

205 CMR 143.00: GAMING DEVICES AND ELECTRONIC GAMING EQUIPMENT

Section

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143.01: Standards for Gaming Devices

(1) A gaming licensee and gaming device vendor shall comply with and the commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-11: Gaming Devices*, version 3.0, released September 21, 2016, subject to the following amendments:

- (a) Delete section 1.1.1 and replace with the following: "The following sets forth the technical standards for electronic gaming devices as identified in 205 CMR 144.01(2).
- (b) Delete section 1.1.2.
- (c) Delete section 1.2.
- (d) Delete section 1.3.3 and replace with: "This GLI technical standard is adopted in whole subject to the modifications described in 205 CMR 143.01. The standard and modifications should at all times be read in conjunction with 205 CMR and the standards referenced in section 1.4.1 so as to create a harmonious regulatory framework."
- (e) Add the following after section 2.3.2: "2.3.3 Game integrity. The gaming licensee shall develop and submit to the IEB and the commission's gaming lab for approval a preventive maintenance program for the care and upkeep of any such mechanical pieces or any physical moving parts and/or any physical parts of any slot machine, or player interaction devices, that may affect the outcome of any game to ensure the integrity of the outcomes. The IEB may require any such part to be replaced."
- (f) Delete the last sentence of section 3.6.1 and replace with: "If a cryptographic RNG is used, it shall comply with section 3.6.2."
- (g) Delete section 4.6.6.
- (h) Replace in section 4.8.1 "seventy-five percent (75%)" with "eighty percent (80%)".
- (i) Add the following after the first paragraph of section 4.8.1: "The calculation of minimum payout percentage excludes the cash equivalent value of any merchandise or other thing of value that cannot be converted into cash by the gaming licensee, but may include the acquisition cost to the gaming licensee of the merchandise or other thing of value. The calculation shall include the value of promotional gaming credit (*i.e.*- "free play")."
- (j) Add the following after the first sentence in section 4.8.1(a): "If necessary to ensure the fairness of the game to patrons, the Commission may require a gaming vendor to submit a device for testing to determine whether it meets the requirements of section 4.8.1 when using average or counter-optimal methods of play in addition to, or in lieu of, an optimal method of play."
- (k) Replace in section 4.8.1(b) "75%" with "80%".
- (l) Add the following after section 4.8.1(b): "(c) Games of pure skill and/or games that do not utilize an RNG are not required to achieve a minimum theoretical payout percentage."

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(m) Delete section 4.16.1 and replace with the following: "For games of chance, the gaming device shall cease play, display an appropriate message, and require attendant intervention to resolve player payment for the payment of winnings of \$1200 or more from a single *game cycle*. For a *game with skill*, the gaming device shall cease play, display an appropriate message, and require attendant intervention to resolve player payment for the payment of winnings of \$1200 or more from a single *gaming session*. In determining whether winnings equal or exceed the \$1,200 threshold, the amount of winnings shall not be reduced by the amount wagered. It is permissible to provide a mechanism to accrue taxable winnings to a separate meter, however, this meter must not support any direct wagers. *See also* M.G.L. c. 62B, § 2, 26 CFR § 1.6041-10, and GLI-13, section 2.4.2."

(n) Add the following after the first paragraph of section 4.20.1: "For purposes of independent testing in accordance with 205 CMR 144.00, the gaming device manufacturer shall determine in the first instance, subject to the acceptance of the independent test laboratory, whether a gaming device qualifies as a *game with skill*, a game of pure chance, or a game of pure skill. Such determination shall be subject to review and reclassification by the commission."

(o) Replace in section 4.20.3 "75%" with "80%".

(p) Add the following to section 5.4.1(k): "provided, however, no slot machine intended for use at a gaming establishment in Massachusetts may accept debit cards, credit cards, or government-issued electronic benefits transfer cards for purposes of purchasing any form of gaming value;"

(q) Add the following in Glossary of Key Terms in the definition of *Player Interaction Device* after the term "camera systems": "smartphones, keypads, gamepads, audio sensors, motion sensors, image sensors, image displays, infrared emitters and detectors, accelerometers,".

(r) Delete section 4.4.1(v) and replace with the following: "Signage indicating that a 'malfunction voids all pays' or some equivalent verbiage shall be clearly displayed on the exterior of the slot machine at all times. For purposes of 205 CMR, a malfunction shall be an event in which a slot machine:

1. In some way performs contrary to a rule or other language describing the performance or payout of the game exhibited on the exterior display of the slot machine or contained in the rules section of the slot machine; or
2. In some way performs contrary to the manufacturer design or operational specifications; or
3. In some way performs contrary to the requirements of 205 CMR including the specifications contained in the certification for the slot machine issued in accordance with 205 CMR 144.00."

