



Division of Pari-Mutuel Wagering  
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Holly Benson, Secretary

Charlie Crist, Governor

December 11, 2007

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

Dear Madam or Sir:

The Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering (the Division), intends to submit rule language regarding Progressive Slot Machine Requirements; Progressive Gaming Device Displays; Progressive Jackpots; Facility Based Monitoring System Required Reports, and Variance Reports and Response to Division Reports and Audits.

The Division intends to submit the attached new rules and changes to existing rules 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 these rules are formally published in their new or updated form, the attached rules are to be followed as policy of the Division regarding Progressive Slot Machine Requirements; Progressive Gaming Device Displays; Progressive Jackpots; Facility Based Monitoring System Required Reports; and Variance Reports and Response to Division Reports and Audits.

If you have any questions or require assistance with these procedures, please contact Milt Champion, Chief of Slot Operations, at 954.202.3900.

Sincerely,

David J. Roberts  
Director

DJR/lm

- Enclosures: Rule 61D-14.032 Progressive Slot Machine Requirements
- Rule 61D-14.033 Progressive Gaming Device Displays
- Rule 61D-14.035 Progressive Jackpots
- Rule 61D-14.048 Facility Based Monitoring system Required Reports
- Rule 61D-14.087 Variance Reports and Response to Division Reports and Audits

**61D-14.032 Progressive Slot Machine Requirements.**

(1) All progressive slot machines on any link must be located within the slot machine facility.

(a) The current total of the progressive jackpot display shall be displayed to the player;

(b) The progressive meter must display the winning value within 30 seconds of the jackpot being recognized by the facility based monitoring system.

(2) The requirements of this rule are intended to apply equally to one progressive slot machine game linked to a progressive controller as well as several progressive slot machine games linked to one progressive controller. One or more progressive gaming devices(s) shall be linked directly to a mechanical, electrical, or electronic device, including at least one video display. The display shall show the payoff which is incremented at a set rate of progression as credits are wagered.

(3) A progressive system (excluding any server components) shall be able to withstand electro-static interference tests as described in this rule and resume its function without operator intervention.

(a) The electro-static interference tests will be conducted with a minimum severity level of 27KV air discharge;

(b) The progressive components shall be electrically grounded in such a way that static discharge energy shall not damage, or inhibit the normal operation of the electronics or other components within the progressive system;

(c) Progressive system components subjected to a significant electro-static discharge greater than human body discharge, may exhibit temporary disruption, but the progressive system components shall recover after any interrupted function without loss or corruption of any progressive system control or data information.

(4) An independent testing laboratory licensed by the state shall:

(a) Inspect for marks or symbol indicating that a device has undergone product safety compliance testing;

(b) Perform a cursory review of submissions and information contained therein related to Electromagnetic Interference (EMI) Radio Frequency Interference (RFI) Magnetic Interference, Liquid Spills, and Power Fluctuations and Environmental conditions.

(c) Perform electrostatic discharge testing on the progressive system (excluding any server components). This testing is intended only to simulate techniques observed in the field being used to attempt to disrupt the integrity of Progressive Devices. Compliance to any such regulations related to the aforementioned testing is the sole responsibility of the device manufacturer;

(d) Test progressive associated hardware to determine whether or not outside influences affect game fairness to the player or create cheating opportunities.

(e) Test the progressive controller and all devices involved with the progressive controller. The progressive controller and all devices shall achieve a 99.99 percent accuracy rate at the time the progressive controller is certified in order to be approved.

(f) Provide written certification of the actual data showing the tests performed and the excluded tests for each tested equipment and/or software item tested in its submission to the division.

(5) The theoretical slot machine payout percentage shall not include a progressive jackpot for purposes of satisfying the minimum percentage requirements unless it meets the requirements of (b) below. The minimum specified value upon play must yield the minimum percentage payout and odds as required in rule 61D-14.038 F.A.C. in a progressive jackpot game.

(a) In which the current jackpot values can not be set lower than the minimum specified values, the game shall yield the minimum percentage payout and odds upon setting the minimum specified values.

(b) In which the progressive program is an indispensable part of the 85 percent payout computation, the entire program, when the progressive contribution is set at zero, shall yield the minimum percentage payout and odds.

