

TITLE 70: DEPARTMENT OF FINANCE

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Subchapter Authority: 1 CMC §§ 2553 and 2557; 4 CMC § 1901, 1 CMC §§ 9101–9115; 4 CMC § 1503(h); and 4 CMC § 1503(a)(6).

Subchapter History: Amdts Adopted 41 Com. Reg. 41664 (May 28, 2019); Amdts Proposed 41 Com. Reg. 41620 (Apr. 28, 2019); Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

Part 001 General Provisions

§ 70-40.8-001 Authority

Authority for promulgation and issuance of this part is derived from the Commonwealth Code, including, but not limited to: 1 CMC § 2553 (Department of Finance duties and responsibilities); 1 CMC § 2557 (authority to adopt regulations regarding matters within the Department of Finance’s jurisdiction and to provide both civil and criminal penalties for violations); 4 CMC § 1901 (authority to adopt regulations for tax administration); 1 CMC §§ 9101–9115 (procedure for adoption of regulations under the Commonwealth Administrative Procedure Act); 4 CMC § 1503(h); and 4 CMC § 1503(a)(6) (regulatory authority for electronic gaming machines).

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-005 Purpose and Scope

The purpose of these regulations is to provide structure for the implementation of Public Law 18-30, the “Tourism Entertainment and Destination Act of 2013” (TEDE Act). Public Law 18-30 exempts electronic games from the definition of “gambling device” if the electronic game is properly licensed. These regulations shall apply to use, purchase, supply, or operation of any electronic games.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-010 Definitions

(a) “Electronic Game” means any electronic gaming machine or electronic table game device (including poker, roulette, baccarat, blackjack, craps, big wheel, slot machines, pai gow, and sic bo; and any variations or composites of such) used for the purpose of playing a game traditionally played at tables, and includes any electronic device through which bets may be played on a game played at a table. Electronic Game includes a computer or server and any related hardware, software, or other devices that are used to conduct gaming, either as a fully-automated version or as a semi-automated version where the collection of bets and payout of winnings are automated.

(b) “Person” means any natural person or business entity.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-015 Criminal Penalties

Public Law 18-30 provides a limited exemption for Electronic Games from the prohibition of gambling in the Commonwealth. A person who uses, purchases, supplies, or operates Electronic Games in a manner that is not in compliance with these regulations does not fall under the limited exemption and will be subject to criminal penalties under 6 CMC § 3159.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-020 Violation of Regulations as Grounds for Imposition of Civil Fines and Suspension of Licenses

Any person violating these regulations shall be subject to a fine of \$250 for a first violation, \$500 for a second violation, and \$1,000 for a third or subsequent violation. Each day the licensee is in violation of the regulations shall constitute a separate violation. Violations by a licensee of these regulations shall serve as the basis for immediate revocation of the associated license(s).

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-025 Age Limit

No person under the age of 18 years of age may play an Electronic Game. It shall be the duty of an operator of Electronic Games to take steps necessary to enforce this prohibition. An operator’s failure to enforce this age limitation shall constitute a violation of these regulations and shall be subject to the criminal and civil penalties provided under these regulations.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

Part 100 Electronic Game Licensing

§ 70-40.8-101 Electronic Game License

To fall within the limited gambling exemption under Public Law 18-30, an Electronic Game must be duly licensed as provided in these regulations. An Electronic Game license provides the licensee authority to operate the specific Electronic Game as identified in the license for a one-year period from the date of issuance. Applications for an Electronic Game license shall be in the manner and form required by the Secretary of Finance from time to time.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-105 Electronic Game Licensing Requirements

Applications for issuance of an Electronic Game license are limited to parties who have a valid Commonwealth Electronic Game Site Operator's license. Electronic Games submitted for licensing must comply with all applicable standards and be supplied by a Commonwealth licensed Electronic Game supplier.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-110 Issuance of Electronic Game License Certification

Upon issuance of an Electronic Game license by the Commonwealth, a certificate of license shall be issued by the Commonwealth and placed on the front of the Electronic Game. The licensee is responsible for ensuring that the certificate remains on the Electronic Game throughout the term of the license. The license applies only to the specific Electronic Game tested and approved by the Commonwealth and is not transferable. The license certificate shall not be moved, covered, or altered. A fine up to \$5,000 shall be imposed on any party violating these requirements, and shall be basis for suspension and or revocation of any associated license(s).*

* So in original.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-115 Limits on Number and Placement of Electronic Games

The Secretary of Finance may issue up to 2,000 Electronic Game licenses annually. No more than 200 Electronic Game licenses may be issued for a single Electronic Game facility.

History: Amdts Adopted 41 Com. Reg. 41664 (May 28, 2019); Amdts Proposed 41 Com. Reg. 41620 (Apr. 28, 2019); Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-120 Electronic Game Licensing Fees

(a) The annual licensing fee for each Electronic Game used in the Commonwealth shall be \$2,500 per year (paid at time of issuance of the license) (the “Base Fee”), or fifteen percent (15%) of the individual machine’s net gaming proceeds (the “Supplemental Fee”), whichever is greater. For purposes of calculation of net gaming proceeds, losses may only offset profits earned in the same calendar month from the same machine. In the event that a machine’s net gaming proceeds exceed \$16,666.67 in any license year, the licensee shall remit the Supplemental Fee on or before the 15th day of the subsequent month.

(b) The “Net Gaming Proceeds” means the total amount of all credits or cash played in an individual Electronic Game minus the credits paid out directly by the same Electronic Game.

(c) An Electronic Game Operator must submit a written monthly report to the Department of Finance. The report shall provide details of the net gaming proceeds for each licensed Electronic Game and shall be submitted by the 5th day of the following month.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-125 Transfer of Electronic Gaming License Fees to Commonwealth

(a) The fees owed to the Commonwealth for electronic gaming licenses shall be electronically transferred to the Commonwealth no later than 9 a.m. of the 15th day of the month following when they are earned.

