1	Title 36 MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
2	Subtitle 03 GAMING PROVISIONS
3	Chapter 10 Video Lottery Facility Minimum Internal Control Standards
4 5	Authority: State Government Article, §§ 9-1A-02, and 9-1A-04, Annotated Code of Maryland
6	.38 Jackpot Payout.
7	A. Definition.
8 9	B. A facility operator shall utilize a multipurpose jackpot or credit meter payout document meeting the requirements of this regulation to pay:
10	(1) A jackpot not totally and automatically paid by a video lottery terminal; or
11	(2) Credits accumulated by a player on a video lottery terminal if:
12 13	(a) The number of accumulated credits exceeds the amount which may be paid utilizing a gaming ticket under Regulation .36 of this chapter;
14	(b) Due to malfunction, the credits cannot be paid by the video lottery terminal; or
15 16	(c) A single jackpot event requires the filing of IRS Form W-2G, Certain Gambling Winnings.
17	C. A facility operator shall:
18 19	(1) Prepare and timely file IRS Form W-2G, Certain Gambling Winnings, in accordance with IRS rules and regulations;
20 21	(2) Withhold payment of a jackpot prize to satisfy a player's financial obligation to the State, such as the payment of child support arrearage or other requirements of State law; and
22 23	(3) Immediately report to the Commission any incident in which a video lottery terminal fails to lock up and preclude play following a single jackpot event of \$1,200 or more.

For June 28, 2018 Commission.

The proposed amendment to §D increases the requirement to issue a casino check for jackpots to \$50,000 and provides players with the flexibility to choose alternative payment options for jackpots less than \$50,000. The proposed amendments to §G increase the verification limits for jackpot payouts.

- 1 D. A facility operator shall pay a jackpot or credit meter payout of:
- 2 (1) <u>\$25,000</u> <u>\$50,000</u> or more by check; and
- 3 (2) Less than \$25,000 \$50,000 by:
- 4 (a) Cash or check; or

(b) Check on On the request of a player, any combination of cash, gaming ticket, check or other method of payment approved by the Commission.

E. A facility operator may withhold a player's outstanding indebtedness to the facility from a
jackpot prize or credit meter payout after satisfying a player's financial obligation to the State, as
required in §C(2) of this regulation;

F. A facility operator shall develop and include in the internal controls submitted to and
 approved by the Commission under Regulation .05 of this chapter procedures addressing the
 payment of a jackpot or credit meter payout not totally and automatically paid by a video lottery
 terminal.

14 G. A facility operator's internal controls shall include:

(1) The use of a two-part computer-generated jackpot or credit meter payout document
 initiated on the request of a gaming operations department attendant or gaming operations
 department supervisor or above after verifying the:

(a) Winning combination of characters on the video lottery terminal or table game and theamount of the jackpot; or

20 (b) Number of accumulated credits;

(2) Unless a request for an alternate verification procedure is submitted in writing and
 approved by the Commission, a requirement that, if a jackpot or credit meter payout is \$1,200 or
 more but less than \$10,000 \$15,000, a security department employee or a gaming operations
 department attendant or gaming operations department supervisor or above other than the
 preparer of the document sign the jackpot or credit meter payout document after verifying the
 payment of the jackpot or credit meter payout to the player and:

For June 28, 2018 Commission.

The proposed amendment to §D increases the requirement to issue a casino check for jackpots to \$50,000 and provides players with the flexibility to choose alternative payment options for jackpots less than \$50,000. The proposed amendments to §G increase the verification limits for jackpot payouts.

(a) Winning combination of characters on the video lottery terminal and the amount of the
 jackpot; or

3 (b) Number of accumulated credits;

(3) A requirement that, if a jackpot or credit meter payout is \$10,000 \$15,000 or more but
less than \$25,000 \$35,000, a security department employee or a gaming operations department
supervisor or above other than the preparer of the document sign the jackpot or credit meter
payout document after verifying the payment of the jackpot or credit meter payout to the player
and:

- 9 (a) Winning combination of characters on the video lottery terminal and the amount of the10 jackpot; or
- 11 (b) Number of accumulated credits;

12 (4) A provision that, if a jackpot or credit meter payout document generated under G(1) of

13 this regulation is requested by a gaming operations department supervisor or above, the

14 verification required by G(3) of this regulation may be completed by a gaming operations

15 department attendant, a gaming operations department supervisor or above, or a security

16 department employee;

(5) A requirement that, if a jackpot or credit meter payout is \$25,000 \$35,000 or more, an
operations department shift manager or higher level operations department employee other than
the preparer of the document sign the jackpot or credit meter payout document after verifying the
payment of the jackpot or credit meter payout to the player and:

(a) Winning combination of characters on the video lottery terminal and amount of the
 jackpot; or

- 23 (b) Number of accumulated credits;
- 24 ((6) (14) text unchanged)

For June 28, 2018 Commission.

The proposed amendment to §D increases the requirement to issue a casino check for jackpots to \$50,000 and provides players with the flexibility to choose alternative payment options for jackpots less than \$50,000. The proposed amendments to §G increase the verification limits for jackpot payouts.