

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	09/17/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 10/16/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

36 03 06 03

36 03 08 04

36 03 10 08, .10, .16, .21, .28, .38, .42, and .43

3. Name of Promulgating Authority

Maryland State Lottery and Gaming Control Agency

4. Name of Regulations Coordinator

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5. Name of Person to Call About this Document

James B. Butler

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6. Check applicable items:

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: September 16, 2015.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Robert T. Fontaine, Assistant Attorney General, (telephone #(410) 230-8780) on August 27, 2015. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Gordon Medenica

Title

Director

Telephone No.

(410) 230-8790

Date

September 17, 2015

Title 36
MARYLAND STATE LOTTERY AND GAMING
CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

36.03.06 Enforcement of Voluntary Exclusion Program

Subtitle 03 GAMING PROVISIONS

36.03.08 Collection of Taxes, Fees, and Penalties

Subtitle 03 GAMING PROVISIONS

36.03.10 Video Lottery Facility Minimum Internal Control Standards

Authority: 36.03.06: State Government Article, §9-1A-24(e), Annotated Code of Maryland; 36.03.08: State Government Article, §§9-1A-04 and 9-1A-33, Annotated Code of Maryland; and 36.03.10: State Government Article, §§9-1A-02 and 9-1A-04 Annotated Code of Maryland.

Notice of Proposed Action

[]

The Maryland Lottery and Gaming Control Agency proposes to amend Regulation .03 under COMAR 36.03.06 Enforcement of Voluntary Exclusion Program; Regulation .04 under COMAR 36.03.08 Collection of Taxes, Fees, and Penalties; and Regulations .08, .10, .16, .21, .28, .38, .42, and .43 under COMAR 36.03.10 Video Lottery Facility Minimum Internal Control Standards.

This action was considered at the Maryland Lottery and Gaming Control Commission open meeting held on August 27, 2015, notice of which was given pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to (1) Modify the gambling assistance message to better fit various advertisement media;

(2) Add the \$500 annual fee for each table game to the type of funds paid by each video lottery operation licensee into the Problem Gambling Fund;

(3) Permit facility operators to submit an alternate record retention schedule to the Commission for approval;

(4) Allow an operator's Internal Audit Department to submit an alternate risk assessment and audit plan to the Commission for approval;

(5) Remove the requirement to include on a cage wire transfer log, sensitive customer information such as the account number to which funds are being sent, the address of

the financial institution from which the funds were transferred, and the account number from which the funds were debited;

(6) Increase the amount of cash authorized to be carried in a slot attendant cash wallet to make payouts and cash tickets;

(7) Remove the requirement to lock cash storage boxes that are not actively in a cabinet or trolley;

(8) Make definition consistent with legislative change that allows video lottery facility employees under the age of 21 to work on the gaming floor; and

(9) Correct numbering, reference, and regulation style errors.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to James B. Butler, Director of Legislative and Policy Affairs, Maryland Lottery and Gaming Control Agency, 1800 Washington Blvd., Suite 330, Baltimore, MD 21230, or call (410) 230-8781, or email to jbutler@maryland.gov, or fax to (410) 230-8727. Comments will be accepted through November 16, 2015. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

Special (Gaming Proceeds)

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

To incorporate provisions that better define and refine the requirements for VLT and Table Games operations and better conform to the Agency's oversight responsibilities to monitor casino gambling.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

To incorporate provisions that better define and refine the requirements for VLT and Table Games operations and better conform to the Agency's oversight responsibilities to monitor casino gambling.

G. Small Business Worksheet:

Attached Document:

(September 16, 2015)

36.03.06 Enforcement of Voluntary Exclusion Program

Authority: State Government Article, §9-1A-24(e), Annotated Code of Maryland

.03 Requirements.

A. Definitions.

(1) In this regulation the following terms have the meaning indicated.

(2) Terms Defined.

