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THE VIRGINIA REGISTER INFORMATION PAGE

THE VIRGINIA REGISTER OF REGULATIONS is an official state publication issued every other week throughout the year. Indexes are published quarterly, and are cumulative for the year. The *Virginia Register* has several functions. The new and amended sections of regulations, both as proposed and as finally adopted, are required by law to be published in the *Virginia Register*. In addition, the *Virginia Register* is a source of other information about state government, including petitions for rulemaking, emergency regulations, executive orders issued by the Governor, and notices of public hearings on regulations.

ADOPTION, AMENDMENT, AND REPEAL OF REGULATIONS

Unless exempted by law, an agency wishing to adopt, amend, or repeal regulations must follow the procedures in the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia). Typically, this includes first publishing in the *Virginia Register* a notice of intended regulatory action; a basis, purpose, substance and issues statement; an economic impact analysis prepared by the Department of Planning and Budget; the agency's response to the economic impact analysis; a summary; a notice giving the public an opportunity to comment on the proposal; and the text of the proposed regulation.

Following publication of the proposed regulation in the *Virginia Register*, the promulgating agency receives public comments for a minimum of 60 days. The Governor reviews the proposed regulation to determine if it is necessary to protect the public health, safety, and welfare, and if it is clearly written and easily understandable. If the Governor chooses to comment on the proposed regulation, his comments must be transmitted to the agency and the Registrar of Regulations no later than 15 days following the completion of the 60-day public comment period. The Governor's comments, if any, will be published in the *Virginia Register*. Not less than 15 days following the completion of the 60-day public comment period, the agency may adopt the proposed regulation.

The Joint Commission on Administrative Rules or the appropriate standing committee of each house of the General Assembly may meet during the promulgation or final adoption process and file an objection with the Registrar and the promulgating agency. The objection will be published in the *Virginia Register*. Within 21 days after receipt by the agency of a legislative objection, the agency shall file a response with the Registrar, the objecting legislative body, and the Governor.

When final action is taken, the agency again publishes the text of the regulation as adopted, highlighting all changes made to the proposed regulation and explaining any substantial changes made since publication of the proposal. A 30-day final adoption period begins upon final publication in the *Virginia Register*.

The Governor may review the final regulation during this time and, if he objects, forward his objection to the Registrar and the agency. In addition to or in lieu of filing a formal objection, the Governor may suspend the effective date of a portion or all of a regulation until the end of the next regular General Assembly session by issuing a directive signed by a majority of the members of the appropriate legislative body and the Governor. The Governor's objection or suspension of the regulation, or both, will be published in the *Virginia Register*.

If the Governor finds that the final regulation contains changes made after publication of the proposed regulation that have substantial impact, he may require the agency to provide an additional 30-day public comment period on the changes. Notice of the additional public comment period required by the Governor will be published in the *Virginia Register*. Pursuant to § 2.2-4007.06 of the Code of Virginia, any person may request that the agency solicit additional public comment on certain changes made after publication of the proposed regulation. The agency shall suspend the regulatory process for 30 days upon such request from 25 or more individuals, unless the agency determines that the changes have minor or inconsequential impact.

A regulation becomes effective at the conclusion of the 30-day final adoption period, or at any other later date specified by the promulgating agency, unless (i) a legislative objection has been filed, in which event the regulation, unless withdrawn, becomes effective on the date specified, which shall be after the expiration of the 21-day objection period; (ii) the Governor exercises his authority to require the agency to provide for additional public comment, in

which event the regulation, unless withdrawn, becomes effective on the date specified, which shall be after the expiration of the period for which the Governor has provided for additional public comment; (iii) the Governor and the General Assembly exercise their authority to suspend the effective date of a regulation until the end of the next regular legislative session; or (iv) the agency suspends the regulatory process, in which event the regulation, unless withdrawn, becomes effective on the date specified, which shall be after the expiration of the 30-day public comment period and no earlier than 15 days from publication of the readopted action.

A regulatory action may be withdrawn by the promulgating agency at any time before the regulation becomes final.

FAST-TRACK RULEMAKING PROCESS

Section 2.2-4012.1 of the Code of Virginia provides an alternative to the standard process set forth in the Administrative Process Act for regulations deemed by the Governor to be noncontroversial. To use this process, the Governor's concurrence is required and advance notice must be provided to certain legislative committees. Fast-track regulations become effective on the date noted in the regulatory action if fewer than 10 persons object to using the process in accordance with § 2.2-4012.1.