(6) A licensee who has a progressive slot machine game must maintain a minimum reserve to ensure the licensee has funds available to pay all financial liabilities regarding progressive games.

(7) Each device on the progressive link shall have the same probability of winning the progressive, adjusted for the denomination played.

(8) During the operation of gaming devices in the progressive mode, the progressive controller shall continuously monitor each device on the link for credits bet. The progressive controller shall multiply the credits bet by the rate of progression and denomination in order to determine the correct amounts to apply to the progressive jackpot.

(9) For progressives offering multiple levels of awards, the player must always be paid the higher progressive amount. If a particular combination is won that win should achieve the higher paying award.

(10) A licensee may impose a maximum amount on the jackpot of a progressive slot machine game. The licensee must inform the public of the maximum winning amount offered with a prominently posted notice on the progressive slot machine games.

(11) A progressive slot machine game shall not be discontinued or withdrawn from play until all of the advertised progressive amounts have been awarded or the progressive liability is moved to another progressive link within the licensed slot machine facility.

(12) A progressive jackpot may be transferred to another progressive slot machine game at the same slot machine licensed facility provided:

(a) The progressive liability transfer is immediately documented (advertised progressive amount, minus the normal non-progressive award for the combination that would have awarded the progressive amount);

(b) The licensee maintains the liability and offers the progressive until the progressive transfer is completed; and

(c) Once a progressive award has been offered for play, it must be permitted to remain on that progressive system until it is won by a player or transferred to another progressive game at the slot machine licensee's facility.

(13) When a progressive slot machine game has been offered for play:

(a) The progressive jackpot amount for that game cannot be changed to a lower amount until after the progressive jackpot has been won; and

(b) The amount must be changed prior to any additional play on the winning machine.

(14) The electronic gaming device is required to update its electronic meters to reflect the winning progressive jackpot amount consistent with these procedures:

(a) Electronic accounting meters shall be maintained in credit units equal to the denomination, or in dollars and cents.

(b) Meters shall be labeled so they can be clearly understood in accordance with their function.

(c) All gaming devices shall be equipped with a device, mechanism, or method for retaining the value of all meter information which must be preserved for a minimum of 72 hours in the event of power loss to the gaming device.

(d) Progressive wins may be added to the credit meter if either:

1. The credit meter is maintained in monetary value or credits;

2. The progressive meter is incremented to whole credit amounts; or

3. The prize, in monetary value, is converted to credits on transfer to the player's credit meter in a manner that does not mislead the player. The conversion from monetary value to credits must always round up to the next higher whole number.

(15) When a progressive amount has been awarded, the gaming device shall perform the following:

(a) An appropriate message shall be displayed;

(b) Unless the amount is transferred to the player's credit meter the software and game shall lock-up until the award has been paid by the attendant; and

(c) All progressive related meters must be updated.

(16) On program resumption, the following procedures shall be performed:

(a) Any communications to the progressive controller shall not begin until the program resumption routine, including self-tests, is completed successfully;

(b) Progressive System control programs shall test themselves for possible corruption due to failure of the program storage media. The authentication may use the checksum; however, it is preferred that the Cyclic Redundancy Check (CRC) calculations are used as a minimum (at least 16 bit). Other test methodologies shall be acceptable if at a comparable level of integrity; and the integrity of all critical memory shall be checked.

(17) Any additions to previously certified functionality of the progressive system shall be certified by the Division.

(18) Progressive jackpot records shall be maintained that record the amount of total progressive liability shown on each progressive jackpot meter. The facility shall maintain supporting documents to explain any reduction in the pay off amount from a previous entry on a weekly basis in the marketing section of the slot summary report sent to the Chief of Slot Operations. The records and documents must be retained for the period according to rule 61D-14.080.

(19) A progressive controller shall:

- (a) Calculate the values of the potential jackpot in each level of the progressive game.
- (b) Display the information within a progressive game device link and the associated progressive meter.

(c) Include those games that are internally controlled by the game's control program; and

- (d) Consist of one or more discrete components and includes but are not limited to:

1. computers,
2. Wiring,
3. Interface boards, and
4. Collection nodes.

