

MARYLAND REGISTER

**Proposed Action on Regulations**

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	06/10/2016	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 7/22/2016**

**2. COMAR Codification**

<b>Title</b>	<b>Subtitle</b>	<b>Chapter</b>	<b>Regulation</b>
36	05	01	02
36	05	02	02 and .19
36	05	03	11, .12, and .16

**3. Name of Promulgating Authority**

Maryland State Lottery and Gaming Control Agency

<b>4. Name of Regulations Coordinator</b>	<b>Telephone Number</b>
James B Butler	410-230-8781

**Mailing Address**

1800 Washington Blvd., Ste. 330

<b>City</b>	<b>State</b>	<b>Zip Code</b>
Baltimore	MD	21230

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jbutler@maryland.gov

<b>5. Name of Person to Call About this Document</b>	<b>Telephone No.</b>
James B. Butler	(410) 230-8781

**Email Address**

jbutler@maryland.gov

**6. Check applicable items:**

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: June 9, 2016.

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 General Provisions Article, §3-302(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 May 26, 2016. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Gordon Medenica

**Title**

Director

**Date**

June 10, 2016

**Telephone No.**

(410) 230-8790

**Title 36**  
**MARYLAND STATE LOTTERY AND GAMING CONTROL**  
**AGENCY**

**Subtitle 05 TABLE GAMES**

**36.05.01 General**

**Subtitle 05 TABLE GAMES**

**36.05.02 Table Games Equipment**

**Subtitle 05 TABLE GAMES**

**36.05.03 Table Games Procedures**

Authority: 36.05.01: State Government Article, §§9-1A-02 and 9-1A-04, Annotated Code of Maryland; 36.05.02: State Government Article, §§9-1A-02 and 9-1A-04, Annotated Code of Maryland; and 36.05.03: 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 .02 under COMAR 36.05.01 General; amend Regulations .02 and .19 under COMAR 36.05.02 Table Games Equipment; and amend Regulations .11, .12, and .16 under COMAR 36.05.03 Table Games Procedures. This action was considered at the Maryland Lottery and Gaming Control Commission open meeting held on May 26, 2016, 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) define the Direct Bet Coupon under COMAR 36.05.01.02; (2) remove the wagering restrictions on a promotional chip under COMAR 36.05.02.02; (3) update the responsibilities of a casino floorperson to be consistent with current casino practices under COMAR 36.05.02.19; (4) allow casinos the ability to offer Direct Bet Coupons to patrons under COMAR 36.05.03.11 and .12; and (5) remove redundant words and revise numbering to ensure proposed regulations are in compliance with the Style Manual for Maryland Regulations.

**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](mailto:jbutler@maryland.gov), or fax to (410) 230-8727. Comments will be accepted through August 22, 2016. A public hearing has not been scheduled.

### **Economic Impact Statement Part C**

A. Fiscal Year in which regulations will become effective: FY 2017

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:  
General (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 bring regulations into compliance with the Style Manual for Maryland Regulations, and to incorporate provisions that better define and refine the requirements for table games operations, which better conform to the Agency's oversight responsibilities to monitor casino gaming.

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 bring regulations into compliance with the Style Manual for Maryland Regulations, and to incorporate provisions that better define and refine the requirements for table games operations, which better conform to the Agency's oversight responsibilities to monitor casino gaming.

G. Small Business Worksheet:

Attached Document:

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(June 9, 2016)

## SUBTITLE 05 TABLE GAMES

### 36.05.01 General

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

#### .02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1)—(10) (text unchanged)

(11) “Direct Bet Coupon” means an approved wagering instrument with a stated denomination that when presented at a banking game the patron may use it for wagering.

[(11)] (12)—[(29)] (30)

### 36.05.02 Table Games Equipment

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

#### .02 Gaming Chips and Promotional Chips.

A —D. (text unchanged)

[F.] E. (text unchanged)

[G.] F. A facility operator may issue a promotional chip with value that is permitted to be used for gaming purposes in a licensed facility.