EMERGENCY REGULATIONS

Pursuant to § 2.2-4011 of the Code of Virginia, an agency may adopt emergency regulations if necessitated by an emergency situation or when Virginia statutory law or the appropriation act or federal law or federal regulation requires that a regulation be effective in 280 days or fewer from its enactment. In either situation, approval of the Governor is required. The emergency regulation is effective upon its filing with the Registrar of Regulations, unless a later date is specified per § 2.2-4012 of the Code of Virginia. Emergency regulations are limited to no more than 18 months in duration; however, may be extended for six months under the circumstances noted in § 2.2-4011 D. Emergency regulations are published as soon as possible in the *Virginia Register* and are on the Register of Regulations website at register.dls.virginia.gov.

During the time the emergency regulation is in effect, the agency may proceed with the adoption of permanent regulations in accordance with the Administrative Process Act. If the agency chooses not to adopt the regulations, the emergency status ends when the prescribed time limit expires.

STATEMENT

The foregoing constitutes a generalized statement of the procedures to be followed. For specific statutory language, it is suggested that Article 2 (§ 2.2-4006 et seq.) of Chapter 40 of Title 2.2 of the Code of Virginia be examined carefully.

CITATION TO THE VIRGINIA REGISTER

The *Virginia Register* is cited by volume, issue, page number, and date. **34:8 VA.R. 763-832 December 11, 2017**, refers to Volume 34, Issue 8, pages 763 through 832 of the *Virginia Register* issued on December 11, 2017.

The Virginia Register of Regulations is published pursuant to Article 6 (§ 2.2-4031 et seq.) of Chapter 40 of Title 2.2 of the Code of Virginia.

Members of the Virginia Code Commission: **John S. Edwards**, Chair; **Marcus B. Simon**, Vice Chair; **Ward L. Armstrong**; **Nicole Cheuk**; **Rita Davis**; **Leslie L. Lilley**; **Jennifer L. McClellan**; **Christopher R. Nolen**; **Don L. Scott, Jr.**; **Charles S. Sharp**; **Samuel T. Towell**; **Malfourd W. Trumbo**.

Staff of the Virginia Register: **Karen Perrine**, Registrar of Regulations; **Anne Bloomsburg**, Assistant Registrar; **Nikki Clemons**, Regulations Analyst; **Rhonda Dyer**, Publications Assistant; **Terri Edwards**, Senior Operations Staff Assistant.

PUBLICATION SCHEDULE AND DEADLINES

This schedule is available on the Virginia Register of Regulations website (<http://register.dls.virginia.gov>).

April 2021 through April 2022

<u>Volume: Issue</u>	<u>Material Submitted By Noon*</u>	<u>Will Be Published On</u>
37:17	March 24, 2021	April 12, 2021
37:18	April 7, 2021	April 26, 2021
37:19	April 21, 2021	May 10, 2021
37:20	May 5, 2021	May 24, 2021
37:21	May 19, 2021	June 7, 2021
37:22	June 2, 2021	June 21, 2021
37:23	June 16, 2021	July 5, 2021
37:24	June 30, 2021	July 19, 2021
37:25	July 14, 2021	August 2, 2021
37:26	July 28, 2021	August 16, 2021
38:1	August 11, 2021	August 30, 2021
38:2	August 25, 2021	September 13, 2021
38:3	September 8, 2021	September 27, 2021
38:4	September 22, 2021	October 11, 2021
38:5	October 6, 2021	October 25, 2021
38:6	October 20, 2021	November 8, 2021
38:7	November 3, 2021	November 22, 2021
38:8	November 15, 2021 (Monday)	December 6, 2021
38:9	December 1, 2021	December 20, 2021
38:10	December 15, 2021	January 3, 2022
38:11	December 29, 2021	January 17, 2022
38:12	January 12, 2022	January 31, 2022
38:13	January 26, 2022	February 14, 2022
38:14	February 9, 2022	February 28, 2022
38:15	February 23, 2022	March 14, 2022
38:16	March 9, 2022	March 28, 2022
38:17	March 23, 2022	April 11, 2022
38:18	April 6, 2022	April 25, 2022

*Filing deadlines are Wednesdays unless otherwise specified.

PERIODIC REVIEWS AND SMALL BUSINESS IMPACT REVIEWS

TITLE 9. ENVIRONMENT

STATE WATER CONTROL BOARD

Report of Findings

Pursuant to §§ 2.2-4007.1 and 2.2-4017 of the Code of Virginia, the State Water Control Board conducted a periodic review and a small business impact review of **9VAC25-193, Virginia Pollutant Discharge Elimination System (VPDES) General Permit for Concrete Products Facilities**, and determined that this regulation should be retained in its current form. The department is publishing its report of findings dated January 11, 2021, to support this decision.