(b) Electronic gaming licensing fees shall be paid by check or electronic funds transfer. Failure to timely deposit the fees will be grounds for imposition of a penalty pursuant to § 70-40.8-020.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-130 Electronic Game Standards

Only Electronic Games that comply with all standards as identified in Commonwealth regulations shall be licensed. Electronic Games must comply with the most current applicable standards as established by Gaming Laboratories International (“GLI”) including, but not limited to GLI-23 or GLI-24, or with the most current applicable standards set by SIQ Gaming Laboratories, and maintain these and all other applicable standards at all times.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-135 Communications Protocol

All Electronic Game Site Operators and Electronic Games used in the Commonwealth must include and maintain a slot accounting system (“SAS”) that complies with GLI standard 13 version 2.1 or higher (i.e., more recent) and monitors all gaming activity and allows unlimited remote access per Commonwealth requirement.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-140 Manufacturing Date

No Electronic Games in the Commonwealth may have a manufacturing date before January 1, 2006. The term “manufacturing date” is defined as the date that the Electronic Game was initially assembled by the original manufacturer and must maintain all original manufacturing parts or parts approved by the original manufacturer.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-145 Testing of Electronic Games

All Electronic Games proposed for use, sale, licensing, or distribution in the Commonwealth shall be tested by the Secretary of Finance or designee to ensure compliance with all applicable standards (“Electronic Game Testing”). All cost for testing of Electronic Games shall be in addition to any license fees and shall be borne by the applicant and shall be paid in full prior of test results or issuance of an Electronic Game license.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-150 Return on Wagers

All Electronic Games in the Commonwealth must provide a return on wagers of between eighty-eight percent (88%) to ninety-seven percent (97%) (“Return on Wager”) and be reflected as such in certification, verification, and testing of the Electronic Game by the Commonwealth at all times. Once the Return on Wagers is established for a specific Electronic Game and certified by the Commonwealth it must be maintained at all times until authorized in writing and subject to further certification to be changed. The Return on Wagers for each Electronic Game must be prominently displayed using one inch lettering on the front of any Electronic Game licensed by the Commonwealth for use in Electronic Gaming Activity.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-155 Maintenance of Electronic Game Standards

All Electronic Games in the Commonwealth must continuously comply with all standards established in these regulations. All Electronic Games shall be subject to continuous electronic monitoring and random testing by the Commonwealth to ensure continuing compliance with GLI standards. Any Electronic Game that fails to maintain constant compliance with GLI and Commonwealth standards shall have the associated electronic gaming license immediately suspended and removed from use. Any violation of this requirement may result in a penalty pursuant to § 70-40.8-020.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

Part 200 Electronic Game Site Operator and Electronic Game Supplier Licensing

§ 70-40.8-201 Electronic Game Site Operator

The term “Electronic Game Site Operator” is defined as a party who has been issued a license by the Commonwealth to operate “Electronic Gaming Activity” that complies with Commonwealth requirements (“Electronic Game Site Requirements”).

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-205 Electronic Game Site Operator License

(a) All electronic Game Site Operators must be licensed by the Commonwealth. In order to provide an adequate base for support of Electronic Game sites and to allow for proper monitoring of this activity, only ten or fewer Electronic Game site licenses will be in effect at any given time. An Electronic Game Site Operator license shall be valid for a five year period with annual reviews. The purpose of the annual review will be to evaluate the Electronic Game Site Operator’s compliance with all terms and conditions of the Electronic Game Site Operator license.

(b) In order to promote competition and the establishment of a viable Electronic Game activity, no person may have a significant interest in more than two Electronic Game sites. As used in this regulation, the term “significant interest” means any form of ownership, control, consulting contract, officer, director, agent interest, or lease arrangement. All significant interests of any Electronic Game Site Operator must be fully disclosed in the application documents. Any violation of this requirement or undisclosed interests will result in a penalty pursuant to § 70-40.8-020.

Modified, 1 CMC § 3806(a), (e)–(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-210 Selection of Electronic Game Site Operator Licensees

(a) Award of the ten Electronic Game Site Operator licensees shall be through the use of a public application process in order to determine which proposals (“Proposals”) would be in the best interest of the Commonwealth. Applicants for a license as Electronic Game Site Operator shall complete all required forms requested by the Commonwealth and provide the following information, without limitation:

(1) The applicant’s legal names, addresses, employer identification or social security numbers (if applicable or alternatively, if not applicable, passport numbers) and dates of birth (if applicable) of its directors, officers, partners, owners, and Electronic Game Site Operator employees.

(2) A description of the applicant’s organizational structure and a copy of current organizational documents and any subsequent amendments.

(3) With respect to any entities named in subsection (a)(1) that are not individuals, the names, addresses, social security numbers, and birth dates of all individuals who are directors, officers, owners, partners, key employees, or Electronic Game operations employees of any such entity.

(4) The percentages of shares of stocks, if any, held by each person named in subsection (a)(1) or (a)(3).

(5) The names of all persons principally involved in the original creation of the applicant’s entity.

(6) The names, if any, and addresses, social security numbers, and dates of birth of any person who is or was a director, officer, owner, partner, or employee of the applicant who has been charged with or convicted of a felony, a crime involving gambling, dishonesty, or moral turpitude.

(7) Certified copies of the applicant’s charter, articles of incorporation, partnership agreement, and other documents which constitute or explain the legal organization of the applicant.

(8) Copies of the applicant’s Commonwealth or United States tax returns for the three most immediate previous fiscal years.