(1)—(4) (text unchanged)

[(5)] A promotional chip with value that is wagered shall be positioned as follow:

(a) For all games other than craps, mini-craps or roulette, in the player’s betting area;

(b) For craps and mini-craps, on the Pass or Don’t Pass Line; and

(c) For roulette, in the box marked “Black”, “Red”, “Odd”, “Even”, “1—18”, “19—36”, “1st 12”, “2nd 12”, or “3rd 12”.]

[(6)] (5)—[(7)] (6) (text unchanged)

#### .19 Pai Gow Tiles — Receipt, Storage, Inspection, and Removal.

A. Receipt.

(1) (text unchanged)

(2) The boxes of tiles shall then be inspected by at least two employees of the facility operator to ensure that the seals on each box are intact, unbroken, and free from tampering.

(a) (text unchanged)

(b) If tiles inspected as required under §A(2)(a) of this regulation show no evidence of tampering, they shall be placed, along with boxes of tiles that are intact, unbroken and free from tampering, for storage in a storage area, the location and physical characteristics of which shall be approved by the Commission [in accordance with] under COMAR 36.05.03.16.

(3) The functions required under §A(1) and (2) of this regulation shall be performed by at least the following employees of a facility operator:

(a) [An assistant table games shift manager] A *floorperson* or above; and

(b) (text unchanged)

B. (text unchanged)

C. *Approved Storage Area.* The approved storage area shall have two separate locks, to which access shall be controlled as follows:

[(a)] (1) The security department shall maintain one key and the gaming operations department shall maintain the other key[.]; *and*

[(b)] (2) An employee of the gaming operations department below [an assistant table games shift manager] a *floorperson* in the facility's organizational hierarchy may not have access to the gaming operations department key.

D.—E. (text unchanged)

F. *Distribution of Tiles.* The [assistant table games shift manager] *floorperson* or above shall distribute sufficient sets of tiles to the pit manager or above in each pai gow pit.

(1)—(2) (text unchanged)

G. *Damaged Tiles.* If during the course of play a damaged tile is detected, the dealer or a *floorperson* shall immediately notify the pit manager or above, who shall bring a substitute set of tiles to the table from the reserve in the pit stand to replace the entire set of tiles.

(1) A set containing a damaged [tiles] *tile* shall be placed in an envelope or container, identified by table number, date and time the tiles were placed in the envelope or container and sealed and signed by the dealer and the *floorperson* responsible for supervising the table or the pit manager or above.

(2) (text unchanged)

H. *Collection.* The *floorperson* responsible for supervising the table or the pit manager or above shall collect used tiles which shall be placed in an envelope or container when removed from active use.

(1)—(2)

I. *Removal.* A facility operator shall remove a tile from play if there is any indication of tampering, flaws, or other defects that might affect the integrity or fairness of the game, or at the request of a Commission compliance representative or other Commission employee.

(1)—(2) (text unchanged)

J. (text unchanged)

K. At the end of each gaming day or in the alternative, at least once each gaming day, as designated by the facility operator and approved by the Commission [in accordance with] under COMAR 36.05.03.16, and at other times as may be necessary:

(1) (text unchanged)

(2) [An assistant table games shift manager] A *floorperson* or above may collect all extra sets of tiles in the reserve which have not been opened[. If] ; *if* collected, all unopened sets of tiles shall be cancelled, destroyed, or returned to the approved storage area.

L. *Inspection.* When envelopes or containers of used tiles and reserve sets of tiles which have been opened are returned to the security department, the security department shall inspect the tiles for tampering, marks, alterations, missing, or additional tiles or anything that might indicate unfair play.

(1)—(4) (text unchanged)

M.—Q. (text unchanged)

R. *Destruction or Cancellation.* Destruction or cancellation of tiles other than those retained for Commission inspection shall be completed within 7 days of collection.

(1)—(2) (text unchanged)

S. *Tile Rotation.* A facility operator shall change the tiles at least every 12 hours.

## 36.05.03 Table Games Procedures

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

### .11 Match Play Coupons and Direct Bet Coupons.

A. A facility operator may use a Match Play Coupon and Direct Bet Coupons.

B. A [Match Play Coupon] *coupon* may not be issued by a facility operator or used in a facility until:

(1) The design specifications of the proposed [Match Play Coupons] *coupon* are submitted to and approved by the Commission; and

(2) A system of internal procedures and administrative and accounting controls governing the inventory, distribution and redemption of the [Match Play Coupons] *coupon* is submitted to and approved by the Commission as part of the facility operator's internal controls.