This regulation is necessary for the protection of public health, safety, and welfare. The regulation is clearly written and easily understandable. The regulation is effective and continues to be needed and will be retained.

The general permit covers the discharge of process wastewater and stormwater associated with industrial activity from concrete products facilities, provided that the discharge is through a point source to surface waters. If this regulation were repealed, individual permits would be required to conduct these activities.

All commenters supported retaining the regulation without changes.

This regulation establishes procedures for obtaining coverage under this general permit, and portions of the regulation may be viewed as complex due to the technical requirements criteria included in the regulation. This regulation is clearly written and easily understandable.

The regulation does not overlap, duplicate, or conflict with federal or state law or regulation as the State Water Control Board is the delegated authority to regulate point source discharges to surface water. The State Water Control Board last reissued this regulation in 2019. This regulation is evaluated and necessary changes are made to the regulation when the permit is reissued.

The reissuance of the general VPDES permit accomplishes the objectives of applicable law, minimizes the costs to a small business owner, and simplifies the application process. Without the general permit, a small business owner would be required to obtain an individual permit, which would increase the complexity of a permit application and the costs to obtain permit coverage.

Contact Information: Melissa Porterfield, Department of Environmental Quality, 1111 East Main Street, Suite 1400, P.O. Box 1105, Richmond, VA 23218, telephone (803) 698-4238.



TITLE 12. HEALTH

STATE BOARD OF HEALTH

Agency Notice

Pursuant to Executive Order 14 (as amended July 16, 2018) and §§ 2.2-4007.1 and 2.2-4017 of the Code of Virginia, the following regulations are undergoing a periodic review and a small business impact review: **12VAC5-421, Food Regulations; 12VAC5-440, Regulations for Summer Camps; 12VAC5-450, Rules and Regulations Governing Campgrounds; 12VAC5-460, Regulations Governing Tourist Establishment Swimming Pools and Other Public Pools; and 12VAC5-462, Swimming Pool Regulations Governing the Posting of Water Quality Test Results.** The review of these regulations will be guided by the principles in Executive Order 14 (as amended July 16, 2018). The purpose of this review is to determine whether each regulation should be repealed, amended, or retained in its current form. Public comment is sought on the review of any issue relating to these regulations, including whether each regulation (i) is necessary for the protection of public health, safety, and welfare or for the economical performance of important governmental functions; (ii) minimizes the economic impact on small businesses in a manner consistent with the stated objectives of applicable law; and (iii) is clearly written and easily understandable.

Public comment period begins March 29, 2021, and ends April 19, 2021.

Comments must include the commenter's name and address (physical or email) information in order to receive a response to the comment from the agency. Following the close of the public comment period, a report of both reviews will be posted on the Virginia Regulatory Town Hall and published in the Virginia Register of Regulations.

Contact Information: Kristin Marie Clay, Senior Policy Analyst, Office of Environmental Health Services, Virginia Department of Health, 109 Governor Street, 5th Floor, Richmond, VA 23219, telephone (804) 864-7474.



TITLE 24. TRANSPORTATION AND MOTOR VEHICLES

DEPARTMENT OF TRANSPORTATION

Agency Notice

Pursuant to Executive Order 14 (as amended July 16, 2018) and §§ 2.2-4007.1 and 2.2-4017 of the Code of Virginia, the following regulations are undergoing a periodic review and a small business impact review: **24VAC30-21, General Rules**

Periodic Reviews and Small Business Impact Reviews

and Regulations of the Commonwealth Transportation Board; 24VAC30-50, Rules and Regulations for the Administration of Waysides and Rest Areas; 24VAC30-100, Rules and Regulations for the Administration of Parking Lots and Environs; 24VAC30-130, Rules Governing Prequalification and Classification; 24VAC30-210, Policy on Placing Utilities Underground; 24VAC30-420, Operation and Maintenance of Roads in Incorporated Towns Less Than 3,500; and 24VAC30-430, Maintenance of Roads Crossing the Interstate System. The review of these regulations will be guided by the principles in Executive Order 14 (as amended July 16, 2018). The purpose of this review is to determine whether each regulation should be repealed, amended, or retained in its current form. Public comment is sought on the review of any issue relating to these regulations, including whether each regulation (i) is necessary for the protection of public health, safety, and welfare or for the economical performance of important governmental functions; (ii) minimizes the economic impact on small businesses in a manner consistent with the stated objectives of applicable law; and (iii) is clearly written and easily understandable.

Public comment period begins March 29, 2021, and ends May 14, 2021.

Comments must include the commenter's name and address (physical or email) information in order to receive a response to the comment from the agency. Following the close of the public comment period, a report of both reviews will be posted on the Virginia Regulatory Town Hall and published in the Virginia Register of Regulations.