(a) – (b) (text unchanged)

(c) “Gambling assistance message” means [the] a phrase *approved by the Commission to encourage responsible play* [“Please play responsibly, for help visit mdgamblinghelp.org or call 1-800-522-4700”];

(d) – (e) (text unchanged)

(f) “Underage warning message” means the phrase: “No [person] *patron* under the age of 21 is permitted on the casino floor”.

B. (text unchanged)

36.03.08 Collection of Taxes, Fees, and Penalties

Authority: State Government Article, §§9-1A-04 and 9-1A-33, Annotated Code of Maryland

.04 Collection and Deposit of Payments.

A. (text unchanged)

B. The Commission shall deposit payment of:

(1) (text unchanged)

(2) *A fee into the Problem Gambling Fund established in the Department of Health and Mental Hygiene under State Government Article, §9-1A-33(b), Annotated Code of Maryland:*

(a) *An annual fee of \$425 for a video lottery terminal; and*

(b) *An annual fee of \$500 for a table game.*

[(2) An annual fee of \$425 for a video lottery terminal into the Problem Gambling Fund established in the Department of Health and Mental Hygiene under State Government Article, §9-1A-33(b), Annotated Code of Maryland.]

C. – G. (text unchanged)

36.03.10 Video Lottery Facility Minimum Internal Control Standards

Authority: State Government Article, §§9-1A-02 and 9-1A-04, Annotated Code of Maryland

.08 Record Retention.

A. – B. (text unchanged)

C. The Commission may, on submission of a written request *or alternate record retention schedule* by a facility operator, authorize destruction prior to the expiration of the minimum retention period required under this regulation.

D. Unless a request for destruction *or alternate record retention schedule* is submitted in writing and approved in writing by the Commission, a facility operator shall retain indefinitely original books and records documenting:

(1) – (5) (text unchanged)

E. Unless a request for destruction *or alternate record retention schedule* is submitted in writing and approved in writing by the Commission, a facility operator shall retain for a minimum of 5 years all original books and records not:

(1) – (2) (text unchanged)

F. *Exceptions.* The following exceptions apply to the retention period in §D of this regulation:

(1) – (4) (text unchanged)

G. *On submission of a written request by the facility operator,* [The] *the* Commission may[, on submission of a written request by the facility operator,] approve a location outside the facility to store original books and records.

H. – I. (text unchanged)

J. *On submission of a written request by a facility operator,* [The] *the* Commission may[, on submission of a written request by a facility operator,] approve a microfilm, microfiche, or other suitable media system for the copying and storage of original books and records.

K. A facility operator submitting a system for the copying and storage of original books and records shall demonstrate to the satisfaction of the Commission that the:

(1) (text unchanged)

(2) Inspection and quality control methods to be utilized will [insure] *ensure* that when books and records are viewed or reproduced they will exhibit a high degree of legibility and readability;

(3) – (4) (text unchanged)

L. – N. (text unchanged)

.10 Table of Organization.

A. – K. (text unchanged)

L. A joint director of a mandatory department under §K of the regulation shall be:

(1) (text unchanged)

(2) Individually and jointly accountable and responsible for the operation of the department.

M. – N. (text unchanged)

O. *Unless another principal employee required by this regulation is present at the facility,* [On] *on* any shift for which the cashiers' cage manager is not present in the facility, the cashiers' cage shift manager responsible for the cashiers' cage shall be licensed as a principal employee.

P. – Q. (text unchanged)

R. *Vacancy.* If there is a vacancy in the chief executive officer position or any mandatory department director position required by §E of this regulation, the following shall apply:

(1) – (4) (text unchanged)

.16 Internal Audit Department Standards.

