

Chuck Drago, Interim Secretary

Charlie Crist, Governor

April 7, 2008

**RE: Division Policy Statement and Proposed Rulemaking Regarding
Slot Machine Tournaments and Reporting Requirements**

Dear Madam or Sir:

The Department of Business and Professional Regulation, Division of Part-Mutuel Wagering (the Division), intends to submit rule language regarding Complementary Services, Slot Tournaments, Games with Bonus Features, Multiple Win Lines, Prizes and Non-Redeemable Credit.

The Division intends to submit the attached new rule for promulgation in the formal rulemaking process. Until such time as these changes are formally published as a new or updated rule, the Division shall require compliance with these rules.

We have initiated rulemaking regarding changes to Rule 61D-14. Until this rule is formally published, the attached rule is to be followed as policy of the Division regarding Slot Machine Tournaments and Reporting.

If you have any questions, please contact us.

Sincerely,



David J. Roberts
Director

DJR/lm

Enclosures: Rule 61D-14.021 - Complementary Services
Rule 61D-14.036 - Slot Tournament
Rule 61D-14.084 - Non-Redeemable Credit

THE FULL TEXT OF THE PROPOSED RULE IS:

61D-14.021 Complimentary Services or Items:

(1) Any complimentary service or item awarded in cash, cash equivalents, credits or prizes given to a patron directly or indirectly which is not defined in rule 61D-14.001(13) and Chapter 551.102(6) shall not reduce taxes due to the Division.

(2) No complimentary or reduced cost alcoholic beverages may be served within the facility area designated for slot machine gaming in violation of Section 551.12(1), Florida Statutes.

(3) Each slot machine licensee shall establish and maintain as a part of its system of internal controls:

(a) A written procedure that meets the requirements of Section 561.705, Florida Statutes;

(b) A list of all devices and/or equipment used to log all sales of alcoholic beverages to individuals within the slot machine gaming area;

(c) A process to ensure the slot machine licensee is able to provide a written report to the division upon request that contains:

1. Daily record of sales that shall be retained pursuant to Rule 61D-14.080, F.A.C., and shall include the following:

a. The date and time of sale of beverage;

b. The name of the person completing the sale and delivering the product; and

c. A method of reconciliation of the number of products served and monetary or credit amounts received.

2. Monthly summary to the division of total sales of alcoholic beverages to individuals playing slot machines.

Specific Authority 551.103(1), 551.122 FS, Law Implemented 551.103(1)(d), (e), (e) FS, History - New

THE FULL TEXT OF THE PROPOSED RULE IS:

61D-14.036 Slot Machine Tournament:

(1) A slot machine tournament is an organized event at which players have the opportunity to engage in competitive play against other players using slot machines the division has approved for that purpose.

(2) A slot machine licensee shall not operate a slot machine tournament unless it has submitted the following for division approval:

(a) Tournament rules of play as consistent with Chapter 551, F.S.;

(b) A floor plan of the specific slot machines within the gaming area

(3) Any slot machine and associated equipment that is part of a slot machine tournament shall:

(a) Comply with the requirements of Chapter 551, F.S. and the administrative rules adopted pursuant to that chapter. However, the percentage requirements of Section 551.104(4)(f), F.S. and the percentage requirements of the rules adopted pursuant to Chapter 551, F.S. do not apply to tournament play.

(b) Be equipped with a program certified by an independent testing laboratory licensed by the state which allows for tournament mode play.

(c) Default to disabled for tournament option for those machines selected for tournament play.

(d) Be enabled centrally or by a switch key (reset feature) and/or total replacement of the logic board with a certified tournament board if tournament is an option.

(4) A gaming device, while enabled for tournament play shall:

(a) Not accept credits from any source;

(b) Not pay out credits in anyway; and

(c) Use tournament credits only, which shall have not cash value.

(d) Not increment any mechanical or electro-mechanical meters.

(e) Not communicate any accounting information to the facility based monitoring system.

(5) The facility based monitor system shall:

(a) Logically remove all games enabled for tournament play from the normal recording sequence for reporting purposes; and

(b) Record each time a specific slot machine is used for tournament play.

(6) Tournament winnings shall not be deducted from net slot machine revenues or winnings of slot machine gaming.

(7) The slot machine licensee shall provide a report of electronic meter readings from its facility based monitoring system to the division for each of its slot machines designated for tournament play immediately before the tournament mode of play is:

- (a) Enabled; and
- (b) Disabled.

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(c), (d), (e) FS.

History-New _____.

THE FULL TEXT OF THE PROPOSED RULE IS:

61D-14.084 Non-Redeemable Credit.

(1) Non-redeemable credit

(a) Shall be:

1. Only slot machine operating credits;
2. Provided free of charge to patrons as part of a promotion which has a definite expiration date;
3. Deducted from facility slot machine revenue only after a non-redeemable credit is inserted into a facility slot machine and recorded (metered) into the facility based monitoring system; and
4. Used for promotions prior to the stated expiration date.

(b) Shall not:

1. Constitute non-redeemable credits until such time as they are recorded (metered) as credit into a slot machine and recorded in the facility-based monitoring system;
2. Be redeemed for cash or any other thing of value by a slot machine, kiosk, or the slot machine licensee;
3. Be used in conjunction with a facility player point program.

(2) Any item, card, device or voucher that is used for non-redeemable credits for slot machine play shall be:

- (a) Issued from the player tracking system in accordance with Rule 61D-14.076, F.A.C., prior to being used in a facility slot machine; and
- (b) Converted into a slot machine player card or voucher prior to play in a slot machine.

(3) Slot machine licensees shall:

(a) Submit promotional materials for proposed non-redeemable promotions to the division 30 calendar days in advance of the planned promotion. The promotional materials shall include the following:

1. A list of rules that are clearly outlined in the promotional material;

2. A statement, prominent in the material, that the State of Florida assumes no liability in the promotion;

3. A clearly stated promotion expiration date; and

4. Compulsive Gambling information prominently displayed on the promotional material.

(b) Submit an updated copy of the promotion materials to the division when any modifications are made to a promotion that impacts redemption frequency or the value of the promotion five business days in advance of implementation.

(c) Include as a part of its internal controls, for division approval a description of all non-redeemable promotional programs that require additional thresholds of approval by the licensee before non-redeemable credits are issued.

(d) Limit the issue of non-redeemable credits to those systems on the gaming floor as described in the internal controls;

(e) Use a system that shall identify suspect player and employee interaction of unauthorized use to include:

1. Flagging of accounts who are on the eviction list; and
2. Removing, adding, or transferring account balances to new or existing accounts.

(4) A letter of certification signed by an officer of the slot machine licensee for each promotion shall state and attest that for all promotions for which a credit deduction was claimed from facility revenues, the deducted promotions were:

(a) Not redeemed for cash or anything of value;

(b) Provided free of charge exclusively to patrons;

(c) Not transferred into or out of the State of Florida;

(d) Assigned an expiration date; and

(e) Metered as credit into one of the reporting slot machine facility slot machines and recorded in the facility-based monitoring system pursuant to the requirements of Chapter 551, F.S. and Chapter 61D-14, F.A.C.

(5) The division shall have the ability through investigation to deny a slot machine licensee credit for non-redeemable promotions if the licensee is found in violation of Chapter 551, F.S. and Chapter 61D-14, F.A.C.

Specific Authority 551.103(1), 551.122 FS, Law Implemented 551.103(1)(d), (e) FS, History--New _____.