Contact Information: JoAnne P. Maxwell, Agency Regulatory Coordinator, Governance and Legislative Affairs Division, Department of Transportation, 1401 East Broad Street, Richmond, VA 23219, telephone (804) 786-1830.

NOTICES OF INTENDED REGULATORY ACTION

TITLE 11. GAMING

VIRGINIA LOTTERY BOARD

Notice of Intended Regulatory Action

Notice is hereby given in accordance with § 2.2-4007.01 of the Code of Virginia that the Virginia Lottery Board intends to consider promulgating **11VAC5-90, Casino Gaming**. The purpose of the proposed action is to establish regulations specifying requirements for licensure of casino gaming operators and the conduct of casino gaming pursuant to Chapter 1248 of the 2020 Acts of Assembly. Chapter 1248 also includes criminal and civil penalties for violations of the casino gaming law, limitations upon location of casino gaming establishments to eligible host cities that meet specified criteria (i.e., the Cities of Portsmouth, Richmond, Norfolk, Danville, and Bristol). The proposed regulation establishes (i) how the Virginia Lottery will issue casino licenses and permits; (ii) casino facility and gaming security and control standards; (iii) rules and guidelines for slot machines, mechanical casino games, and table games and on premises mobile casino gaming; (iv) reporting requirements; (v) facility, employee, and equipment investigation procedures and nonmonetary sanctions and penalties for violations, and (vi) procedures for payment of taxes, fees, and penalties.

The agency does not intend to hold a public hearing on the proposed action after publication in the Virginia Register.

Statutory Authority: §§ 58.1-4101 and 58.1-4102 of the Code of Virginia.

Public Comment Deadline: April 28, 2021.

Agency Contact: Amy Roper, Regulatory Coordinator, Virginia Lottery, 600 East Main Street, First Floor, Richmond, VA 23219, telephone (804) 692-7133, FAX (804) 692-7325, or email aroper@valottery.com.

VA.R. Doc. No. R21-6662; Filed March 11, 2021, 3:00 p.m.



TITLE 24. TRANSPORTATION AND MOTOR VEHICLES

DEPARTMENT OF TRANSPORTATION

Notice of Intended Regulatory Action

Notice is hereby given in accordance with § 2.2-4007.01 of the Code of Virginia that the Department of Transportation intends to consider promulgating **24VAC30-640, Parking on Primary and Secondary Highways**. The purpose of the proposed action is to establish a new regulation to address the parking-related issues of concern to the Virginia Department of Transportation (VDOT) that are not in conflict with a locality's authority to regulate parking under other sections of the Code of Virginia. The proposed regulation will essentially

characterize and distinguish the specific instances on a primary or secondary highway when VDOT will regulate parking and clarify when VDOT will not regulate parking. Preserving the safe and efficient flow of vehicular traffic entails controlling and limiting access and the manner of use of highways, including parking where the extent, character, or frequency of such parking impedes the safe or efficient flow of vehicular traffic or the proper operation of the highway.

The agency does not intend to hold a public hearing on the proposed action after publication in the Virginia Register.

Statutory Authority: § 46.2-1223 of the Code of Virginia.

Public Comment Deadline: April 28, 2021.

Agency Contact: JoAnne P. Maxwell, Agency Regulatory Coordinator, Governance and Legislative Affairs Division, Department of Transportation, 1401 East Broad Street, Richmond, VA 23219, telephone (804) 786-1830, FAX (804) 225-4700, or email joanne.maxwell@vdot.virginia.gov.

VA.R. Doc. No. R21-5832; Filed March 10, 2021, 10:32 a.m.

REGULATIONS

For information concerning the different types of regulations, see the Information Page.

Symbol Key

Roman type indicates existing text of regulations. Underscored language indicates proposed new text. Language that has been stricken indicates proposed text for deletion. Brackets are used in final regulations to indicate changes from the proposed regulation.

TITLE 4. CONSERVATION AND NATURAL RESOURCES

MARINE RESOURCES COMMISSION

Forms

REGISTRAR'S NOTICE: Forms used in administering the regulation have been filed by the agency. The forms are not being published; however, online users of this issue of the Virginia Register of Regulations may click on the name of a form with a hyperlink to access it. The forms are also available from the agency contact or may be viewed at the Office of the Registrar of Regulations, 900 East Main Street, 11th Floor, Richmond, Virginia 23219.

Titles of Regulations: **4VAC20-510. Pertaining to Amberjack and Cobia.**

4VAC20-950. Pertaining to Black Sea Bass.