(9) Copies of the declaration pages of all insurance policies insuring the applicant.

(10) Disclosure regarding the applicant or any other persons identified in subsections (a)(1) and (a)(3) who were rejected for any gambling or gaming license or permit in any other jurisdiction.

(11) Current tax clearance (issued within 30 days of date of application) from the Commonwealth Department of Revenue & Taxation.

(12) Any and all other information as the Commonwealth may require to determine the competence, honesty, and integrity of the applicant.

(13) Authorized disclosure and release forms;

(14) Identification of all gaming experience; and

(15) Proposed insurances and bonds.

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(b) Proposal submissions to the Commonwealth by or on behalf of the applicant for purposes of determining the qualifications of the applicant or agent, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information, and belief, based on diligent inquiry, the contents of the forms or documents so supplied are true.

(c) Upon request of the Commonwealth, the applicant shall supplement the information provided in the application form as deemed necessary by the Commonwealth.

(d) The applicant shall furnish all information, including financial data and documents, certifications, consents, waivers, individual history forms, tax returns, cancelled checks, or other materials required by the Commonwealth for purposes of determining the qualifications of the applicant or agent.

(e) To the extent, if any, that the information supplied in the application or otherwise supplied by the applicant or on the applicant's behalf, becomes inaccurate or incomplete, the applicant shall so notify the Commonwealth in writing as soon as it is aware that the information is inaccurate or incomplete, and shall at that time supply the information necessary to correct the inaccuracy or incompleteness of the information.

(f) The applicant shall cooperate fully with the Commonwealth and its representatives or agents with respect to its background investigation of the applicant. Among other things, the applicant, upon request, shall make available any and all of its books or records for inspection by the Commonwealth or its representatives.

(g) Proposers shall pay for all costs associated with proposal review and shall deposit an initial amount of five thousand dollars (\$5,000) as deposit ("Deposit") at time of submission of the proposal for these expenses at time of submission of the application which the Commonwealth may draw upon as required. The Commonwealth shall provide Applicant with monthly report on all expenses charged against the Deposit. If expenses exceed the amount of Deposit, Applicant will be required to reimburse the Commonwealth for these additional expenses. Any balance of the Deposit shall be returned to the applicant.*

(h) The applicant must provide specific details on the proposed site. The information that must be provided regarding the proposed site includes the following:

- (1) Conceptual design;
- (2) Gaming credentials and past experience of licensed architect or engineer that will design facility and stamp plans so as to assure that they meet or exceed most current gaming facility design standards;
- (3) Gaming machine layout;
- (4) Cashier areas;
- (5) Security issues;
- (6) Customer amenities;

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- (7) Description of fixtures and finishes;
 - (8) HVAC and electrical considerations;
 - (9) Lighting;
 - (10) Electrical services;
 - (11) Video monitoring system;
 - (12) Fixtures and finishes;
 - (13) Parking;
 - (14) Compliance with applicable building and safety codes;
 - (15) Proof that the site is operated within the Third Senatorial District in an enclosed hotel area or resort premises having 100 or more sleeping rooms, or a hotel with between 40 and 100 sleeping rooms so long as the enclosed area or resort premises is attached to a golf course;
 - (16) Integration of central control requirements; and
 - (17) Fixture replacement program.
- (i) The proposed business plan shall describe the plan of operation for the proposed gaming facility site including discussion of the following issues:
- (1) Identification of proposed site;
 - (2) Gaming facility acoustics;
 - (3) Smoking areas;
 - (4) Electronic Game repair and storage area;
 - (5) Secure counting room;
 - (6) Electronic cashier services;
 - (7) Fire protection;
 - (8) Emergency power;
 - (9) Lighting;
 - (10) Flooring;
 - (11) Documentation of site control;
 - (12) Cashier services plan;
 - (13) Electronic Game repair and maintenance services plan;
 - (14) Video monitoring plan;
 - (15) Integration of food and beverages;
 - (16) Security plan;
 - (17) Proposed games;
 - (18) Proposed suppliers;
 - (19) Other entertainment activities;
 - (20) Customer amenities;
 - (21) Bonus system;
 - (22) Progressive gaming;
 - (23) Gaming promotion/advertising;
 - (24) Gaming site management structure;
 - (25) Time schedule for implementation;
 - (26) Proposed staffing; and
 - (27) Facility maintenance and replacement plan.

*So in original.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-215 Duties of Electronic Game Site Operator

The duties of an Electronic Game Site Operator in the Commonwealth are as follows:

- (a) Compliance with all laws and regulations of the Commonwealth and the United States and particularly the requirements associated with electronic gaming in the Commonwealth.
- (b) Compliance with proposed elements as established in the license issued by the Commonwealth.
- (c) Maintenance of proper conduct at gaming site consistent with the promotion of gaming.
- (d) Provision of adequate maintenance of gaming facility to meet the highest standard of appearance and repair so as to promote continuous growth of tourism related gaming in the Commonwealth.
- (e) Provision of adequate security at the gaming facility so as to ensure patron protection, security of all gaming funds, promotion of gaming, public trust, and integrity of gaming activity.
- (f) Dutiful compliance with required payments to the Commonwealth.
- (g) Provision of financial security acceptable to the Commonwealth.
- (h) Exceptional customer services.
- (i) Continued annual growth of gaming as measured by net gaming proceeds.
- (j) Control of costs so as to maintain viability of gaming operations.
- (k) Take required steps to prevent tampering or unauthorized access to Electronic Games.
- (l) Only permit authorized individuals to access Electronic Games.
- (m) Adequate supervision and control of staff so as to ensure proper licensing, protection of integrity of gaming activities, and promotion of tourism related gaming.
- (n) Continuous operational capacity of at least ninety-five percent (95%) of all licensed Electronic Games located at the Electronic Game site and available for public use 24 hours a day, 365 days per calendar year.

