

STAFF AGENDA MEMORANDUM

DATE OF MEETING: September 25, 2014

AGENDA ITEM: Regulations – Various

Amended Regulations

36.03.03.07 Automated Teller Machines
36.03.10.07 Annual Audit and Other Regulatory Reports
36.03.10.08 Record Retention
36.03.10.09 Complimentary Services
36.03.10.18 Cashiers Cage Design Standards
36.03.10.20 Checks Accepted from a Player
36.03.10.24 Credit Authorization
36.03.10.26 Counter Check Issuance at the Cashiers' Cage
36.03.10.27 Counter Check Issuance at a Video Lottery Terminal
36.03.10.28 Counter Check Substitution, Consolidation, and Redemption
36.03.10.30 Returned Checks
36.03.10.32 Player Request for Suspension of Credit Privileges
36.03.10.34 Player Tracking System
36.03.10.35 Gaming Ticket
36.03.10.38 Jackpot Payout
36.03.10.41 Automated Jackpot Payout Machine
36.03.10.42 Access to Bill Validators, Cash Storage, and Table Game Drop Boxes
36.03.10.43 Collection of Cash Storage and Table Game Drop Boxes
36.03.10.49 Acceptance of Tips or Gratuities
36.04.01.20 Video Lottery Terminal Entry Logs
36.05.02.16 Cards – Receipt, Storage, Inspection, and Removal
36.05.03.03 Procedures for Opening a Table Game
36.05.03.05 Removing a Value Chip, Coin, or Plaque from a Gaming Table
36.05.03.23 Table Game Payouts
36.05.06.08 Placing Bets; Minimum and Maximum Bets

PRESENTER: Charles LaBoy, Assistant Director for Gaming

ISSUE SUMMARY:

The MGLCA Gaming Division conducts an annual regulatory review whereby staff seeks to continue to improve and update the MLGCC regulations and technical standards through consultation with industry stakeholders, review of industry best practices and internal reviews. As a result of the 2014 regulatory review process we have identified nearly 40 regulation changes that will serve to improve and update our regulations. A summary of the changes is provided:

36.03.03.07 Automated Teller Machines

The proposed amendment to §B of this regulation would increase the ATM withdrawal limit per gaming day, from \$1,000 to \$2,500, and remove the individual transaction limits for ATMs located directly on the facility operator's approved gaming floor.

36.03.10.07 Annual Audit and Other Regulatory Reports

The proposed amendments to §F of this regulation would require the independent accountant performing the annual audit or other qualified entity approved by the Commission to issue a report on the adequacy and effectiveness of the facility operators information technology security controls.

The proposed amendments to §N and §P of this regulation would provide operators with additional time, from 2 days to 7 days, within which to provide the Agency with reports they are required to file under 31 CFR §103.21 (Suspicious Activity Report – Casino) and 31 CFR §103.22 (Currency Transaction Report).

36.03.10.08 Record Retention

The proposed amendment to § F(3) and (4) of this regulation would reduce record retention requirements for promotional play instruments and certain gaming tickets, from 6 months to 30 days, and for gaming tickets redeemed at a VLT or ticket redemption unit, from 30 days to 7 days, to make Maryland's requirements consistent with similar requirements in other jurisdictions.

36.03.10.09 Complimentary Services

The proposed amendments to this regulation would change the requirements for reporting complimentary services to the Commission in §F from annual to either quarterly or as requested by the Commission, and in §I from monthly to either quarterly or as requested by the Commission.

36.03.10.18 Cashiers Cage Design Standards

The proposed amendment to §B of this regulation would make regulations for silent alarm systems consistent with currently accepted practices and have the alarm go to either the security department or the surveillance department.

36.03.10.20 Checks Accepted from a Player

The proposed amendment to this regulation would raise players' check cashing limit from \$2,500 to \$5,000 and clarify procedures for cashing players' checks.

36.03.10.24 Credit Authorization

The proposed amendments to regulation D would allow credit applications to be submitted electronically. The proposed amendments to regulation F would require the routing number of the bank to be maintained in the credit file.

The proposed amendments to regulation N would allow a facility operator to approve a "this trip only" increase in a credit limit exceeding 25% of the currently authorized credit limit after performing an additional credit check.