A. (text unchanged)

B. A facility operator's internal audit department operating procedures and standards shall, at a minimum, require the internal audit department to:

(1) – (6) (text unchanged)

(7) Perform audits of:

(a) *Unless an alternate risk assessment and audit plan is submitted in writing and approved in writing by the Commission,* [All] *all* departments of the facility that are designated under §§C and D of this regulation; and

(b) (text unchanged)

(8) – (11) (text unchanged)

C. – E. (text unchanged)

.21 Wire Transfers.

A. – C. (text unchanged)

D. A facility operator's internal controls shall:

(1) Require preparation of a cashiers' cage wire transfer log to record the following information pertaining to a wire transfer accepted by a facility operator on behalf of a player:

(a) – (c) (text unchanged)

[(d) Account number to which the funds were sent;]

[(e)] (d) – [(f)] (e) (text unchanged)

- [(g)] (f) The name [and address] of the financial institution from which the funds were transferred;
- [(h)] Account number from which the funds were debited;
- [(i)] (g) – [(l)] (j) (text unchanged)
- (2) – (5) (text unchanged)
- E. – G. (text unchanged)

.28 Counter Check Substitution, Consolidation, and Redemption.

- A. – B. (text unchanged)
- C. If a personal check is accepted in an amount less than or equal to the amount of a counter check being partially or fully redeemed, the \$5,000 limitation on acceptance of personal checks in Regulation [.20F] .20G of this chapter does not apply.
- D. – I. (text unchanged)

.38 Jackpot Payout.

- A. – E. (text unchanged)

F. A facility operator's internal controls shall include:

- (1) – (7) (text unchanged)
- (8) If utilized, procedures and controls applicable to a jackpot or credit meter payout:
 - (a) Using an automated jackpot payout machine meeting the requirements of Regulation .42 of this chapter;
- and
 - (b) By a gaming operations department attendant from a cash wallet impressed with [\$5,000] \$10,000 or less;
- (9) – (13) (text unchanged)
- (14) Procedures utilized to issue a manual jackpot or credit meter payout document which:
 - (a) – (c) (text unchanged)
 - (d) Require manual jackpot or credit meter payout books, [wiz machines,] or their functional equivalent to be maintained in a secured locked cabinet in the cashiers' cage; and
 - (e) (text unchanged)

.42 Access to Bill Validators, Cash Storage, and Table Game Drop Boxes.

- A. Access.
 - (1) – (2) (text unchanged)
 - (3) The cash storage box shall be secured to a bill validator by two separate locks, the keys to which are different from each other, and, for the lock on the belly door or main door of the video lottery terminal:
 - (a) The key shall be controlled by the [security] slots department in:
 - (i) – (ii) (text unchanged)
 - (b) Immediately prior to the commencement of the drop, the [security] slots department may issue its belly door or main door key to the accounting department;
 - (c) A key transferred from the [security] slots department to the accounting department shall be returned immediately following the conclusion of the drop;
 - (4) – (5) (text unchanged)
- B. – D. (text unchanged)
- E. Table Game Drop Box.
 - (1) – (4) (text unchanged)
 - (5) The keys to the table game drop box locks required under E(2) of this regulation shall be controlled by the [security] accounting department.
 - (6) (text unchanged)

.43 Collection of Cash Storage and Table Game Drop Boxes.

- A. (text unchanged)
- B. A facility operator shall *notify the Commission*:
 - (1) [Notify the Commission in] *In* writing, of a permanent change in the drop schedule including a pick-up day or time, area of the floor to be dropped, or transportation route; and
 - (2) [Notify the Commission prior] *Prior* to any temporary deviation from the drop schedule.
- C. – F. (text unchanged)
- G. A facility operator shall store cash storage and table game drop boxes not attached to a bill validator, including emergency cash storage and table game drop boxes that are not actively in use[, in a locked cabinet or trolley]:
 - (1) In the count room *in an area approved by the Commission*;
 - (2) [A] *In a* trolley storage area approved by the Commission under COMAR 36.03.11; or
 - (3) [Other] *In another* location at the facility approved by the Commission.
- H. – J. (text unchanged)

