

STAFF AGENDA MEMORANDUM

DATE OF MEETING: June 29, 2017

AGENDA ITEM: **Casino Regulations**

PRESENTER: James Nielsen, COO

ISSUE SUMMARY: A total of 18 new or amended regulations have been proposed in a continuing effort to achieve industry best practices. Most of the changes were made at the request of Maryland's casino industry and several are staff recommendations.

36.03.01.02 Definitions.

This amendment would clarify the definition of "table game equipment."

36.03.01.03 Unclaimed Video Lottery Terminal Jackpots.

This amendment would implement a new law (SB 228/HB 300, Ch. 452), which amended SG § 9-1A-26 to specify how a VLT jackpot that is not claimed within 182 days shall be distributed.

36.03.03.07 Automated Teller Machines.

This amendment would reduce the ratio of ATMs to VLT and table game seats from 1 to 125 to 1 to 100.

36.03.10.02 Accounting Records.

This amendment would remove the requirement that subsidiary ledgers and records include the number of individuals receiving complimentary services. This information is maintained in the facility's database as required under COMAR 36.03.10.09D.

36.03.10.11 Surveillance System Design Standards.

Under SG § 9-1A-13, the term of a video lottery employee's license is five years. Under this regulation, a facility operator must maintain photographs of its employees that are no more than four years old. By changing the facility operator photograph requirement to five years, this amendment would align that requirement with the five-year term of an employee's license.

36.03.10.19 Accounting Controls for a Cashiers' Cage.

This amendment would align this regulation with existing practices.

36.03.10.20 Checks Accepted from a Player.

This amendment would provide players and facility operators with greater flexibility in cashing checks.

36.03.10.24 Credit Authorization.

The amendment to this regulation would align it with COMAR 36.03.10.32, which was amended in September 2014 to require each facility operator to manage player requests for suspension of credit privileges in accordance with the regulations and also addresses reinstatement of players' privileges following settlement of a returned check.

36.03.10.27 Counter Check Issuance at a Video Lottery Terminal or Table Game.

The proposed amendment to § D would change the requirement for counter check issuance at a VLT from a two-part form to a one-part form. Other amendments would bring the regulation into compliance with the *Style Manual for Maryland Regulations*.

36.03.10.28 Counter Check Substitution, Consolidation, and Redemption.

The amendment to § C of this regulation reflects the check cashing limit changes made to COMAR 36.03.10.20.

36.03.10.38 Jackpot Payout.

The amendment to § E of this regulation would allow a facility operator to deduct a player's debt to the facility operator from the player's jackpot payouts. The amendment to § G of this regulation would allow a facility operator to submit alternate verification procedures for jackpot or credit meter payouts between \$1,200 and \$10,000.

36.03.10.41 Automated Jackpot Payout Machine.

This amendment would increase the amount that can be paid out from an automated jackpot payout machine from \$10,000 to \$25,000, which should improve customer service.

36.03.10.42 Access to Bill Validators, Cash Storage, and Table Game Drop Boxes.

The amendment would align table game cash box content key requirements with existing practices approved in previous regulation changes.

36.03.10.51 Donation of Coins from Gaming Payouts.

This all-new regulation would implement new legislation (SB1125/HB1537, Ch. 449), which amends SG § 9-1A-04 to require the Commission to adopt regulations requiring each video lottery operator to establish donation boxes to allow players to make donations to the Maryland Veterans Trust Fund.

36.04.01.20 Video Lottery Terminal Entry Logs.

The amendment would allow facility operators to request alternate procedures to satisfy maintenance log requirements.

36.04.01.31 Remote Access.

This amendment would align this regulation with existing practices.

36.05.02.16 Cards — Receipt, Storage, Inspection, and Removal.

This amendment would align this regulation with existing practices approved in previous regulation changes and allow the cancelation of cards to take place at a location other than the facility.

36.05.03.03 Procedures for Opening a Table Game.

The amendment to this regulation is to clarify that unresolved discrepancies greater than \$100 shall be investigated by security or surveillance.

COMMISSION ACTION REQUIRED/REQUESTED: Review and approval of the proposed new or amended regulations.

Staff Recommendation: Staff recommends approval.