36.03.10.26 Counter Check Issuance at the Cashiers' Cage

The proposed amendments to regulation C would require general cashiers to review one form of identification, down from two, to verify a player's identity for issuance of a counter check.

The proposed amendments to regulation C would limit access to the key to the cabinet used to store manual counter checks to the security department and cage department.

36.03.10.27 Counter Check Issuance at a Video Lottery Terminal

The proposed regulations would clarify existing requirements for issuing counter checks at table game or video lottery terminal and make them consistent with surrounding jurisdictions.

36.03.10.28 Counter Check Substitution, Consolidation, and Redemption

The proposed amendments to this regulation would allow a personal check to be used to redeem a counter check without being subject to the personal check-cashing limit.

36.03.10.30 Returned Checks

The proposed deletion would remove the requirement to redeposit all returned checks and make this regulation consistent with surrounding jurisdictions.

36.03.10.32 Player Request for Suspension of Credit Privileges

The proposed amendments would require each facility operator to manage player requests for suspension of credit privileges in accordance with the regulations.

36.03.10.34 Player Tracking System

The proposed changes to regulation would allow a facility operator to accept player request for game spending levels at locations in the facility other than the cage as approved by the Commission.

The proposed change to regulation clarifies procedures for verifying identification of the player and the authenticity of the player's signature on the request.

36.03.10.35 Gaming Ticket

The proposed deletion from this regulation would allow patrons to redeem gaming tickets of \$5,000 or more by cash or check at the cashier's cage as opposed to check only.

36.03.10.38 Jackpot Payout

The proposed change to this regulation would increase the limit for issuing jackpot checks from \$5,000 to \$25,000 and make the jackpot and credit meter payout requirements for VLT's consistent with current table game payout requirements.

36.03.10.41 Automated Jackpot Payout Machine

The proposed change to this regulation would allow slot department employees to process jackpots up to \$10,000 from an automated jackpot payout machines located on the gaming floor and makes the regulation consistent with surrounding jurisdictions.

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

The proposed change to the regulations would require the security department to maintain the bill validator access key and the table game drop box access key to make current regulations consistent with currently accepted practices. A table game drop box is required to have only one lock as opposed to two.

36.03.10.43 Collection of Cash Storage and Table Game Drop Boxes

The proposed change to the regulation would allow facility operator to request approval to use other locations for storage of drop boxes not actively in use. The proposed change to this regulation would make current regulations consistent with currently accepted practices.

36.03.10.49 Acceptance of Tips or Gratuities

The proposed amendment to this regulation would require an employee's department supervisor, as opposed to a cashiers' cage supervisor, to approve gaming ticket received as a gratuity if the amount exceeds \$100.

36.04.01.20 Video Lottery Terminal Entry Logs

The proposed amendment to this regulation would allow facility operators to utilize the functional equivalent of a book with bound numbered pages that cannot be readily removed as a maintenance log with Commission approval.

36.05.02.16 Cards – Receipt, Storage, Inspection, and Removal

The proposed amendment to this regulation would allow the poker supervisor to perform duties that were previously reserved for the poker shift manager and make existing regulations consistent with currently accepted practices.

36.05.03.03 Procedures for Opening a Table Game

The proposed amendment to this regulation would remove the requirement for a security department employee to be present during the recount of the table inventory when there is a discrepancy.

36.05.03.05 Removing a Value Chip, Coin, or Plaque from a Gaming Table

The proposed amendment to this regulation would clarify that the chip bank cashier signs the credit slip upon receipt of the value chips from the table.

36.05.03.23 Table Game Payouts

The proposed amendment to this regulation would remove requirement to maintain the whiz machine in a locked cabinet and clarify that the key to locked cabinet that secures the table game payout books or their functional equivalent may be controlled by the security or table games department in a key box or automated key tracking system.

36.05.06.08 Placing Bets; Minimum and Maximum Bets

The proposed amendments to this regulation would only require a verification of a patron's table stakes by floorperson or above for a temporary departure from the table upon a players request and would require that a player state the amount of their raise or put all of their chips in the pot at once.

Maryland Lottery and Gaming Control Agency

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COMMISSION ACTION REQUIRED/REQUESTED: Approval of the above listed amendments.

STAFF RECOMMENDATIONS: Staff recommends Commission approval.