Agency Contact: Jennifer Farmer, Regulatory Coordinator, Marine Resources Commission, 380 Fenwick Road, Fort Monroe, VA 23551, telephone (757) 247-2248, or email jennifer.farmer@mrc.virginia.gov.

FORMS (4VAC20-510)

~~2018 Recreational/Charter Reporting Form (rev. 8/2018)~~

[2021 Recreational/Charter Reporting Form \(rev. 1/2021\)](#)

FORMS (4VAC20-950)

~~2019 Recreational/Charter Reporting Form (rev. 12/2018)~~

[2021 Recreational/Charter Reporting Form \(rev. 1/2021\)](#)

VA.R. Doc. No. R21-6718; Filed March 15, 2021, 9:35 a.m.



TITLE 10. FINANCE AND FINANCIAL INSTITUTIONS

STATE CORPORATION COMMISSION

Final Regulation

REGISTRAR'S NOTICE: The State Corporation Commission is claiming an exemption from the Administrative Process Act in accordance with § 2.2-4002 A 2 of the Code of Virginia, which exempts courts, any agency of the Supreme Court, and any agency that by the Constitution is expressly granted any of the powers of a court of record.

Title of Regulation: **10VAC5-60. Consumer Finance Companies (amending 10VAC5-60-20, 10VAC5-60-30, 10VAC5-60-60; adding 10VAC5-60-5, 10VAC5-60-15, 10VAC5-60-25, 10VAC5-60-35, 10VAC5-60-45, 10VAC5-60-55, 10VAC5-60-65, 10VAC5-60-70; repealing 10VAC5-60-40, 10VAC5-60-50).**

Statutory Authority: §§ 6.2-1535 and 12.1-13 of the Code of Virginia.

Effective Date: March 15, 2021.

Agency Contact: Dustin Physioc, Deputy Commissioner, Bureau of Financial Institutions, State Corporation Commission, P.O. Box 640, Richmond, VA 23218, telephone (804) 786-0831, FAX (804) 371-9416, or email dustin.physioc@scc.virginia.gov.

Summary:

The amendments implement Chapters 1215 and 1258 of the 2020 Acts of Assembly. The amendments update the regulation and incorporate an assortment of provisions from existing regulations governing other types of nondepository institutions also licensed and regulated under Title 6.2 of the Code of Virginia. The following changes have been made to the proposed regulation: (i) the liquid asset requirement has been modified; (ii) the prohibition on a licensed consumer finance company ("licensee") selling a loan to an unlicensed company has been replaced; (iii) the prohibition on a licensee furnishing a borrower with any information that is false, misleading, or deceptive has been narrowed; (iv) a provision has been added that prohibits a licensee from making a consumer finance loan or varying the terms of a consumer finance loan on the condition or requirement that a borrower purchase any type of credit insurance; (v) a licensee's authority to enter into or maintain a contract with a person that will provide services described in § 6.2-1523.1 A 4 of the Code of Virginia has been clarified; (vi) a condition has been added that requires the conduct of an open-end credit business in a licensee's offices to be conducted by a separate legal entity and not by the licensee.

AT RICHMOND, MARCH 4, 2021

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. BFI-2020-00055

Ex Parte: In the matter of Adopting
Revisions to the Regulations Governing
Consumer Finance Companies

ORDER ADOPTING REGULATIONS

On September 18, 2020, the State Corporation Commission ("Commission") entered an Order to Take Notice of a proposal by the Bureau of Financial Institutions ("Bureau") to amend the Commission's regulations governing consumer finance companies, which are set forth in Chapter 60 of Title 10 of the Virginia Administrative Code ("Chapter 60").

The Bureau's proposed amendments implement and clarify numerous aspects of Chapters 1215 and 1258 of the 2020 Virginia Acts of Assembly, which made extensive changes to Chapter 15 (§ 6.2-1500 et seq.) of Title 6.2 of the Code of Virginia ("Code") that became effective on January 1, 2021. In addition, the proposed amendments update Chapter 60 in various respects as well as augment it by incorporating an assortment of provisions from the Commission's existing regulations governing one or more other types of non-depository institutions that are also licensed and regulated under Title 6.2 of the Code. A detailed summary of these proposed amendments was set forth in the Order to Take Notice.

The Order to Take Notice and proposed regulations were published in the Virginia Register of Regulations on October 12, 2020, posted on the Commission's website, and sent to all licensed consumer finance companies ("licensees") and other interested parties. Licensees and other interested parties were afforded the opportunity to file written comments or request a hearing on or before October 23, 2020. Comments on the proposed regulations were timely filed¹ by Jeff D. Smith, III on behalf of the Virginia Financial Services Association; Dan Sanford on behalf of Aura Financial LLC; Nick Bourke on behalf of The Pew Charitable Trusts; Lauren Hunt on behalf of Hudson Cook, LLP; Dana Wiggins on behalf of the Virginia Partnership to Encourage Responsible Lending; and James W. Speer on behalf of the Virginia Poverty Law Center. The Commission did not receive any requests for a hearing.