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- (o) The licensee shall at all times make its premises available for inspection by authorized representatives of the Commonwealth or the Commonwealth personnel, on a 24-hour unannounced basis.
- (p) Commonwealth agents shall be authorized entry to the premises and access to any electronic gaming machines or records of the agent.
- (q) The licensee shall consent in writing to the examination of all records and, upon request of the Commonwealth, shall authorize all third parties in possession or control of the said documents to allow the Commonwealth to examine such documents.
- (r) To the extent permitted by law, a licensee accepts all risks of adverse public notice, embarrassment, criticism, damages, or financial loss which may result from any disclosure or publication of material or information supplied to the Commonwealth in connection with the license application.
- (s) A licensee shall immediately notify the Commonwealth of any proposed or effective change regarding the makeup of its owners, directors, officers, partners, or employees of the contractor.
- (t) A licensee shall certify by a sworn notarized statement that it has not entered and does not intend to enter into any joint venture, partnership, independent contractor, or teaming agreement in order to fulfill its obligations in connection with electronic gaming operations and that it has not entered and does not intend to enter into any agreement where under the proceeds generated by any agreement between the agent and the Commonwealth would be shared with one or more other persons.
- (u) No license granted may be transferred, assigned, or pledged as collateral.
- (v) No change of ownership or control of a license that occurs after the Commonwealth has issued a license shall be allowed without prior consent of the Commonwealth.
- (w) Electronic gaming operators, officers, directors, and employees are prohibited from participating in electronic gaming wagering in any form or manner.
- (x) Licensee shall submit to the Commonwealth annually, within 120 days after the last day of the licensee's business year, copies of financial statements audited and certified by a United States Certified Public Accountant in accordance with Generally Accepted Accounting Principles.
- (y) To the extent any information supplied in the applications or otherwise supplied by the licensee, or on the licensee's behalf, becomes inaccurate or incomplete, the licensee shall so notify the Commonwealth in writing as soon as it is aware that the information is inaccurate or incomplete, and shall at that time supply the information necessary to correct the inaccuracy or incompleteness of the information.

(z) Licensee shall provide any and all information as the Commonwealth may require to determine the competence, honesty, and integrity of the licensee.

Modified, 1 CMC § 3806(f), (g).

History: Amdts Adopted 41 Com. Reg. 41664 (May 28, 2019); Amdts Proposed 41 Com. Reg. 41620 (Apr. 28, 2019); Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-220 Electronic Game Site Operator License Fee

(a) The annual licensing fee for an Electronic Game Site Operator shall be a minimum of one hundred thousand dollars (\$100,000) (“Minimum Fee”) or one percent (1%) of net winnings (“1% License Fee”), whichever is greater. Payment of the Minimum Fee shall be payable in full at time of granting of the license.

(b) Once total annual net gaming proceeds of the associated site exceed ten million dollars (\$10,000,000) the 1% License Fee shall be due and payable to the Commonwealth on any net gaming proceeds that exceed this amount and shall be paid monthly at 8 a.m. on the first day of the month following the month in which it is earned and in a manner that is in full compliance with Commonwealth directives.

(c) Violation of this section is punishable by a penalty pursuant to § 70-40.8-020.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-225 Electronic Game Supplier License

Specified equipment used in electronic gaming in the Commonwealth may only be imported into the Commonwealth by a Commonwealth licensed Electronic Game supplier and offered for sale, lease, or use by an Electronic Game Site Operator.

(a) Applicants for a license as Electronic Game supplier shall complete all required forms requested by the Commonwealth and provide the following information, without limitation:

(1) The applicant’s legal names, addresses, employer identification or Social Security numbers (if applicable or alternatively, if not applicable, passport numbers) and dates of birth (if applicable) of its directors, officers, partners, owners, and Electronic Game Site Operator employees.

(2) A description of the applicant’s organizational structure and a copy of current organizational documents and any subsequent amendments.

(3) With respect to any entities named in subsection (a)(1) that are not individuals, the names, addresses, Social Security numbers, and birth dates of all individuals who are directors, officers, owners, partners, key employees, or Electronic Game operations employees of any such entity.

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- (4) The percentages of shares of stocks, if any, held by each person named in subsection (a)(1) or (a)(3).
 - (5) The names of all person principally involved in the original creation of the applicant's entity.
 - (6) The names, if any, and addresses, social security numbers, and dates of birth of any person who is or was a director, officer, owner, partner, employee of the applicant who has been charged with or convicted of a felony, a crime involving gambling, dishonesty, or moral turpitude.
 - (7) Certified copies of the applicant's charter, articles of incorporation, partnership agreement, and other documents which constitute or explain the legal organization of applicant.
 - (8) Copies of the applicant's Commonwealth or United States tax returns for the three most immediate previous fiscal years.
 - (9) Copies of the declaration pages of all insurance policies insuring the applicant.
 - (10) Disclosure regarding the applicant or any other persons identified in subsections (a)(1) and (a)(3) who were rejected for any gambling or gaming license or permit in any other jurisdiction.
 - (11) Disclosure regarding the applicant or any other persons identified in subsections (a)(1) and (a)(3) who were rejected for any gambling or gaming license or permit in any other jurisdiction.
 - (12) Current tax clearance (issued within 30 days of date of application) from the Commonwealth Department of Revenue & Taxation.
 - (13) Any and all other information as the Commonwealth may require to determine the competence, honesty and integrity of the applicant.
 - (14) Authorized disclosure and release forms.
 - (15) Proposed insurances and bonds.
 - (16) Identification of all gaming experience including the identification of the following:
 - (i) History of gaming activity in the past ten years;
 - (ii) Sites where applicant is currently conducting gaming activities;
 - (iii) Types of game hardware and software currently in use;
 - (17) Proposed business plan identifying the following:
 - (i) Proposed gaming hardware and software and associated equipment;
 - (ii) Communications protocol;
 - (iii) Compliance with GLI or SIQ standards;
 - (iv) Proposed supplier;
 - (v) Sites where equipment is currently being issued;
 - (vi) Date of manufacture of proposed Electronic Games;
 - (vii) Game maintenance systems and staffing; and
 - (viii) Promotion of gaming growth.
- (b) The application, as well as other documents submitted to the Commonwealth by or on behalf of the applicant for purposes of determining qualifications of the applicant or agent, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of his or her knowledge, information,

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and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.