(e) Recover to the state it was in immediately prior to a power outage, or any program interruption caused by power surge or program error

(20) All games linked with a progressive controller that is part of the game software (internal link) shall conform to the following criteria:

(a) Each game shall require a secure method for configuring each game on the link in the presence of division;

(b) Progressive controller settings shall not be changed unless those changes are accomplished using the secure method referenced in (a) above;

(c) Each game on the link shall be uniquely identified;

(d) Only one game on the link shall function as the master progressive controller;

(e) If the game configured as the master controller becomes inoperative, all games on the link must cease play and display a tilt alert;

(f) If any game on the link loses communication with the progressive/master controller, that game must cease play and display a tilt alert;

(g) The progressive link shall display all progressive parameters (i.e. contribution, reset amount, levels, etc.).

(21) Each progressive controller shall be housed in a secure environment. Access to the controller shall be:

(a) Limited to authorized personnel; and

(b) Described in the slot machine license's internal control procedures. The procedures must include security measures and controls to prevent unauthorized access or modification.

(22) The non-volatile memory for a progressive controller or progressive system component shall:

(a) Keep the following information in non-volatile memory:

1. The number of progressive jackpots won on each progressive level if the progressive display has more than one winning amount;
2. The cumulative amounts paid on each progressive level if the progressive display has more than one winning amount;
3. The maximum amount of the progressive payout for each level displayed;
4. The minimum amount of the progressive payout for each level displayed; and
5. The rate of progression in the jackpot for each level displayed.

(b) Display the information in non-volatile memory on demand; and

(c) Maintain all meters at an accuracy rate of 99.99 percent.

(23) When a progressive jackpot is recorded on an electronic gaming device, which is attached to the progressive controller, the progressive controller shall allow for the following to occur on the device and/or progressive display:

(a) Display of the winning amount;

(b) Display of the electronic gaming device identification that caused the progressive meter to activate if more than one electronic gaming device is attached to the controller;

(c) The progressive controller shall reset to the predetermined reset amount and continue normal play only after the progressive award has been paid; and

(d) The new progressive values shall be updated to the correct status on the link after payment of progressive amount.

(24) A controller error notice, when present, shall:

(a) Alternate between the current amount and an appropriate error message;

(b) Be visible to all players;

(c) Alert the slot machine licensee to the error condition (i.g. tilt) through notice in the facility based monitoring system;

(d) Convey the appropriate signal to disable the games using the progressive, and display an error message on the progressive meter, other approved progressive system components or gaming device;

1. During a "communication failure" between the game and the controller or anywhere within the progressive system;
2. When there have been multiple communication errors;
3. When a controller checksum or signature has a failure;
4. When a controller's RAM or PSD (program storage device) mismatch or failure occurs;
5. When the progressive jackpot configuration is lost or is not set or if a particular machine within the scope of the particular progressive controller loses its initial setup programmed values;

Specific Authority 551.103(1), 551.122 FS. Law Implemented 551.103(1)(c), (1)(d), (1)(e), FS., 551.121(5), F.S

History - New \_\_\_\_\_

61D-14.033 Progressive Gaming Device Displays

(1) The requirements of this rule are intended to apply equally to:

(a) One progressive gaming device linked to a progressive controller;

(b) One progressive game that is internally controlled; or

(c) Several progressive gaming devices or linked to one progressive controller within one licensed facility

(2) All Progressive Meter displays shall:

(a) Display the current total of the progressive jackpot in the monetary value.

(b) Allow a delay in the display of the jackpot pool. The Jackpot meter need not precisely show the actual value of the progressive pool at each instance because

1. The polling cycle does cause a delay in the display; and

2. A device may have a feature that doubled or tripled or multiplies a jackpot.

(3) A sign or prominent notice must be displayed within view of all players of a specific progressive jackpot game when a progressive award will be doubled or tripled or multiplied if won during the featured gaming round.

(4) If the progressive meter(s) achieves its maximum display amount, the meter shall freeze and remain at the maximum value until the jackpot is awarded to a player.

(5) In those instances where multiple items of information are to be displayed on a gaming device or progressive meter, it is sufficient to have the information displayed in an alternating fashion.