(2) For purposes of M.G.L. c. 23K and 205 CMR the term slot machine as defined by M.G.L. c. 23K, § 2 shall not include automatic amusement devices as defined by M.G.L. c. 140, § 177A(2).

(3) For purposes of M.G.L. c. 23K and 205 CMR a slot machine that has multiple gaming positions, as defined by M.G.L. c. 23K, § 2, shall be considered a single slot machine. Provided, however, a Category 2 licensee shall not have more than 1,500 gaming positions available for play at anyone time.

(4) All slot machines and other electronic gaming devices shall be capable of providing the commission with a near real-time stream of data, other than personally identifiable information, in the communication format specified by the commission in 205 CMR 143.16(1) directly from each slot machine or electronic gaming device. Such data shall be provided for purposes of computing and reconciling daily tax obligations as provided in 205 CMR, for purposes of investigating patron disputes filed in accordance with 205 CMR 134.19: *Disciplinary Action*, and for purposes of maintaining general oversight of a gaming establishment. The commission is not obligated to monitor or review the data on an ongoing basis. If communications between the slot machine and the commission's central monitoring system fails, the slot machine shall not continue to operate unless it records all required data from the applicable communication protocol since losing the connection, up to seven days, and send the data directly to the commission as soon as the connection is reestablished. If the connection is not reestablished within 24 hours due to a problem stemming from the gaming establishment's systems, then any slot machine affected shall cease operation until the connection is reestablished.

143.02: Progressive Gaming Devices

(1) A gaming licensee and gaming device vendor shall comply with, and the Commission adopts and incorporates by reference, *Gaming Laboratories International, LLC Standard GLI-12: Progressive Gaming Devices in Casinos*, version 2.1, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.1.
- (b) Delete section 1.2.
- (c) Delete section 1.3.2.
- (d) Delete section 1.4.
- (e) Add the following after 2.4.2(a): "(b) No progressive meter(s) shall be turned back to a lesser amount, unless:

- 1. The amount indicated has been paid to a winning patron;
- 2. The progressive jackpot amount won by the patron has been recorded in accordance with a gaming licensee's system of internal controls;
- 3. The change is necessitated by a slot machine or meter(s) malfunction, in which case for wide area progressive jackpots, an explanation shall be entered on the Progressive Summary report described in GLI-12, section 3.2.9(a) and the Commission shall be informed; and
- 4. The patron has opted to risk the progressive award as permitted by the rules of the slot machine game or table game; or
- 5. The jackpot has been removed or transferred in a manner consistent with Commission rules and 205 CMR 143.02(f)."

(f) Delete the last sentence of section 2.5.9<sup>1</sup> and replace with: "Such access shall be detailed in the gaming licensee's approved system of internal controls in accordance with 205 CMR 138.53: *Progressive Slot Machines* and 205 CMR 138.62: *Payment of Table Game Progressive Payout Wagers; Supplemental Wagers Not Paid from the Table Inventory: (Reserved)* and shall, at a minimum, incorporate the following requirements. A progressive controller will be considered to be housed in a secure environment if it is either:

- (1) integrated into the gaming device's software; or
- (2) in an area that is dual key controlled with one key being maintained and controlled by the casino security department and the other by the slot department.

Alternative measures that achieve the same level of security may be substituted for dual key controlled access if described in the applicable internal control submission and approved in accordance with 205 CMR 138.02: *Licensee's System of Internal Controls*. No controller may be accessed until written notice is provided to the Commission. Whenever the progressive controller and/or bank controller has been accessed, written notification shall be provided to the Commission."

(g) Delete in section 2.5.14 the words "local Internal Control procedures" and add the following: "following requirements: A gaming licensee may transfer a progressive jackpot amount on a stand-alone slot machine, stand-alone table game, or a local area progressive with a common progressive meter from the gaming area, provided the gaming licensee receives written approval from the IEB prior to the transfer, and the accrued amount minus the seed amount of the progressive jackpot is:

- 1. Transferred in its entirety; and
  - a. The progressive meter for a slot machine or table game with the same or similar probability of winning the progressive jackpot, the same or lower wager requirements to be eligible to win the progressive jackpot, and the same type of progressive jackpot (cash, annuity, annuity/cash option or a combination/alternate jackpot) as the slot machine or table game from which the jackpot is being transferred; or
  - b. The progressive meters of two or more slot machines or table games, provided that each slot machine or table game to which the jackpot is transferred individually, satisfies the requirements of 205 CMR 143.02(1)(e)2.a.

Further, notice of intent to transfer the progressive jackpot, which shall be subject to approval by the IEB, shall be conspicuously displayed on the front of each applicable slot machine or table game for at least ten days in advance of the transfer."

