier license and gaming related gaming service provider certification will have to complete the applicable existing Board license or certification application forms and pay all of the associated application, investigation, licensing or certification fees. There will not be additional forms required or fees imposed in connection with the conditional licenses for manufacturers, manufacturer designees and suppliers.

General public. This proposed rulemaking will not have fiscal impact on the general public.

Paperwork Requirements

This proposed rulemaking will require manufacturers to submit manuals and other technical information regarding the particular electronic or fully automated gaming table that they submit to the Bureau for approval.

With respect to manufacturer, manufacturer designee, supplier and gaming related gaming service provider applicants, they will be required to file the normal applications and related materials for a license or certification.

Effective Date

The proposed rulemaking will become effective upon final-form publication in the *Pennsylvania Bulletin*.

Public Comments

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed rulemaking, within 30 days after the date of publication in the *Pennsylvania Bulletin*, to Susan A. Yocum, Assistant Chief Counsel, Pennsylvania Gaming Control Board, P. O. Box 69060, Harrisburg, PA 17106-9060, Attention; Public Comment on Table Game Equipment, Regulation # 125-138.

Contact Person

The contact person for questions about this proposed rulemaking is Susan Yocum, Assistant Chief Counsel, (717) 265-8356.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on January 19, 2011, the Board submitted a copy of this proposed rulemaking and a copy of a Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC). Under section 5(f) of the Regulatory Review Act, the Board will submit the proposed rulemaking and the required material to the Chairpersons of the House Gaming Oversight Committee and the Senate Community, Economic and Recreational Development Committee no later than the second Monday after the date by which both committee designations have been published in the *Pennsylvania Bulletin*. A copy of this material is available to the public upon request and is available on the Board's web site at www.pgcb.state.pa.us.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly and the Governor of comments, recommendations or objections raised.

GREGORY C. FAJT,
Chairperson

Fiscal Note: 125-138. No fiscal impact; (8) recommends adoption.

Annex A

Title 58. RECREATION

PART VII. GAMING CONTROL BOARD

Subpart K. TABLE GAMES

CHAPTER 524. (Reserved)

(Editor's Note: As part of this proposed rulemaking, the Board is proposing to rescind Chapter 524 which appears in 58 Pa. Code pages 524-1—524-8, serial pages (349973)—(349978), (350939) and (350940).)

Sec.
524.1—524.7. (Reserved).

CHAPTER 605a. ELECTRONIC GAMING TABLES

- Sec.
- 605a.1. Definitions.
- 605a.2. Electronic wagering systems.
- 605a.3. Procedures for buying in to and cashing out of a table game using an electronic wagering system.
- 605a.4. Electronic gaming tables.
- 605a.5. Fully automated electronic gaming tables.
- 605a.6. Integrated live Roulette wheels used on fully automated electronic gaming tables.
- 605a.7. Progressive table game systems.

§ 605a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Electronic gaming table—

(i) A gaming table approved by the Board that is a mechanical, electrical or computerized contrivance, terminal, machine or other device which, upon insertion or placement of cash or cash equivalents therein or thereon, or upon a wager or payment of any consideration whatsoever, is available for play or operation by one or more players as a table game.

(ii) The term includes any gaming table where a wager or payment is made using an electronic or computerized wagering or payment system.

(iii) The term does not include a slot machine.

*Electronic wagering system—*A computer or server and any related hardware, software or other device that permits wagering to be conducted at a gaming table.

*Fully automated electronic gaming table—*An electronic gaming table determined by the Board to be playable or operable as a table game without the assistance or participation of a person acting on behalf of a certificate holder.

*Game account—*The funds that are available to a player for use at an electronic gaming table.

*Progressive table game system—*The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, report and audit data with regard to activity at fully automated electronic gaming tables, electronic gaming tables, or live table games offering a jackpot that increases corresponding to an additional wager on the table.

§ 605a.2. Electronic wagering systems.

(a) A certificate holder may conduct electronic wagering at a gaming table in accordance with this chapter. Electronic wagering at a gaming table shall be conducted through the use of an electronic wagering system. If an electronic wagering system is in use at a gaming table, wagers placed at that gaming table shall be made using the electronic wagering system.

(b) An electronic wagering system shall be a dedicated computer system. The computer or server controlling the system shall be under dual key control, with one key controlled by the finance department and the other key controlled by the table games department.

(c) All aspects of an electronic wagering system, including the computer or server and any related hardware, software or related devices shall be tested and approved by the Bureau of Gaming Laboratory Operations prior to use at any licensed facility in this Commonwealth.