(6) All progressive system games shall meet the game standard set forth in this rule and rule 61D-14.022, F.A.C.

Specific Authority 551.103(1)(c), (1)(d), (1)(e), 551.122 FS Law Implemented 551.103(1)(c), (1)(d), (1)(e), FS, 551.121(5), F.S.

History - New \_\_\_\_\_.

61D-14.035 Progressive Jackpots.

(1) All progressive gaming devices or progressive system component shall have the ability to record the following information for each progressive amount offered as it applies in that particular game

- (a) Current Value: current prize amount;
- (b) Wins: number of times this progressive was won;
- (c) Awards: total value of awards for this progressive or a history of the last 25 progressive awards;
- (d) Base: starting value;
- (e) Limit: jackpot limit value;
- (f) Increment: percentage increment rate;
- (g) Secondary increment: percentage increment rate after limit is reached;
- (h) Overflow increment: percentage increment rate for the reserve pool;
- (i) Reset value: the amount the progressive resets to after the progressive is won; and
- (j) The participating gaming devices.

(2) System jackpot parameter values shall be modified or entered through a secure operating procedure. The secure operating procedure must:

(a) Be documented in the approved facility internal control procedures; and

(b) Contain technical procedures that prevent unauthorized change or modification of any system jackpot parameter values.

(3) The main game processor board and progressive controller shall use a two-way secure communication protocol when communicating. In addition, the progressive system shall:

- (a) Send to the electronic gaming device the amount that was won for metering purposes; and
- (b) Constantly update the progressive display as play on the link is continued.

(4) All progressive jackpot amounts shall be equal to or greater than the minimum percentage requirement for the individual game engaged in the progressive system.

(5) The progressive controller shall:

(a) Have a method of transferring a progressive jackpot to another progressive controller or other approved progressive system component that is limited to authorized employees described within the facility internal controls after approval by division; and

(b) Be capable of accepting a limit on the jackpot of a progressive gaming device. The limit shall be posted on or near the device or devices to which the limit applies, if the limit imposed on the jackpot is greater than the jackpot payout on the gaming device at the time the limit is imposed.

(6) A gaming individual game shall immediately disable itself if communication is lost to the progressive controller.

Specific Authority 551.103(1), 551.122 FS, Law Implemented 551.103(1)(c), (1)(d), (1)(e), FS., 551.121(5), F.S.

61D-14.048 Facility Based Monitoring System Required Reports.

(1) ~~The slot machine licensee shall create all reports. Reports shall be generated on daily, weekly, monthly, and yearly periods, as required. A report entitled "Annual System Report" life-to-date report shall also be created generated yearly from stored database information. The "Annual System Report" report~~ These reports at minimum shall consist of the following:

- (a) ~~The net~~ Net win/revenue report for each slot machine,
- (b) ~~A comparison report. Comparison reports for bills, tickets or vouchers accepted by the slot machine with dollar value totals for each type;~~
- (c) ~~A metered. Metered-vs. actual jackpot comparison report with the dollar value totals for each jackpot;~~
- (d) ~~A statistical. Statistical payout percentage vs. actual payout percentage comparison with variances;~~ and
- (e) ~~An event. Event log recording the of-errors referenced in subsection 61D-14.044(11), F.A.C., and hand-paid jackpots for each slot machine. The event log shall be maintained either in electronic or print format.~~

(f) The "Annual System Report" shall be maintained either in electronic format.

(2) ~~The slot machine licensee shall use a~~ A facility based monitoring system which the division has approved to shall capture and record every handpay message from each slot machine and meet the following requirements:

(a) Handpay messages shall be created for single wins and accumulated credit cash outs, which result in handpays;

~~(b) The facility based monitoring system shall send a message to the slot machine licensee for every single win event that is equal to or greater than the federal tax reporting threshold. The mandatory federal tax reporting threshold pursuant to 26 Code of Federal Regulations, Section 7.6041-1 and applies to all single win events equal to or greater than \$1,200.~~

1. The message shall notify the slot machine licensee that an Internal Revenue Service forms W2G or 1042-S is required for each win event equal to or greater than \$1,200.