C. A [Match Play Coupon] *coupon* issued by a facility operator shall contain at least:

(1)—(3) (text unchanged)

(4) Any restrictions regarding redemption, including the type of game or wager on which the coupon may be used; *and*

(5) The expiration date of the coupon[; and].

[(6) An area designated for the placement thereon of the required gaming chips that does not obscure the visibility of the denomination of the coupon.]

*D. Match Play Coupons shall contain an area designated for the placement thereon of the required gaming chips that does not obscure the visibility of the denomination of the coupon.*

[D.] *E. Administration of [Match Play] Coupon Program.* The accounting department and the marketing department, or other department as specified in the facility operator's internal controls, shall be responsible for administering the [Match Play Coupon] coupon program.

(1) (text unchanged)

(2) The accounting department shall be responsible for maintaining the [Match Play Coupon] coupon ledger and administering the coupon accounting procedures set forth in §[M]N of this regulation.

[E.] *F. A [Match Play Coupon] shipment of coupons* received from a manufacturer or contractor, or *those coupons* produced by the facility operator, in accordance with §[P]Q of this regulation shall be opened and examined by at least one member of the accounting department and one member of the marketing department, who shall report any deviation between the invoice accompanying the coupon and the actual coupon received to a supervisor from the accounting department [and to the Commission].

[F.] *G. After checking a [Match Play Coupon] coupon* received from a manufacturer or contractor, or produced by the facility operator, an accounting department supervisor shall record the following information in the [Match Play Coupon Ledger] coupon ledger:

(1)—(4) (text unchanged)

[G.] *H. A marketing department supervisor shall estimate the number of [Match Play Coupons] coupons* needed for each gaming day or promotion and complete a requisition document which contains the following information:

(1)—(5) (text unchanged)

[H.] *I. Upon receipt of the requisition document, the accounting department supervisor shall record in the [Match Play Coupon Ledger] coupon ledger* the following information before issuing the coupons to the marketing department supervisor:

(1)—(4) (text unchanged)

[I.] *J. A [Match Play Coupon] coupon* that is not issued to the marketing department shall be controlled by an accounting department supervisor or above and stored in a secured and locked area approved by the Commission, as designated in the facility operator's internal controls the location of the approved storage area.

[J.] *K. The marketing department shall maintain a daily [Match Play] Coupon Reconciliation Form* which shall contain:

(1)—(6) (text unchanged)

(7) Any discrepancy discovered in the accounting for [match play] coupons and an explanation of the discrepancy; and

(8) (text unchanged)

[K.] *L. Undistributed [Match Play] Coupons.* At the end of the gaming day or promotional period, a copy of the [Match Play] Coupon Reconciliation Form and all [Match Play Coupons] coupons that were not distributed to players shall be returned to the accounting department.

(1) The marketing department may keep for use during the next gaming day all coupons that were not distributed to players if the coupons are:

(a) (text unchanged)

(b) Recoded on the daily [Match Play] Coupon Reconciliation Form for the next gaming day.

(2) (text unchanged)

(3) When unused and expired [Match Play Coupons] coupons are returned to the accounting department, an accounting department supervisor shall record the following information in the [Match Play Coupon] coupon ledger:

(a)—(f) (text unchanged)

[L.] *M. All documentation, voided coupons, redeemed coupons, and coupons that were not distributed to players shall be forwarded daily to the accounting department where the coupons shall be:*

(1)—(4) (text unchanged)

[M.] *N. At least once every month, a facility operator shall inventory all [Match Play Coupons] coupons* that are not distributed to players and record the result of the inventory in the [Match Play Coupon] coupon ledger in accordance with the [Match Play Coupon] inventory procedures that the Commission approved as part of the facility operator's internal controls.