- 2. Transferred to one of the following:

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<sup>1</sup> 2.5.9 provides: "Each progressive controller used with a gaming device shall be housed in a secure environment allowing only authorized accessibility."

143.02: continued

(h) Add the following after section 3.1.1: "Gaming licensees may operate multi-site progressive gaming devices, also known as wide area progressives (WAP). WAPs shall consist of networks of linked gaming devices within Massachusetts and/or between Massachusetts and other casinos licensed in other states of the United States. This section shall apply to WAPs used at both slot machines and table games.

1. Each WAP shall be operated and administered: By the participating gaming establishments in accordance with the terms of a written slot system agreement that has been executed by each participant and filed and approved by the Commission; or
2. The person designated in a slot system agreement responsible for the operation and administration of a WAP shall be referred to as a slot system operator and shall be licensed under 205 CMR 143.00 as a gaming vendor primary.

- a. More than one slot system operator may be involved in the operation and administration of a WAP. A slot system operator may be involved in the operation and administration of more than one WAP.

- b. An agreement between a slot system manufacturer and a casino licensee pursuant to which the slot system manufacturer agrees to sell, lease, or service, but not operate or administer WAP components, shall not be considered a slot system agreement. A separate agreement may be entered between the slot system manufacturer and each casino licensee participating in the WAP.

3. Each slot system agreement shall specifically identify and describe the role, authority, and responsibilities of each participating casino and each slot system operator in the conduct of the WAP. The agreement shall comply with GLI-12 or specifically identify where it deviates from the GLI-12 standards. The agreement shall include the following:

- a. A description of the WAP, including the process by which significant decisions that affect the operation of the game are approved and implemented by each casino or slot system operator;

- b. If applicable, the casino or slot system operator responsible for establishing and serving as trustee of a trust for a WAP offering an annuity jackpot;

- c. The casino or slot system operator initially responsible for the funding and payment of all jackpots, fees, and taxes associated with the operation of the WAP; and

- d. The casino or slot system operator responsible for generating, maintaining and filing all records and reports required by M.G.L. c. 23K and any applicable rules or regulations of the Commission.

- e. The method to ensure the accurate accounting of all contributions;

- f. The method to ensure that each participating state's tax laws are adhered to;

Said method to include a description for determining the *pro rata* share of a system payout for purposes of gross revenue deductibility and its method for determining the proportionate share of gaming taxes and fees owed by the operator to the casino. In calculating gross revenue, a casino may deduct its *pro rata* share of a payout from a game played in a WAP system. The amount of the deduction must be determined based upon the written agreement among the licensed gaming establishments participating in the WAP system and the operator of the system. All cash prizes and the value of noncash prizes awarded during a contest or tournament conducted in conjunction with a WAP system are also deductible on a *pro rata* basis, to the extent of the compensation received for the right to participate in that contest or tournament. The deductions may be taken only by those participating licensed gaming establishments that held an active gaming license at any time during the month in which the payout was awarded.

- g. Procedures to address dispute resolution;

- h. Procedures to accept additional participants once the link is established in casinos of more than one state;

- i. Procedures to ensure the multistate progressive system operator is credentialed in all participating states;

- j. The method for withdrawal from the WAP, including the specific method in which progressive values are transferred when removing or replacing machines. At the minimum, said method should account for the transfer of jackpots, less the reset value, to other progressive slot machine jackpots of similar progressive wager and probability at the same facility within 30 days from the removal date. In the event

143.02: continued

that a similar progressive jackpot at the same facility is unavailable, other transfers shall be allowed. A Commission representative shall be notified in writing prior to a removal or transfer.

