

STAFF AGENDA MEMORANDUM

DATE OF MEETING: June 28, 2018

AGENDA ITEM: **Casino Regulations**

PRESENTER: Jim Logue, Managing Director, Gaming

ISSUE SUMMARY: Twenty-five amended regulations have been proposed in a continuing effort to achieve industry best practices. Eighteen of the changes were made at the request of Maryland's casino industry and seven are staff recommendations.

36.01.03.02 Application for Voluntary Exclusion

The proposed amendments to §C(1) would delete the requirement for a driver's license, because not all applicants may have one, and instead require "a valid, government-issued identification"; this also would allow the Agency to accept and consider the application of applicants without regard for country of origin or citizenship. Deleting the requirement for Social Security and telephone numbers would allow the Agency to make these items optional. The proposed amendment to §C(2) clarifies that the voluntary exclusion period may actually be more than the selected two-year exclusion period due to the requirements that an individual must satisfy in order to be removed from the VEP list.

36.02.06.04 Prize Claiming Locations

The proposed amendments would clarify where a Lottery prize winner may claim a prize, based on the dollar amount of the prize.

36.03.01.02 Definitions

The proposed amendment would clarify the definition of "table game equipment."

36.03.03.07 Automated Teller Machines

The proposed amendment would reduce the distance between an ATM and a video lottery terminal or table game to 7 feet.

36.03.07 Mandatory Exclusion

Most of the proposed amendments would clarify the process by which the Director may place an individual on the mandatory exclusion list, the information the Director would consider, and how the list is maintained. The amendment to Regulation .04D(9) would allow the Director to delegate mandatory exclusion list appeals to the OAH; this is related to a motion for delegation that Mr. Fontaine will request from the Commission. There are also proposed clean-up amendments, including adding the term “hearing” in Regulation .04D and removing the term “regular” from references to the delivery of mail by the U.S. postal service.

36.03.10.16 Internal Audit Department Standards

The proposed amendment would change the audit cycle for the surveillance department from semi-annual to annual.

36.03.10.19 Accounting Controls for a Cashiers’ Cage

The proposed amendment would provide additional time for facility operator’s staff to investigate cage variances and submit reports to MLGCA.

36.03.10.20 Checks Accepted from a Player

The proposed amendment to § F(2) results from a request from the State’s casinos to increase the dollar amount of checks that a video lottery facility may accept from a player on one gaming day. New § J would establish that a video lottery facility that the Director has designated an Agency claim center may cash a Lottery prize check for winnings up to \$25,000.00.

36.03.10.26 Counter Check Issuance at the Cashiers’ Cage

The proposed amendment changes the requirement to use a four-part counter check to a three-part counter check.

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

The proposed amendment changes the requirement to use a four-part counter check to a three-part counter check.

36.03.10.28 Counter Check Substitution, Consolidation and Redemption

The proposed amendment to §C reflects the proposed amendment to COMAR 36.03.10.20 to increase the check cashing limit to \$15,000. The proposed amendment to §G provides the facility operators with the flexibility to apply payments mailed by players to markers with earlier redemption dates.

36.03.10.29 Deposit of Counter Checks

The proposed amendment to §A provides facility operators the ability to deposit counter checks above \$10,000 within 60 days of the counter check issue date. The proposed amendment to §D allows players to substitute a personal check for any outstanding markers and have funds deposited early to pay markers.

36.03.10.31 Accounting Controls in a Check Bank

The proposed amendment removes the requirement to maintain the redemption copy for a counter check.

36.03.10.38 Jackpot Payout

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.

36.03.10.41 Automated Jackpot Payout Machine

The proposed amendment increases the amount that can be paid from an automated jackpot payout machine to \$50,000.

36.03.10.43 Collection of Cash Storage and Table Game Cash Boxes

The proposed amendment allows the facility operator to not collect a table game drop box if there is no gaming on that gaming day.

36.03.10.45 Accounting Controls for a Count Room

The proposed amendment suspends the requirement for counting the contents of the table game drop boxes when no gaming is conducted at the video lottery facility.

36.04.01.18 Video Lottery Terminal Tower Lights and Error Conditions

The proposed amendment would allow all the facility operators to decide the color used to identify slot machine denominations.

36.04.01.21 Video Lottery Terminal Security

The proposed amendment clarifies the facility operator's responsibility for labeling the VLTs.

36.04.01.30 Progressive Proposal

The proposed amendment reduces the number of days required to provide notice of intent to transfer a progressive jackpot amount to 10 days.

36.04.01.31 Remote Access

The proposed amendment clarifies facility operator requirements for notifying the Commission of remote access to a video lottery system.

36.05.02.16 Cards – Receipt, Storage, Inspection and Removal

The proposed amendment changes the table game position authorized to transport preinspected and reshuffled decks of cards, and extends the time allowed for card destruction to 7 days.

36.05.03.11 Match Play Coupons and Direct Bet Coupons

The proposed amendment is to correct a spelling error.

36.05.03.23 Table Game Payouts

The proposed amendment 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. Pit manager is substituted into §E to allow a pit manager or above to approve the payout document. In §E, the threshold payout amount is increased to \$50,000.

36.07.04.06 Annual Financial Statements

The proposed amendment would remove the requirement for a review for operators with ten or less instant bingo machines.

COMMISSION ACTION REQUIRED/REQUESTED:

- 1) Review and approval of the proposed amended regulations.
- 2) Motion to delegate to staff the authority to make any non-substantive changes to these regulations amendments that may be necessary to prepare them for publication in the *Maryland Register*.

Staff Recommendation: Staff recommends approval.