2. The slot machine licensee shall process the necessary form and any reports either via the facility based monitoring system or manually.

3. The federal tax reporting threshold shall not be overridden.

~~For every single win event that is equal to or greater than the tax reporting threshold, which has been established pursuant to 26 Code of Federal Regulations, Section 7.6041-1 as \$1,200, the facility based monitoring system shall send a message advising of the need for Internal Revenue Service forms W2G or 1042-S, which is to be processed, either via the facility based monitoring system or manually. This option shall not be overridden;~~

(c) An original jackpot slip shall not be voided without the written authorization of a supervisor; and

(d) The following information shall be required for all slips generated by the facility based monitoring system:

1. Type of slip;
2. Numeric slip identifier that increments per event;
3. Date and time;
4. Slot machine asset number;
5. The lowest value wager that can be made on the game;
6. Amount of jackpot, accumulated credit, and additional pay;
7. A \$1,200 payout message referenced in paragraph (b);
8. Additional payout;
9. Total before taxes and taxes withheld; and
10. Amount paid to the patron



(e) Patrons without proper valid identification will have winnings withheld until they can produce valid identification. Winnings withheld which remain unclaimed after 30 days shall be accounted for as taxable slot machine revenue and treated in the facility based monitoring system the same way unclaimed tickets and vouchers are and shall be reported in DBPR PMW Forms 3660 and 3670 which are adopted and incorporated by Rule 61D-15.001, F.A.C. in the column entitled 30 day unclaimed winning, tickets and vouchers.

(3) The following reports shall be generated and reconciled with all validated/redeemed tickets

- (a) Ticket issuance report,
- (b) Ticket redemption report,
- (c) Ticket liability report for tickets that have been issued and not redeemed,
- (d) Ticket drop variance report,

(e) Transaction detail report shall be available from the ticket validation system that shows all tickets generated by a slot machine and all tickets redeemed by a ticket validation terminal or other slot machines; and

(f) Cashier report that details individual tickets, the sum of the tickets paid by cashier/change booth or redemption terminal

(4) The facility based monitoring system shall ~~have the ability to~~ produce the following financial and player reports:

(a) A liability report that shall include previous days starting value of outstanding cashless liability, aggregate cashless-in and out totals, and ending value cashless liability;

(b) A ~~cashless~~ Cashless meter reconciliation summary and detail reports that shall reconcile each participating slot machine's cashless meter(s) against the facility based monitoring system's records of cashless activity; and

(c) A ~~cashier~~ Cashier summary and detail reports that shall include the amount of player electronic buy-ins and cash-out, the amount of the transaction, and the date and time of each transaction

(5) Each slot machine licensee is required to provide the following Standard Daily Facility Activity Reports.

(a) In addition to those definitions listed in Rule 61D-14.001, F.A.C., the following definitions specifically apply to the report data elements required as part of this rule:

1. "Actual Hold Percentage" means net revenue divided by credits in expressed as a dollar value.

2. "Bill in" means the total amount of bills inserted.

3. "Bill variance" means the difference between soft count and "Bill in" total from slot machine through the facility based monitoring system;

4. "Cashable value" means the cashable amount of all tickets issued at a specified slot machine;

5. "Counts recorded" means the amounts of the counts that are entered into the facility based monitoring system for reconciliation;

6. "Credits (coin) in" means the total amount of credits wagered on a slot machine.

7. "Credits (coin) out" means the total amount of credits paid by a slot machine;

8. "Date" means the printed date on a report;

9. "Denomination" means the individual per credit value allowed in a slot machine reflected in the current report.

10. "Employee identification number" means the alpha numeric or numeric number assigned to the member of the facility staff to identify that employee in addition to signature.

11. "Error message" means the message displayed on a slot machine or slot machine interface denoting some internal error to the normal operating functionality of the device.

12. "Final Revenue Report" means audited revenue report from the facility based monitoring system after the count is completed and entered;

13. "Handpaid jackpot day" means the dollar amount of jackpots paid manually for the period shown;

14. "Handpaid jackpot" means the dollar amount of a jackpot paid manually;

15. "Hard meter readings" means the numeric information that is manually observed and recorded from the internal hard meters;