(d) An electronic wagering system must:

(1) Credit funds to the game account of a player when a player buys in to a game at a particular gaming table and debit any remaining funds from the game account when a player cashes out of the game.

(2) Permit a player to wager from a game account, collect losing wagers from the game account and pay winning wagers by crediting the amount of the winnings and corresponding wager to the game account.

(3) In the game of Poker:

(i) Debit game accounts and increment pots for wagers placed, and distribute winning pots by crediting the game accounts of the winning players in the appropriate amounts.

(ii) Extract the rake from players or pots according to the rake procedures established for the game and debit the game accounts of players in the appropriate amounts.

(iii) Make each player's balance or table stakes visible to all players in the game.

(4) Depict the transactions described in paragraphs (1)—(3) through one or more electronic fund displays that are visible to each player and the dealer or boxperson.

(5) Disclose to each player at all times the current balance in the player's game account.

(6) Accurately report and audit the table game's win or loss or Poker revenue.

(7) Generate reports setting forth, by gaming day, for each gaming table using the electronic wagering system:

(i) The total amount deposited into the game account of each player.

(ii) The total amount deposited into game accounts by all players.

(iii) The total amount credited to the game account of each player in payment of winnings.

(iv) The total amount credited to the game accounts of all players in payment of winnings.

(v) The total amount collected from each player as losing wagers.

(vi) The total amount collected from all players as losing wagers.

(vii) For Poker, if applicable, the total amount deducted from the game account of each player for collection of Poker rake time charges.

(viii) For Poker, if applicable, the total amount collected from the accounts of all players for collection of Poker rake time charges.

(ix) For Poker, if applicable, the total amount collected from Poker pots for collection of Poker rake.

(x) The total amount withdrawn from game accounts by each player.

(xi) The total amount withdrawn from game accounts by all players.

(xii) The table game win or loss or Poker revenue.

(e) After installation, electronic wagering systems shall be inspected and approved by the Bureau of Gaming Laboratory Operations prior to use at any licensed facility in this Commonwealth.

§ 605a.3. Procedures for buying in to and cashing out of a table game using an electronic wagering system.

(a) A player shall buy in to a table game using an electronic wagering system as follows:

(1) If the gaming table is equipped with a bill validator, a player shall buy in to the game by either:

(i) Inserting currency or, if the table game is a fully automated electronic gaming table, a gaming voucher, into the bill validator. The electronic wagering system must credit an equivalent amount of funds into the game account of the player, which funds must be displayed on the electronic fund display.

(ii) Presenting currency or value chips to the dealer or boxperson if the table game is not a fully automated electronic gaming table.

(2) If the gaming table is not equipped with a bill validator, a player shall buy in to the game by presenting currency or value chips to the dealer or boxperson.

(3) When a player presents currency or value chips to a dealer or boxperson, the dealer or boxperson shall credit an equivalent amount of funds to the game account of the player, which shall be registered on the electronic fund display and acknowledged by the player.

(b) A player shall cash out of a table game using an electronic wagering system as follows:

(1) If the gaming table is a fully automated electronic gaming table, by receiving a gaming voucher equal in value to the balance in the game account of the player.

(2) If the gaming table is not a fully automated electronic gaming table, by receiving value chips from the dealer or boxperson from the table inventory container equal in value to the balance in the game account of the player.

(3) If the gaming table is not a fully automated electronic gaming table, after cashing out the player, the dealer or boxperson shall zero out the amount on the electronic fund display of the player.

§ 605a.4. Electronic gaming tables.

(a) An electronic gaming table must comply with the requirements in § 605a.2 (relating to electronic wagering systems).

(b) An electronic gaming table system must contain a dedicated computer system. The computer or server controlling the system shall be under dual key control, with one key controlled by the finance department and the other key controlled by the table games department. All aspects of an electronic gaming table system, including the computer or server and related hardware, software or related devices shall be tested and approved by the Bureau of Gaming Laboratory Operations, for compliance with the requirements of this section, prior to use at any licensed facility in this Commonwealth.

(c) An electronic gaming table must have the capacity to allow the Bureau of Gaming Laboratory Operations to verify all relevant control software for authenticity.

(d) A certificate holder using an electronic gaming table system shall include in its internal controls, at a minimum:

(1) Procedures to ensure the physical security of the computer or server and related hardware, software and other devices.

(2) Procedures to ensure the integrity and security of sensitive data and software.

