

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 143.02: GAMING DEVICES AND ELECTRONIC GAMING EQUIPMENT

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
 - (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 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 and shall, at a minimum, incorporate the following requirement. The external progressive controller and/or bank controller shall be in a location approved by the Commission in a compartment or cabinet which has two separate locking mechanisms. One locking mechanism shall be maintained and controlled by the security department and the second locking mechanism shall be maintained and controlled by the slot department. Whenever the progressive controller and/or bank controller has been accessed written notification shall be provided to the Commission.” Alternative measures that achieve the same level of security concerning access to the progressive and/or bank controllers may be substituted for two separate locking mechanisms upon submission to and approval by 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 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

- (2) Transferred to one of the following:
 - a. The progressive meter for a slot machine with the same or similar probability of winning the progressive jackpot, the same or lower wager requirement 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 from which the jackpot is being transferred; or
 - b. The progressive meters of two or more slot machines, provided that each slot machine to which the jackpot is transferred individually satisfies the requirements of 205 CMR 143.02(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 for at least 10 days in advance of the transfer.

- (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.

- (1) Each WAP shall be operated and administered:
 - a. 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 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 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;
 - i. 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 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 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 Log shall be:
 - 1. Kept in the computer monitoring room;
 - 2. Maintained in a book with bound numbered pages that cannot be readily removed or in an electronic format as approved by the Commission; and
 - 3. 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:

- a. The date and time entering the computer monitoring room;
 - b. The entering person's name, his or her department or employer and, if applicable, his or her employee license number;
 - c. The reason for entering the computer monitoring room;
 - d. The name of the person authorizing the person's entry into the computer monitoring room; and
 - e. The date and time of exiting the computer monitoring room;
 - f. Be readily accessible to Commission personnel 24 hours a day;
 - g. Be housed in a facility approved by the Commission that is owned or leased by a slot system operator; and
 - h. Be designed in a manner that assures that the multi-casino progressive slot system shall not be disrupted."
- (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"