(c) Upon request of the Commonwealth, the applicant shall supplement the information provided in the application form as deemed necessary by the Commonwealth.

(d) The applicant shall furnish all information, including financial data and documents, certifications, consents, waivers, individual history forms, tax returns, cancelled checks, or other materials required by the Commonwealth for purposes of determining the qualifications of the applicant or agent.

(e) To the extent, if any, that the information supplied in the application or otherwise supplied by the applicant or on the applicant's behalf, becomes inaccurate or incomplete, the applicant shall so notify the Commonwealth in writing as soon as it is aware that the information is inaccurate or incomplete, and shall at that time supply the information necessary to correct the inaccuracy or incompleteness of the information.

(f) The applicant shall cooperate fully with the Commonwealth and its representatives or agents with respect to its background investigation of the applicant. Among other things, the applicant, upon request, shall make available any and all of its books or records for inspection by the Commonwealth or its representatives.

(g) Applicant shall pay for all costs associated with License application and shall deposit an initial amount of two thousand dollars (\$2,000) as deposit ("Deposit") for these expenses at time of submission of the application which the Commonwealth may draw upon as required. The Commonwealth shall provide Applicant with monthly report on all expenses charged against the Deposit. If expenses exceed the amount of Deposit, Applicant will be required to reimburse the Commonwealth for these additional expenses. Upon issuance of license or denial, any balance of the Deposit shall be returned to the Applicant.*

* So in original.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-230 Sale of Electronic Game Equipment

(a) Specified equipment ("Specified Electronic Game Equipment") used in association with Electronic Gaming in the Commonwealth may only imported by and offered for sale, lease, or use by an Electronic Game Supplier licensed to Commonwealth Licensed Electronic Game Site Operators or a licensed Electronic Game Site Operator for exclusive use in his licensed facility.*

(b) Importation of Electronic Games by parties who are not licensed by the Commonwealth as an Electronic Game supplier or an Electronic Game Site Operator (as limited herein) is a violation of these regulations and is punishable by a penalty pursuant to § 70-40.8-020.

* So in original.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-235 Electronic Gaming Site Operator and Electronic Game Supplier License Application Review

(a) Upon determination by the Commonwealth that the application is complete, it shall, as practicable, undertake and complete background investigation of the Electronic Gaming Site Operator and Electronic Game supplier license applicant (“Applicant”) and report its finding.

(b) The Commonwealth shall weigh the following factors in the evaluation of the application:

(1) The criminal background, if any, of the Applicant, or any of its officers, directors, partners, owners, and employees. No license shall be issued to any person who has, within the ten years prior to the filing of the application, been convicted of any felony, any crime of moral turpitude, any crime involving gambling, or any crime of dishonesty.

(2) The extent to which, if any, the Applicant would be subject to the control or influence of its activities by any person having financial interest pertaining to the Applicant, including a mortgage or other lien against property of the Applicant or, who in the opinion of the Commonwealth, might otherwise influence its activities. In such case the Commonwealth shall consider the character, honesty, and integrity of whoever has the ability to control or influence the activities of the Applicant.

(3) The degree to which the Applicant has demonstrated its ability to finance the proposed operations, as well as the source of such financing.

(4) The degree to which the Applicant has supplied accurate and complete information pursuant to the requirements of these regulations.

(5) Whether the Applicant has demonstrated the business ability and experience necessary to satisfactorily conduct the Electronic Game operations.

(6) The extent to which the Applicant has cooperated with the Commonwealth in connection with the background investigation.

(7) Whether the person, or any of its officers, directors, partners, owners, key employees, or employees are known to associated with persons of nefarious backgrounds or disreputable character such that association could adversely affect the general credibility, security, integrity, honesty, fairness or reputation of Commonwealth electronic gaming.

(8) With respect to any past conduct which may adversely reflect upon the Applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the

conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the Applicant's fitness for the license.

(9) The extent, if any, to which the Applicant has failed to comply with any applicable tax laws of the United States, Commonwealth or other government or agencies.

(10) Any other information before the Commonwealth, including substantially similar background investigations performed by other agencies or jurisdictions, which relates to the Applicant's competency, financial capacity, honesty, integrity, reputation, habits, or association.

(11) The proposed business plan.

(12) The proposed electronic gaming site facility design (limited to Electronic Game Site Operator applicants).

(13) Proposed insurances and bonds.

(c) A license shall be issued to the Applicant if the Commonwealth is satisfied, upon consideration of the factors specified herein that the Applicant would be a fit licensee and not pose a threat to the public interest or the effective control of Electronic Games in the Commonwealth.

Modified, 1 CMC § 3806(a), (f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

Part 300 Electronic Game Employee Licensing

§ 70-40.8-301 Electronic Game Site Operator and Electronic Game Supplier Employee License Requirements

(a) Only employees of an Electronic Game Site Operator or Electronic Game supplier who have been licensed and authorized to perform specified Electronic Game services may perform the functions specified herein.