(3) Procedures to ensure that access to sensitive data and software is limited to appropriate personnel only.

(4) Procedures to ensure the logging of the events and the availability of records to permit an effective audit of the conduct of the system and the reporting of revenue.

(e) An electronic gaming table must have the ability to authenticate the transmission of data between the various components of the electronic gaming table system.

(f) An electronic gaming table system must display a signal clearly visible to the surveillance department whenever a door or cabinet at an electronic gaming table is open, whenever there is a malfunction in the operation

of the electronic gaming table system, or any component thereof, including whenever a printer or currency jam occurs.

(g) An electronic gaming table that is not a fully automated electronic gaming table must be equipped with the following meters, where applicable:

(1) *Coin in*. A meter that accumulates the total value of all wagers.

(2) *Coin out*. A meter that accumulates the total value of all amounts directly paid by the electronic gaming table as a result of winning wagers. This meter may not record amounts awarded as the result of a progressive payout.

(3) *Attendant paid jackpots*. A meter that accumulates the total value of credits paid by an attendant resulting from a single winning outcome, the amount of which is not capable of being paid by the electronic gaming table. This meter may not record amounts awarded as the result of a progressive payout.

(4) *Attendant paid cancelled credits*. A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the electronic gaming table.

(5) *Bill in*. A meter that accumulates the total value of currency accepted. The electronic gaming table must also have a specific meter for each denomination.

(6) *Electronic gaming table paid progressive payout*. For electronic gaming tables offering a progressive payout, a meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the electronic gaming table.

(7) *Attendant paid progressive payout*. For electronic gaming tables offering a progressive payout, a meter that accumulates the total value of credits paid by an attendant as a result of progressive awards that are not capable of being paid by the electronic gaming table.

(8) *Additional meters*. Other meters required by technical standards adopted by the Board.

§ 605a.5. Fully automated electronic gaming tables.

(a) A fully automated electronic gaming table must comply with the comprehensive protocol specifications required under section 1324 of the act (relating to protocol information) that are necessary to enable the fully automated electronic gaming table to communicate with the Department's central control computer system, for the purpose of transmitting auditing program information, real time information retrieval and fully automated table electronic game activation and disabling.

(b) A fully automated electronic gaming table must have installed software or hardware that distinguishes the fully automated electronic gaming table from a slot machine as defined by the act.

(c) A fully automated electronic gaming table must have the capability to accept currency or gaming vouchers, and to issue a gaming voucher to a player for any winnings.

(d) A fully automated electronic gaming table must be equipped with the following meters, where applicable:

(1) *Coin in*. A meter that accumulates the total value of all wagers.

(2) *Coin out*. A meter that accumulates the total value of all amounts directly paid by the fully automated

electronic gaming table as a result of winning wagers. This meter may not record amounts awarded as the result of a progressive payout.

(3) *Attendant paid jackpots*. A meter that accumulates the total value of credits paid by an attendant resulting from a single winning outcome, the amount of which is not capable of being paid by the fully automated electronic gaming table. This meter may not record amounts awarded as the result of a progressive payout.

(4) *Attendant paid cancelled credits*. A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the fully automated electronic gaming table.

(5) *Bill in*. A meter that accumulates the total value of currency accepted. The fully automated electronic gaming table must also have a specific meter for each denomination.

(6) *Voucher in—cashable/value*. A meter that accumulates the total value of cashable gaming vouchers accepted by the fully automated electronic gaming table.

(7) *Voucher in—cashable/count*. A meter that accumulates the total number of cashable gaming vouchers accepted by the fully automated electronic gaming table.

(8) *Voucher out—cashable/value*. A meter that accumulates the total value of cashable gaming vouchers issued by the fully automated electronic gaming table.

(9) *Voucher out—cashable/count*. A meter that accumulates the total number of cashable gaming vouchers accepted by the fully automated electronic gaming table.

(10) *Fully automated electronic gaming table paid progressive payout*. For fully automated electronic gaming tables offering a progressive payout, a meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the fully automated electronic gaming table.

(11) *Attendant paid progressive payout*. For fully automated electronic gaming tables offering a progressive payout, a meter that accumulates the total value of credits paid by an attendant as a result of progressive awards that are not capable of being paid by the fully automated electronic gaming table.

(12) *Additional meters*. Other meters required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's website.

§ 605a.6. Integrated live Roulette wheels used on fully automated electronic gaming tables.