[N.] *O.* (text unchanged)

[O.] *P. If a facility operator's Commission-approved internal controls include its production and subsequent reconciliation of [Match Play Coupons] coupons, a facility operator may internally manufacture or print [Match Play Coupons] coupons.*

[P.] *Q. Production of [Match Play] Coupons.* If a facility operator's Commission-approved internal controls include the production of [Match Play Coupons] coupons by a manufacturer or contractor, a facility operator may authorize a manufacturer or contractor to print and mail [Match Play Coupons] coupons directly to players in accordance with the following requirements:

(1) The [Match Play Coupons] coupons shall comply with the requirements in §§B and C of this regulation;

(2) The facility operator shall supply the manufacturer or contractor, through electronic means, a list of the following information for each player to whom the [Match Play Coupon] coupon shall be mailed:

- (a) (text unchanged)
  - (b) The denomination of the [Match Play Coupon] *coupon*;
  - (c) The expiration date of the [Match Play Coupon] *coupon*; and
  - (d) A serial number on each [Match Play Coupon] *coupon*;
- (3) The [Match Play Coupon] coupon issued shall include a magnetic strip or bar code that will enable the facility operator's computer system to identify the information required under §[Q]R(2) of this regulation;
- (4) The information in §[Q]R(2) of this regulation shall be provided to the accounting department, which shall maintain the information for purposes of reconciliation as required under §[M]N of this regulation;
- (5) Prior to redemption of the [Match Play Coupon;] *coupon*, a dealer shall verify the expiration date and confirm that the coupon has not expired;
- (6) All [Match Play Coupons] *coupons* issued shall be electronically canceled in the facility operator's computer system immediately upon redemption or during the counting of the table game drop boxes; and
- (7) (text unchanged)
- [Q.] R. A facility operator may use a computerized system that complies with the requirements in this regulation if:
- (1) The computerized system creates [Match Play Coupons] *coupons* that comply with the requirements in §§B and C of this regulation;
  - (2) (text unchanged)
  - (3) The facility operator includes in its internal controls procedures governing the production, recording, *redemption* and reconciliation of computer-generated [Match Play Coupons] *coupons*.

**.12 Use of Match Play Coupons and Direct Bet Coupons.**

A. A [Match Play Coupon] *coupon* may be redeemed only at a gaming table in which a player wagers against the house.

B. Redemption. *The dealer shall:*

[(1) A Match Play Coupon shall be redeemed by a dealer or boxperson if accompanied by gaming chips or cash that are equal to, or greater in value than, the stated value of the coupon.

(2) The dealer shall place a Match Play Coupon under a gaming chip wagered by the player so that the value of the coupon is visible at all times.

(3) If the player's wager wins, it shall be paid in accordance with the terms and conditions of the coupon.]

(1) *Verify the coupon is valid prior to accepting it as a wager;*

(2) *Ensure that a coupon is placed on an authorized wager so that the value of the coupon is visible at all times;* and

(3) *Settle winning wagers in accordance with the terms and conditions of the coupon.*

[C. A Match Play Coupon and any gaming chip wagered shall be positioned as follows:

(1) For all games other than Craps, Mini-Craps or Roulette, in the player's betting area;

(2) For Craps and Mini-Craps, on the Pass or Don't Pass Line; and

(3) For Roulette, in the box marked:

(a) "Black";

(b) "Red";

(c) "Odd";

(d) "Even";

(e) "1-18";

(f) "19-36";

(g) "1st 12";

(h) "2nd 12"; or

(i) "3rd 12".]

[D.] C. Whether the wager wins or loses, the dealer shall deposit the [Match Play Coupon] coupon into the drop box attached to the gaming table at the time the winning wager is paid or the losing wager is collected.

[E.] D. (text unchanged)

**.16 Approval of Table Game Layout, Signage, and Equipment.**

A. (text unchanged)

B. For purposes of this chapter, schematics of table game equipment that shall be submitted to the Commission for review and approval include:

(1)—(9) (text unchanged)

(10) Match Play Coupons; [and]

(11) *Direct Bet Coupons; and*

[(11)] (12) Table game equipment that are not otherwise required to be submitted to an independent certified testing laboratory for approval under COMAR 36.03.12.05.

C.—E. (text unchanged)