(b) The following services of an Electronic Game supplier or Electronic Game Site Operator are limited to individuals licensed as an "Electronic Game Technician" or "Electronic Game Technician Manager":

- (1) Access to the internal area of an Electronic Game;
- (2) Performance of maintenance or repair of an Electronic Game;
- (3) Movement of an Electronic Game;
- (4) Testing of an Electronic Game;
- (5) Management of services of Electronic Game Technician; and
- (6) Repair or maintenance of change machines or cashless gaming systems.

(c) The following services are limited to employees of an Electronic Game Site Operator who are licensed as an "Electronic Game Cashier" or "Electronic Game Cashier Manager":

- (1) Handling of Electronic Game funds; and

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(2) Providing change, money exchange, or cashier services to electronic gaming patrons.

(d) The employer of individuals licensed as an Electronic Game Cashier or Electronic Game Cashier Manager must provide a \$100,000 bond payable to the Commonwealth upon any claim for willful or negligent performance of duties.

(e) The following services are limited to employees of an Electronic Game supplier who are licensed as an “Electronic Game Supplier Agent”:

(1) Act as representative or agent of an Electronic Game supplier.

(f) The following services of an Electronic Game supplier or Electronic Game Site Operator are limited to individuals licensed as an “Electronic Game Site Manager” or “Electronic Game Supplier Manager”:

(1) Management of Electronic Game Technicians and Electronic Game Technician Manager;

(2) Management of Electronic Game Site Operator Cashier; and

(3) Management of Electronic Game Supplier Agents.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-305 Electronic Game Site and Electronic Game Supplier Employee License Application

(a) Persons holding the following positions must obtain licenses from the Commonwealth:

(1) Electronic Game Technician;

(2) Electronic Game Technician Manager;

(3) Electronic Game Cashier;

(4) Electronic Game Cashier Manager;

(5) Electronic Game Supplier Agent;

(6) Electronic Game Supplier Agent Manager; and

(7) Electronic Game Site Manager.

(b) Applicants for a license described in subsection (a) shall submit applications on a form prescribed by the Secretary of Finance. This form shall contain the following information, without limitation:

(1) Name;

(2) Physical and mailing address of residence, and map to physical address;

(3) Copy of driver’s license or passport;

(4) Last two years of income tax returns;

(5) Telephone number;

(6) E-mail address;

(7) Any previous name used;

(8) Arrest record;

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- (9) Identification of any prior criminal convictions;
- (10) Educational level;
- (11) Any creditor or bankruptcy proceedings;
- (12) Current tax clearance (issued within 30 days of date of application) from Commonwealth Division of Revenue & Taxation;
- (13) Fingerprints;
- (14) Employment history;
- (15) Authorized disclosure and release forms; and
- (16) Identification of all gaming experience.

(c) Upon request of the Commonwealth, the applicant shall supplement the information provided in the application form as deemed necessary. The applicant shall furnish all information, including financial data and documents, certifications, consents, waivers, individual history forms, tax returns, or other materials required or requested by the Commonwealth for purposes of determining the qualifications of the applicant.

(d) To the extent, if any, that the information supplied in the application or otherwise supplied by the applicant or on the applicant's behalf, becomes inaccurate or incomplete, and shall at that time supply the information necessary to correct the inaccuracy or incompleteness of the information.

(e) The applicant shall cooperate fully with the Commonwealth and representatives with respect to its background investigation of the applicant.

(f) Applicant shall pay for all costs associated with License application and shall deposit an initial amount of two hundred dollars (\$200) as deposit ("Deposit") for these expenses at time of submission of the application which the Commonwealth may draw upon as required. If expenses exceed the amount of Deposit, Applicant will be required to reimburse the Commonwealth for these additional expenses. Upon issuance of license or denial, any balance of the Deposit shall be returned to the Applicant.*

* So in original.

Modified, 1 CMC § 3806(a), (f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-310 Electronic Game Employee License Application Review

(a) As soon as the Commonwealth has determined that the electronic gaming employee's application is complete, it shall, as soon as practicable, undertake and complete the background investigation of the applicant and report its findings.

(b) The Commonwealth shall weigh the following factors in his or her evaluation of the application:

- (1) The criminal background, if any, of the applicant. No license shall be issued to any person who has, within the ten years prior to the filing of the application, been

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convicted of any felony, any crime of moral turpitude, any crime involving gambling, or any crime of dishonesty.

(2) The extent to which, if any, the applicant would be subject to the control or influence of its activities by any person having financial interest pertaining to the applicant, including a mortgage or other lien against property of the applicant or, who in the opinion of the Commonwealth, might otherwise influence its activities. In such case the Commonwealth shall consider the character, honesty, and integrity of whoever has the ability to control or influence the activities of the applicant.

(3) The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of these regulations.

(4) The extent to which the applicant has cooperated with the Commonwealth in connection with the background investigation.

(5) Whether the applicant is known to associate with persons of nefarious backgrounds or disreputable character such that association could adversely affect the general credibility, security, integrity, honesty, fairness, or reputation of the Electronic Game site.

(6) With respect to any past conduct which may adversely reflect upon the applicant, the nature of conduct, the time that has passed since the conduct, the frequency of the conduct, and any extenuating circumstances that affect or reduce the impact of the conduct, or otherwise reflect upon the applicant's fitness for the license.

(7) The extent, if any, to which the applicant has failed to comply with any applicable tax laws of the United States, Commonwealth, or other governments.

(8) Any other information before the Commonwealth, including substantially similar background investigations performed by other agencies or jurisdictions, which relates to the applicant's competency, financial capacity, honesty, integrity, reputation, habits, or association.