The Bureau considered the comments filed and responded to them in its Statement of Position in Response to Comments ("Statement of Position"), which the Bureau filed with the Clerk of the Commission on January 22, 2021. In its Statement of Position, the Bureau addressed the comment letters and recommended that various sections of the proposed regulations be amended.

NOW THE COMMISSION, having considered the proposed regulations, the comments filed, the Bureau's Statement of Position, the record herein, and applicable law, concludes that the proposed regulations should be modified to incorporate the Bureau's recommendations. The Commission further concludes that the proposed regulations, as modified, should be adopted with an effective date of April 15, 2021.

Accordingly, IT IS ORDERED THAT:

- (1) The proposed regulations, as modified herein and attached hereto, are adopted effective April 15, 2021.
- (2) This Order and the attached regulations shall be made available on the Commission's website: scc.virginia.gov/pages/Case-Information.
- (3) The Commission's Division of Information Resources shall provide a copy of this Order and the regulations to the Virginia Registrar of Regulations for publication in the Virginia Register of Regulations.
- (4) This case is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

A COPY of this Order and the attached regulations shall be sent by the Clerk of the Commission to the Commission's Office of General Counsel and to the Commissioner of Financial Institutions, who shall send by e-mail or U.S. mail a copy of this Order and the attached regulations to all licensed consumer finance companies and such other interested persons as he may designate.

¹A comment letter was received from John Euwema on behalf of the Consumer Credit Industry Association, but it was not filed timely. The Commission has given this comment letter the consideration that it was due.

10VAC5-60-5. Definitions.

A. The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Act" means Chapter 15 (§ 6.2-1500 et seq.) of Title 6.2 of the Code of Virginia.

"Advertisement" means a commercial message in any medium that promotes, directly or indirectly, a consumer finance loan. The term includes a communication sent to a consumer as part of a solicitation of business but excludes messages on promotional items such as pens, pencils, notepads, hats, and calendars.

"Consumer finance loan" means a loan made to an individual for personal, family, household, or other nonbusiness purposes.

"Liquid assets," for purposes of the Act and this chapter, means funds held in a checking account or savings account at a depository institution, money market funds, commercial paper, and treasury bills.

Regulations

B. Other terms used in this chapter shall have the meanings set forth in § 6.2-100 or 6.2-1500 of the Code of Virginia.

10VAC5-60-15. Surety bond; other requirements for licensees; acquisitions.

A. Every licensee and applicant for a license shall file and continuously maintain in full force a surety bond that meets the requirements of § 6.2-1523.3 of the Code of Virginia. The minimum bond amount required shall be \$25,000. The form of the bond will be prescribed and provided by the commissioner.

B. If a person has filed a surety bond with the commissioner, the bond shall be retained by the commissioner notwithstanding the occurrence of any of the following events:

1. The person's application for a license is withdrawn or denied;
2. The person's license is surrendered, suspended, or revoked; or
3. The person ceases engaging in business as a consumer finance company.

C. A licensee shall at all times maintain unencumbered liquid assets of at least \$25,000 per [~~place of business~~ location licensed or required to be licensed under the Act]. A licensee shall upon request by the bureau submit proof that it is complying with the provisions of this subsection.

D. A proposed office location specified in an application filed under § 6.2-1505 or 6.2-1508.1 A of the Code of Virginia shall be deemed to be open for purposes of the Act and this chapter effective upon the date that the application was either approved by the commission or deemed approved pursuant to § 6.2-1508.1 A.

E. A licensee shall notify the bureau in writing and pay a \$250 fee within 10 days of relocating any approved office that is located either within or outside of the Commonwealth. The bureau shall furnish the licensee with a replacement license certificate that identifies the new location upon finding that the new location is in the same county, city, or town as the old location or in a contiguous county, city, or town. The licensee shall also notify the bureau in writing within 10 days of commencing business at the relocated place of business.

F. A licensee shall continuously maintain the requirements and standards for licensure prescribed in § 6.2-1507 of the Code of Virginia.

G. Any person submitting an application to acquire, directly or indirectly, 25% or more of the voting shares of a corporation or 25% or more of the ownership of any other person licensed to conduct business under the Act shall pay a nonrefundable application fee of \$500.

10VAC5-60-20. ~~Time limit for compliance~~ Additional business requirements and restrictions.