(a) A fully automated electronic gaming table with an integrated live Roulette wheel must randomize the method by which the outcome is determined. This includes, but is not limited to, the speed at which the ball is ejected onto the wheel and the speed at which the wheel rotates.

(b) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of determining if the wheel meets a 95% confidence limit using a standard chisquared test for goodness of fit. The calculation must be made based on the following criteria:

(1) Ten thousand outcomes have been generated.

(2) A new calculation must be made for each 10,000 subsequent outcomes.

(3) The calculation must consider only the most recent 10,000 outcomes.

(c) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of displaying a visual notification, clearable by an attendant, if at any time the live Roulette wheel has failed the chi-squared test for goodness of fit under subsection (b).

(d) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of disabling play in the event that the wheel has failed to meet the 95% confidence limit for goodness of fit test required under subsection (b) for two consecutive testing periods. Attendant interaction shall be required before enabling the table for play.

(e) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of providing a report that shows the results of the last chi-squared test as well as the previous 9 chi-squared tests. The report must contain the following:

- (1) The time and date the test was performed.
- (2) The table ID or any comparable identifier.
- (3) The number of games used to perform the test.
- (4) The outcome of the test.

§ 605a.7. Progressive table game systems.

(a) Each progressive fully automated electronic gaming table, electronic gaming table or live table game must have:

(1) A progressive meter visible from the front of the gaming table, which may increase in value based upon wagers, that advises the players of the amount which 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 directly by a fully automated electronic gaming table or electronic gaming table.

(3) A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by an attendant as a result of progressive awards that are not capable of being paid by a fully automated electronic gaming table or electronic gaming table.

(4) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by a fully automated electronic gaming table, electronic gaming table, or attendant.

(5) A key and keyed switch to reset the progressive meter or meters or other reset mechanism.

(6) 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 paragraph (5).

(b) A table game that offers a progressive jackpot may not be placed on the gaming floor until the certificate holder, or if applicable, the progressive system operator, has submitted to the Bureau of Gaming Laboratory Operations and the Bureau of Gaming Laboratory Operations has approved, the following:

(1) The initial and reset amounts at which the progressive meter or meters will be set.

(2) The proposed system for controlling the keys and applicable logical access controls to the table games.

(3) The proposed rate of progression for each progressive jackpot.

(4) The proposed limit for the progressive jackpot, if any.

(c) A table game that offers either a new progressive jackpot or a modification of an existing progressive jackpot may not be made available for play by the public until the table game has been tested and certified by the Bureau of Gaming Laboratory Operations.

(d) 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 a system of internal controls approved under § 465a.2 (relating to internal control systems and audit protocols).

(3) The progressive jackpot has, upon Bureau of Gaming Laboratory Operations approval, been transferred to another progressive table game.

(4) The change is necessitated by a table game or meter malfunction, in which case, a written explanation shall be sent to the Bureau of Gaming Laboratory Operations.

CHAPTER 528. (Reserved)

(Editor's Note: As part of this proposed rulemaking, the Board is proposing to rescind Chapter 528 which appears in 58 Pa. Code pages 528-1—528-9, serial pages (349027)—(349032).)

Sec.
528.1—528.9. (Reserved).

CHAPTER 613a. GAMING RELATED GAMING SERVICE PROVIDERS

Sec.
613a.1. General requirements.
613a.2. Gaming related gaming service provider certification applications.
613a.3. Qualification of individuals and entities.
613a.4. Certification term and renewal.
613a.5. Certified gaming related gaming service provider responsibilities.
613a.6. Gaming related gaming service provider list.
613a.7. Requirements for use of a gaming related gaming service provider.
613a.8. Permission to conduct business prior to certification.
613a.9. Certificate holders' duty to investigate.

§ 613a.1. General requirements.

(a) A person seeking to conduct business with a certificate holder shall apply to the Board for certification as a gaming related gaming service provider if the person is not required to be licensed as a manufacturer, supplier or manufacturer designee and either:

(1) Provides a gaming related service that includes a new game or new wager, game variation, side bet or similar innovation relating to a table game that has been approved by the Board.

(2) Is the owner of a patent or has a patent pending for the new game or new wager, game variation, side bet or similar innovation.

§ 613a.2. Gaming related gaming service provider certification applications.

(a) A gaming related gaming service provider seeking certification shall complete and the certificate holder for

whom the gaming related gaming service provider may be providing gaming related services shall submit:

(1) An original and one copy of a Gaming Related Gaming Service Provider Certification Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site (www.pgcb.state.pa.us).