(c) A license shall be issued to the applicant if the Commonwealth is satisfied, upon consideration of the factors specified that the applicant would be a fit licensee and not pose a threat to the public interest, the reputation of the electronic gaming site, or the effective control of the electronic gaming site.

(d) The Commonwealth will communicate the results of suitability in writing regarding an employee to the Electronic Gaming Site Operator or Electronic Game supplier sponsoring said individual.

(e) Access to criminal background check records, and letters of reference accompanying out-of-state criminal background checks, and determinations of suitability of applicants shall be limited to the Commonwealth and designated personnel.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-315 Electronic Gaming Employee License Conditions

(a) All electronic gaming employees must possess a currently valid electronic gaming employee license to perform any of the specified duties or functions.

- (b) Licenses are valid for a two-year period from date of issuance.
- (c) Employee must comply with Commonwealth laws and regulations.
- (d) Employees must limit their duties to the specific job duties associated with their job description and activity limits associated with their Electronic Game contractor employer.
- (e) Employees may not engage in unauthorized activity associated with the Electronic Game machines.
- (f) Employees must update license information to reflect any changes that occur during the year.
- (g) Electronic Game Operator employees are prohibited from participating in electronic game wagering in any form or manner.
- (h) Electronic Game Operator employees must wear license in prominent display on front of shirt area at all times during hours of employment.
- (i) Every license issued by the Commonwealth shall bear thereon the distinguishing number assigned to the licensee and shall contain the name and photograph of the licensee. The license shall also contain the name of the sponsoring employer.
- (j) The Electronic Game employee license is the property of the Commonwealth. The license shall be returned to the Commonwealth if it is suspended, expires, or upon termination of employment.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-320 Denial of License

- (a) If a determination is made to deny a license, the person or entity shall have an opportunity to appeal for reconsideration as identified herein.
- (b) Appeal shall be initiated by a party notified that he/she is being denied a license pursuant to the electronic gaming regulations by submitting a request for a hearing to the Commonwealth within ten working days of the receipt of the written notice.
- (c) The purpose of the hearing is for the Commonwealth to present reasons for license revocation and an opportunity to licensee to refute the asserted reasons for revocation or denial and present reasons why the license should not be denied.

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(d) If an applicant desires a hearing, he shall provide the Commonwealth with a written statement within ten days of receipt of the notice of denial which contains the following:

(1) A clear and concise assignment of each error which the applicant alleges to have been committed in the tentative determination to deny the license. Each assignment of error should be listed in a separately numbered paragraph.

(2) A clear and concise statement of the facts on which the applicant relies in support of each assignment of error.

(3) A prayer setting forth the relief sought.

(4) The signature of the applicant verifying that the statements contained in the statement are true.

(e) The appellant shall be given the right to be heard within 30 working days of the receipt of the letter of appeal, unless extenuating circumstances require a longer period.

(f) A written decision shall be rendered by within 30 working days of the hearing unless extenuating circumstances require a longer period. All decisions made under this appeal procedure are final.

(g) The hearing will be conducted by a hearing officer who shall establish appropriate rules and procedures.

(h) The parties will be allowed to present relevant evidence.

(i) A recording of the hearing will be made and retained for one-year period from date of hearing.

(j) A person determined to be unsuitable for licensure pursuant to these regulations shall be prohibited from reapplying for licensure for a period of 12 months.

(k) Decisions of the hearing officer may be appealed to the Commonwealth Superior Court pursuant to 1 CMC § 9113.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-325 License Suspension and Revocation

(a) The license of an Electronic Game Site Operator; Electronic Game supplier; or Electronic Game employee (“licensee”) may be suspended or revoked for the following reasons:

(1) Failure to file with the Commonwealth the information required pursuant to these regulations;

(2) For cause, such as, but not limited to, falsifying any application for license or report to the Commonwealth; failure to report information required by the regulations; the material violation of the regulations; or any conduct by the licensee, or any of its

owners, officers, directors, partners, key employees, or Electronic Game operations employees, which undermines the public confidence in the Electronic Game system or serves the interest of organized gambling or crime and criminals in any manner;

(3) A license may be revoked for an unintentional violation of any federal, or Commonwealth law or regulation provided that the violation is not cured within a reasonable time as determined by the Commonwealth, or a longer period where the Electronic Game agent has made diligent efforts to cure. For purposes of this provision, the licensee is deemed to be familiar with all the provisions of these regulations and unintentional violations shall not include violations which the licensee asserts are unintentional because of lack of awareness of these regulations. Likewise, for purposes of this provision, diligent efforts to cure shall not constitute a defense to a suspension or revocation of the license arising out of reasons identified above or in situations where the violation would not have occurred had the licensee exercised diligent efforts to comply with the requirements when they were first applicable.

(b) Prior to the revocation or suspension of any license, the Commonwealth shall notify the licensee of the intended revocation or suspension of the license, and the reasons therefore. No revocation or suspension shall be effective until a final order is issued pursuant to the following procedure, except when the public welfare clearly requires emergency action and the Commonwealth's order so states. The notice of the intended revocation or suspension shall afford the licensee with an opportunity for a hearing.

(c) If the licensee desires a hearing, it shall provide the Commonwealth with a written statement within ten days of receipt of the notice which contains the following:

(1) A clear and concise assignment of each error which the licensee alleges to have been committed in the tentative determination to suspend or revoke the license. Each assignment of error should be listed in a separately numbered paragraph.

(2) A clear and concise statement of the facts on which the licensee relies in support of each assignment of error.

(3) A prayer setting forth the relief sought.

(4) The signature of the licensee or an officer authorized to request the hearing.

(5) A verification by the licensee or counsel for the licensee that the statements contained in the statement are true.

(d) The Commonwealth shall appoint a hearing officer within a reasonable time of receipt of the statement referenced in the preceding paragraph. Notice of the hearing shall be given at least 20 days before the date it is to be held.