A. Licensees shall have ~~30~~ 10 calendar days after the date a consumer finance loan is paid in full, or a judgment is satisfied, or a borrower's obligation is otherwise terminated to accomplish the acts required by § 6.2-1524 G of the Code of Virginia.

~~Failure to comply within that time limit shall constitute a violation of the subsection, which violation will result in penalties as provided by law.~~

B. A licensee shall not require a borrower to purchase or maintain property insurance for a motor vehicle used as security for a consumer finance loan from or through a particular provider or list of providers.

C. If a licensee disburses loan proceeds by means of a check, neither the licensee nor an affiliate or subsidiary of the licensee shall charge the borrower a fee for cashing the check.

D. A licensee shall give a borrower a signed and dated receipt for each cash payment made in person, which shall state the balance due on the consumer finance loan.

E. [~~A licensee shall not sell or otherwise assign a consumer finance loan to any other person who is not also licensed under the Act.~~] If a consumer finance loan is sold or assigned [~~to another by a~~] licensee [~~, the purchaser or assignee and the servicing will be performed by another person, then the person that will be servicing the consumer finance loan~~] shall [~~be subject to the same~~] comply with the [] obligations and limitations under the Act and this chapter that [~~were are~~] applicable to [~~the licensee that sold or assigned the loan~~] licensees engaged in servicing consumer finance loans. This provision shall not apply to a person that is ineligible for licensure pursuant to § 6.2-1502 A of the Code of Virginia [].

F. Nothing in the Act or this chapter shall be construed to prohibit a licensee from (i) voluntarily accepting a payment on an outstanding consumer finance loan from a borrower after the date that such payment was due to the licensee or (ii) considering a payment to be timely if it is made more than 10 calendar days after its due date. However, except as otherwise permitted by the Act and this chapter, the licensee shall not charge, contract for, collect, receive, recover, or require a borrower to pay any additional interest, fees, or other amounts.

G. A licensee shall comply with all federal laws and regulations applicable to the conduct of its business, including the Truth in Lending Act (15 USC § 1601 et seq.), Regulation Z (12 CFR Part 1026), the Equal Credit Opportunity Act (15 USC § 1691 et seq.), Regulation B (12 CFR Part 1002), and the Standards for Safeguarding Customer Information (16 CFR Part 314).

H. A person shall remain subject to the provisions of the Act and this chapter applicable to licensees in connection with all consumer finance loans that the person made while licensed as

a consumer finance company notwithstanding the occurrence of any of the following events:

1. The person's license is surrendered, suspended, or revoked; or
2. The person ceases making consumer finance loans.

I. A licensee shall not provide any [~~information~~ statement or representation with regard to the rates, terms, or conditions for loans made under the Act] to a borrower or prospective borrower that is false, misleading, or deceptive.

J. A licensee shall not engage in any business or activity that directly or indirectly results in an evasion of the provisions of the Act or this chapter.

K. Consumer finance loans made prior to January 1, 2021, that remain outstanding on or after January 1, 2021, may be collected in accordance with the preexisting terms of the loan contracts provided that such terms were permitted by law when the loans were made.

[L. A licensee shall not make a consumer finance loan or vary the terms of a consumer finance loan on the condition or requirement that a borrower or prospective borrower purchase any type of credit insurance.]

10VAC5-60-25. Access partners.

A. A licensee shall not enter into or maintain a contract with another person that requires or authorizes the person to [~~provide any~~ facilitate the making or servicing of a loan by providing some or all] of the services described in § 6.2-1523.1 A 4 of the Code of Virginia unless (i) the person is an access partner, as defined in § 6.2-1500 of the Code of Virginia; and (ii) pursuant to such definition, the person will be providing the services from one or more physical locations in the Commonwealth. [A licensee may enter into or maintain a contract with another person that is not an access partner but will perform one or more of the services described in § 6.2-1523.1 A 4 provided that (a) the services rendered by the person do not facilitate the making or servicing of a loan, and (b) the person does not receive any fees or other compensation directly from consumers.]

B. A licensee's access partner shall comply with the requirements and prohibitions set forth in § 6.2-1523.1 A 2 of the Code of Virginia regardless of whether such provisions are specified in the access partner's written agreement with the licensee.

C. A licensee shall provide the commissioner with the following information in such form as the commissioner may require:

1. A list of the licensee's current access partners.
2. The physical addresses of all locations at which each access partner is performing services for the licensee.

3. A description of the services that each access partner is performing for the licensee.

4. The name, address, telephone number, and email address of an employee of the access partner who will be the point of contact for the bureau.

5. Such additional information relating to the licensee's access partners as the commissioner may require.

D. Unless otherwise directed by the commissioner, the information required by subsection C of this section shall be provided by February 15, May 15, August 15, and November 15 of each year.