(3) Applications and release authorizations for each individual required to be qualified under § 613a.3 (relating to qualification of individuals and entities).

(4) A written statement from a certificate holder, stating that the certificate holder may do business with the gaming related gaming service provider for the purpose of utilizing the gaming related gaming service provider's gaming related service.

(b) In addition to the materials required under subsection (a), an applicant for a gaming related gaming service provider certification shall:

(1) Promptly provide information requested by the Board relating to its application or regulation and cooperate with the Board in investigations, hearings, and enforcement and disciplinary actions.

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications).

(c) A gaming related gaming service provider certification will not be issued until all fees and costs, including any Gaming Laboratory Operation costs incurred in the review of the proposed new game or new wager, game variation, side bet or similar innovation, have been paid.

§ 613a.3. Qualification of individuals and entities.

(a) The following individuals shall be required to submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification. For the purposes of this paragraph, the term "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified gaming related gaming service provider or applicant for gaming related gaming service provider certification. A certified gaming related gaming service provider or applicant for gaming related gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification who solicits or will be soliciting business from, or has regular contact with, any representatives of a certificate holder.

(b) Each entity that directly owns 20% or more of the voting securities of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification shall be required to file a Gaming Service Provider Certification Form—Private Holding Company with the Board and be found qualified by the Board.

(c) The following persons may be required to submit a Gaming Service Provider Certification Form—Private Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Board determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification.

(3) An employee of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified gaming related gaming service provider or applicant for gaming related gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if:

(1) The individual's presence in the licensed facility is needed.

(2) The company with which the individual is associated is on the Authorized Gaming Related Gaming Service Provider List.

(e) The Bureau of Licensing will issue a permanent credential to an individual who has been found qualified under this section if the gaming related gaming service provider has been certified.

§ 613a.4. Certification term and renewal.

(a) Gaming related gaming service provider certifications, and renewals issued under this chapter will be valid for 4 years from the date of Board approval.

(b) A certified gaming related gaming service provider shall submit to the Board a completed renewal application and renewal fee at least 60 days prior to the expiration of a certification.

(c) A certification for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the certification that the Board has approved or denied the certification.

§ 613a.5. Certified gaming related gaming service provider responsibilities.

A holder of a gaming related gaming service provider certification shall have a continuing duty to:

(1) Provide information requested by the Board relating to licensing or regulation; cooperate with the Board in investigations, hearings, and enforcement and disciplinary actions; and comply with conditions, restrictions, requirements, orders and rulings of the Board in accordance with the act.

(2) Report a change in circumstances that may render the holder of a gaming related gaming service provider certification ineligible, unqualified or unsuitable to hold a certification under the standards and requirements of the act and of this part.

§ 613a.6. Gaming related gaming service provider list.

The Board will maintain a list of gaming related gaming service providers that are certified and have had their gaming related service approved by the Bureau of Gaming Laboratory Operations.

§ 613a.7. Requirements for use of a gaming related gaming service provider.

Prior to use of a gaming related service by a certificate holder the following must occur:

(1) The gaming related gaming service provider providing the gaming related service shall submit its gaming related service to the Bureau of Gaming Laboratory Operations.

(2) The gaming related gaming service provider shall pay all Gaming Laboratory Operation costs incurred in the review of the proposed new game or new wager, game variation, side bet or similar innovation.

(3) The certificate holder shall make a written request to the Board's Executive Director and receive written approval for use of the new gaming related service in accordance with § 601a.4 (relating to request to offer a new table game or new feature for an existing table game). (*Editor's Note:* Section 601a.4 will be adopted prior to or upon final adoption of this proposed rulemaking.)

(4) The gaming related gaming service provider shall pay the certification fee and must either receive written authorization from the Bureau of Licensing to conduct business prior to certification or be certified.

§ 613a.8. Permission to conduct business prior to certification.

(a) Notwithstanding § 613a.1 (relating to general requirements), the Bureau of Licensing may authorize an applicant for gaming related gaming service provider certification to conduct business with a certificate holder prior to the certification of the gaming related gaming service provider applicant if the following criteria are met:

(1) A completed Gaming Related Gaming Service Provider Certification Application and Disclosure Information Form has been filed by the certificate holder in accordance with § 613a.2 (relating to gaming related gaming service provider certification applications).

(2) The certificate holder certifies that it has performed due diligence on the gaming related gaming service provider.