(e) The licensee may appear individually, by legal counsel, or by any other duly authorized representative. In the absence of the licensee, written evidence of the representative's authority shall be presented to the hearing officer in a form satisfactory to the hearing officer.

(f) The licensee or his duly authorized representative, may, with the approval of a hearing officer, waive the hearing and agree to submit the case decision on the record,

with or without a written brief. Such a waiver or agreement shall be in writing and placed in the record.

(g) The licensee shall be given an opportunity for argument within the time limits fixed by the hearing officer following submission of the evidence. The hearing officer, upon the request of the licensee, may accept briefs in lieu of argument. The briefs shall be filed within ten days after the hearing date or within such other time as fixed by the hearing officer.

(h) The hearing officer may admit any relevant evidence, except that it shall observe the rules of privilege recognized by law. The hearing officer may exclude any evidence which is irrelevant, unduly repetitious, or lacking a substantial probative effect.

(i) A record shall be made of all hearings and all witnesses shall be sworn and subject to cross examination.

(j) Following the conclusion of the hearing and within ten days of the receipt of the transcript thereof, or within such time as fixed by the hearing officer but in no event later than 45 days following the hearing, the hearing officer shall prepare a final decision, including his or her findings of fact and conclusions of law, and the order signed by the hearing officer shall be final. A copy of said order shall be served upon the licensee and any attorney of record in person or by registered or certified mail.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

Part 400 Electronic Gaming Operation

§ 70-40.8-401 Central Monitoring of Electronic Gaming Activity

(a) All Electronic Games used in the Commonwealth shall be subject to continuous monitoring by a centralized accounting system that complies with GLI standard 13 version 2.1 (“Centralized Monitoring System”) or the SIQ equivalent. The Commonwealth shall be permitted to have unlimited remote access to this system at all times per requirements of the Commonwealth.

(b) Any Electronic Game that fails to maintain proper communications with the implemented Centralized Monitoring System may have the associated electronic gaming license suspended and immediately removed from service by the Commonwealth. Violations of this section are punishable by a penalty pursuant to § 70-40.8-020.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-405 Central Monitoring of Electronic Gaming User Fees

[Reserved.]

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

Section 70-40.8-410 Video Surveillance Requirements

Electronic Game Site Operators are required to install and maintain a video surveillance system that continuously monitors and records every Electronic Game on the premises and all cashier areas (“Video Surveillance System”). The Video Surveillance System must meet standards established by the Commonwealth to ensure financial security of funds, maintain security in the gaming site, prevent unauthorized tampering with Electronic Games and provide a record of activities (“Recordings”). The Recordings shall be kept for a 90 period and available to the Commonwealth for their needs. The Video Surveillance System shall provide the Secretary of Finance with the access to a connection for real time monitoring of all electronic gaming activity.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-415 Unauthorized Access to Electronic Games

Electronic Game Site Operators shall develop and implement written procedures for limiting access to Electronic Games. These requirements shall permit limited access to patrons for usual game functions, but strictly monitor and prohibit any attempt by anyone to tamper with an Electronic Game or have internal access to Electronic Games. No one shall have access to the inside of an Electronic Game unless licensed by the Commonwealth to do so and duly authorized by that license. Individuals licensed by the Commonwealth as Cashiers shall have limited authority to access revenue collection areas of the Electronic Games. Individuals licensed by the Commonwealth as Electronic Game Technicians shall have limited access to the internal area of an Electronic Game. Violations of these restrictions may result in fines up to \$5,000 per occurrence and shall be grounds for suspension of an Electronic Game Site Operator license.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-420 Cashless System

At the Electronic Game Site Operator’s option, Electronic Gaming Activity may use a “cashless system” as defined and according to standards established in GLI standard GLI-16 or any SIQ equivalent. A “cashless system” is one in which patrons play Electronic Games through the use of a magnetic strip player card which accesses a player’s account at host system at the gaming establishment (“Host”) as described in GLI-16.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-425 Kiosks

Commonwealth Electronic Game Site Operators may use patron interface units (“Kiosks”) as defined and according to standards established by GLI standard GLI-20 or any SIQ equivalent. The services that may be offered by these Kiosks are limited to issuance of payments as interfaced with Electronic Games; bill breaking, promotional point redemption, and information reporting.

Modified, 1 CMC § 3806(g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-430 Progressive Gaming System

Electronic gaming in the Commonwealth can include the use of progressive gaming. The term “Progressive Gaming System” refers to a system in which an increasing winning pool in which multiple Electronic Game devices are linked at one electronic gaming site (i.e., single site) are linked to a common increasing winning pool. Any Progressive Gaming System must comply with GLI standard GLI-12 for a Multiple Gaming Device (Linked) Progressive or any SIQ equivalent.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-435 Promotional Systems

Electronic Gaming Activity in the Commonwealth may include promotional systems as defined in GLI standard GLI-18 and according to the standards contained therein or any SIQ equivalent. As defined, “Promotional Systems” are gaming devices that are configured to participate in electronically communicated promotional award payments from a host system and the host system controls the promotional award issuance parameters. Promotional awards entitle players to special awards based on patron play activity.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).

§ 70-40.8-440 Bonus Systems

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Electronic gaming in the Commonwealth may include Bonus Systems as defined per the requirements of GLI standard GLI-17 or any SIQ equivalent. “Bonus Systems” are comprised of gaming devices that are configured to participate in electronically communicated bonus award payments from a host system.

Modified, 1 CMC § 3806(f), (g).

History: Adopted 40 Com. Reg. 40651 (Apr. 28, 2018); Proposed 40 Com. Reg. 40612 (Mar. 28, 2018).