- k. Multistate progressive system parameter requirements including:
    - i. Maximum odds for obtaining the multistate jackpot;
    - ii. The base amount of the multistate jackpot award;
    - iii. The reset amount of the multistate jackpot award;
    - iv. The rate of increment of the multistate jackpot award;
    - v. The hidden rate, which means the increment rate for one or more reserve pools used to fund the next reset amount when applicable;
    - vi. The minimum wager required to qualify for the progressive jackpot; and
    - vii. Any other parameter as may be required in order to ensure the proper accounting and auditing of the multistate progressive system.
  - l. Procedures for the independent reconciliation of the multistate jackpot amount when won.
  - m. Each gaming licensee or slot system operator seeking approval to participate in a WAP shall confirm to the Commission that they have in place a system of accounting and internal controls that satisfy the requirements of M.G.L. c. 23K and any applicable rules or regulations concerning the operation of slot machines and WAPs. The internal controls shall include a list of each employee serving in a slot system operator position title.
  - n. Each WAP shall be controlled and operated from a computer monitoring room subject to inspection by the Commission. The computer monitoring room for a WAP shall:
    - i. Be under the sole possession and control of, and maintained and operated by, employees of the slot system operator designated in the slot system agreement for that slot system;
    - ii. Have continuous surveillance coverage of the operation of the slot system and its equipment in a manner approved by the Commission. Said surveillance coverage shall include the secure retention of recordings for a period of no less than 30 days or for such longer period if requested by the Commission if particular recordings are determined to hold evidentiary value;
    - iii. Have a Computer Monitoring Room Entry Log, which the Log shall be:
      - (i) Kept in the computer monitoring room;
      - (ii) Maintained in a book with bound numbered pages that cannot be readily removed or in an electronic format as approved by the Commission; and
      - (iii) Signed by each person whose presence is not expressly authorized and identified in the internal controls of the computer monitoring room slot system operator, with each Log entry containing, at a minimum, the following information:
        - The date and time entering the computer monitoring room;
        - The entering person's name, his or her department or employer and, if applicable, his or her employee license number;
        - The reason for entering the computer monitoring room;
        - The name of the person authorizing the person's entry into the computer monitoring room; and
        - The date and time of exiting the computer monitoring room;
- (i) Add the following after "Initial laboratory testing" in section 3.1.2(a) and "set up are tested" in section 3.1.2 (b): "in accordance with 205 CMR 144.04"
- (j) From section 3.4.1, delete "the gaming regulator shall adopt procedures for" and replace it with "each player shall be entitled to."

143.03: On-line Monitoring and Control Systems (MCS) and Validation System

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-13: On-line Monitoring and Control Systems (MCS) and Validation Systems in Casinos*, version 2.1, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.1.
- (b) Delete section 1.3.
- (c) Delete section 1.5.

143.04: Cashless Systems

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-16: Cashless Systems in Casinos*, version 2.1, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.2.
- (b) Delete section 1.4.

(2) No slot machine at a gaming establishment shall accept debit cards or credit cards, or government-issued electronic benefits transfer cards as a form of payment.

143.05: Bonusing Systems

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-17: Bonusing Systems in Casinos*, version 1.3, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.2.
- (b) Delete section 1.4.

143.06: Promotional Systems

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-18: Promotional Systems in Casinos*, version 2.1, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.2.
- (b) Delete section 1.4.

143.07: Kiosks

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-20: Kiosks*, version 1.5, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.1.3.
- (b) Delete section 1.3.

143.08: Client-server Systems

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-21: Client-server Systems*, version 2.2, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.1.
- (b) Delete section 1.2.
- (c) Delete section 1.4.

143.09: Electronic Table Game Systems

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-24: Electronic Table Game Systems*, version 1.3, released September 6, 2011, subject to the following amendments:

- (a) Delete section 1.1.
- (b) Delete section 1.3.

(2) An electronic table game shall be considered a slot machine in accordance with M.G.L. c. 23K, § 2, unless the simulation requires the intervention of a gaming employee prior to the final determination of winnings.

(143.10: Dealer Controlled Electronic Table Games: Reserved)

(143.11: Wireless Gaming Systems: Reserved)

143.12: Network Security

As part of its internal controls submission in accordance with 205 CMR 138.01, a gaming licensee shall annually submit an infrastructure and data security plan to the Commission for review and approval. The plan should employ best practices (*i.e.*, NIST SP 800-53 or ISO/IEC 27001) for protecting infrastructure and data.

143.13: Player User Interface Systems

(1) A gaming licensee and gaming device vendor shall comply with and the Commission adopts and incorporates by reference *Gaming Laboratories International, LLC Standard GLI-28: Player User Interface Systems*, version 1.0, released February 14, 2011, subject to the following amendments:

- (a) Delete section 1.1.

(143.14: Card Shufflers and Dealer Shoes: Reserved)

(143.15: Electronic Raffle Systems: Reserved)

143.16: Communications Protocols

A slot machine or other electronic gaming device in operation in a gaming establishment may operate any industry standard open communication protocol approved by the Commission, provided that the system is fully compatible with the Commission's central monitoring system and all required gaming devices, and is capable of providing all data required by the Commission. A gaming licensee shall not operate any slot machine or other electronic gaming device in a gaming establishment, unless the slot machine:

- (a) is able to bi-directionally communicate with the Commission's central monitoring system;
- (b) transmits, on a per bet basis, data relative to amounts wagered, amounts won, cash in, cash out, and similar financial information necessary for tax collection and auditing;
- (c) allows remote verification of gaming device software using a Commission approved verification tool;
- (d) allows remotely activating and disabling slot machines; and
- (e) transmits data relative to any restarts, shutdowns, resets, game changes, door open, and other maintenance events.

REGULATORY AUTHORITY

205 CMR 143.00: M.G.L. c. 23K, §§ 4(28) and 5.