(3) The applicant for gaming related gaming service provider certification agrees, in writing, that the grant of permission to conduct business prior to certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted pursuant to this section, with or without prior notice to the applicant, if the Bureau of Licensing determines that the suitability of the applicant is at issue or the applicant fails to cooperate in the application process.

(4) The gaming related gaming service provider and the certificate holder have satisfied the requirements in § 613a.7 (relating to requirements for use of a gaming related gaming service provider).

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for gaming related gaming service provider certification, the Bureau of Licensing may rescind the permission granted to the applicant for gaming related gaming service provider certification to conduct business with a certificate holder under subsection (a). If the permission is rescinded, the applicant for gaming related gaming service provider certification shall cease conducting business with the certificate holder by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant for gaming related gaming service provider certification and the certificate holder by registered mail that permission for the applicant for gaming related gaming service provider certification to conduct business with the certificate holder under subsection (a) has been rescinded and that the certificate holder shall cease conducting business with the applicant for gaming related gaming service provider certification by the date specified in the notice.

§ 613a.9. Certificate holders' duty to investigate.

(a) A certificate holder shall investigate the background and qualifications of the applicants for gaming related gaming service provider certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A certificate holder shall have an affirmative duty to avoid agreements or relationships with persons applying for gaming related gaming service provider certification whose background or association is injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) A certificate holder shall have a duty to inform the Board of an action by an applicant for or holder of a gaming related gaming service provider certification which the certificate holder believes would constitute a violation of the act or this part.

CHAPTER 529. (Reserved)

(*Editor's Note:* As part of this proposed rulemaking, the Board is proposing to rescind Chapter 529 which appears in 58 Pa. Code pages 529-1—529-2, serial pages (350011) and (350012).)

Sec.
529.1 and 529.2. (Reserved).

CHAPTER 615a. CONDITIONAL TABLE GAME DEVICE LICENSES

Sec.
615a.1. Table game devices, conditional licenses.

§ 615a.1. Table game devices, conditional licenses.

(a) The Board may grant an applicant for a table game device manufacturer, manufacturer designee or supplier license a conditional license to conduct table game business in this Commonwealth, prior to licensure.

(b) To be eligible to obtain a conditional table game device license, the applicant for a table game device manufacturer, manufacturer designee or supplier license shall:

(1) Submit a completed manufacturer, manufacturer designee or supplier license application.

(2) Be certified as a gaming service provider in this Commonwealth or be licensed in good standing to manufacturer or provide table game devices in another jurisdiction in the United States or Canada that the Board has

determined has licensing standards that are as comprehensive and thorough and provide similar adequate safeguards as those required by the act.

(3) Submit a written statement from a slot machine licensee, manufacturer licensee, manufacturer designee licensee or supplier licensee that the slot machine licensee, manufacturer licensee, manufacturer designee licensee or supplier licensee intends to do business with the applicant for the purpose of purchasing, selling or marketing table game devices.

(4) Pass a preliminary review of the application and criminal history investigation.

(5) Submit full payment for the table game device manufacturer, manufacturer designee or supplier license prior to the issuance of the conditional license.

(c) An applicant for a table game device manufacturer, manufacturer designee or supplier license that has received a conditional license shall provide monthly transaction reports to the Bureau of Licensing by the 20th calendar day of the following month during the period of conditional licensure. The monthly transaction reports must include:

(1) The date table game devices were provided to a licensee.

(2) A description of the table game devices provided.

(3) The amount paid by the licensee for the table game devices.

(4) A copy of the invoice for the table game devices.

(d) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for a table game device manufacturer, manufacturer designee or supplier license that has received a conditional license, the Bureau of Licensing may rescind the conditional license issued to the applicant. If the conditional license is rescinded, the applicant shall cease conducting business by the date specified in the notice of the rescission sent to the applicant by the Bureau of Licensing under subsection (e).

(e) When the Bureau of Licensing rescinds a conditional license, the Bureau of Licensing will notify the holder of the conditional license and all slot machine licensees, manufacturer licensees, manufacturer designee licensees and supplier licensees by registered mail that:

(1) Permission for the applicant to conduct business under subsection (a) has been rescinded.

(2) Slot machine licensees, manufacturer licensees, manufacturer designee licensees and supplier licensees shall cease conducting business with the applicant by the date specified in the notice.

(f) Pending a hearing on the Notice of Recommendation for Denial, the applicant may not seek or conduct any new business in this Commonwealth and may only complete transactions that were commenced prior to the date specified in the notice of rescission.

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