10VAC5-60-30. Allotment program loans; applicability; definitions; rules Repayment of loans through payroll deductions.

A. This chapter applies to all licensees under Chapter 15 (§ 6.2-1500 et seq.) of Title 6.2 of the Code of Virginia making any loan under Chapter 15 of Title 6.2 of the Code of Virginia in connection with which loan a borrower authorizes an allotment and automatic disbursement from an account for the purpose of making any payments required by the loan agreement. Such a loan is referred to herein as an "allotment program loan." This section governs when a borrower authorizes the borrower's employer to deduct funds from the borrower's payroll (i.e., wages or other compensation for services rendered) and remit such funds, directly or indirectly, to a licensee for the purpose of repaying, in whole or in part, the borrower's consumer finance loan.

B. As used in this chapter the following terms shall have the following meanings:

"Allotment" means payment of any part of a borrower's military pay to a financial institution as permitted under federal law and regulations.

"Automatic disbursement" means payment, by a financial institution to a licensee, of funds received pursuant to an allotment.

"Borrower" means any person in the United States military service obligated, directly or contingently, to repay a loan made by a licensee.

"Licensee" has the meaning set forth in § 6.2-1500 of the Code of Virginia.

C.1. No A licensee may offer a borrower the option of making payments on a consumer finance loan through deductions from the borrower's payroll. However, a licensee shall not require any allotment or automatic disbursement, a borrower to (i) repay a consumer finance loan, in whole or in part, through one or more deductions from the borrower's payroll or a borrower's execution of (ii) execute a payroll deduction authorization or the Allotment Payroll Deduction Disclosure Form appended to this chapter, prescribed in subsection G of this section, as a condition to making a loan under Chapter 15 (§ 6.2-1500 et

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seq.) of Title 6.2 of the Code of Virginia the Act. For purposes of this subsection, a payroll deduction authorization includes a loan agreement or other document that contains a payroll deduction authorization.

~~2. A licensee making an allotment program loan C. If a borrower voluntarily elects to repay a consumer finance loan, in whole or in part, through payroll deductions, the licensee shall bear all costs and expenses incident to the allotment and automatic disbursement arising from or related to the establishment or administration of such deductions.~~

~~3. D. When making an allotment program loan giving a borrower the option of making payments on a consumer finance loan through payroll deductions, a licensee shall use furnish the borrower with the Allotment Payroll Deduction Disclosure Form appended to this chapter prescribed in subsection G of this section. The form shall be a single document printed or typed without alteration on one side of a paper in at least 12-point type separate from all other papers or documents obtained by the licensee in type of size not less than that known as 12-point. All blanks on the form, other than those blanks to be filled in with the name of the licensee shall be filled in by the borrower, and the filled-in form shall be signed and dated by the borrower. The completed form shall be kept in the separate loan file maintained with respect to the loan for the period specified in § 6.2-1533 of the Code of Virginia.~~

~~4. E. No licensee making an allotment program a loan that will be repaid, in whole or in part, through payroll deductions shall withhold any part of the proceeds of the loan to be applied to any payment required under the loan.~~

~~F. Automatic payroll deductions that are established and administered in accordance with the provisions of this section are not subject to § 6.2-1526 of the Code of Virginia.~~

~~Attachment: Allotment Disclosure Form~~

~~G. The required text of the Payroll Deduction Disclosure Form shall be as follows:~~

~~ALLOTMENT PAYROLL DEDUCTION DISCLOSURE FORM~~

~~1. I, (APPLICANT'S NAME), intend to apply for an allotment of my military pay authorize my employer to deduct funds from my (WEEKLY / BIWEEKLY / MONTHLY) paycheck in the amount of \$(AMOUNT) per month to an account in my name at (FINANCIAL INSTITUTION).~~

~~2. I also intend to authorize disbursement of funds from my account at (FINANCIAL INSTITUTION) in the amount of \$(AMOUNT) per month for the purpose of making monthly payments on my loan with (FINANCE (CONSUMER FINANCE COMPANY). I understand that my employer will be sending this amount to (CONSUMER FINANCE COMPANY) each payroll period.~~

~~3. 2. I am authorizing the allotment and automatic disbursement payroll deductions voluntarily and solely for my own convenience, and I acknowledge that (FINANCE (CONSUMER FINANCE COMPANY) has not required me to authorize the allotment or automatic disbursement payroll deductions, or to sign this form, as a condition to making me a loan.~~

~~4. 3. I understand that I can cancel the allotment and automatic disbursement payroll deductions at any time, and I understand that I am not obligated to pay any fee or charge to any person or company, directly or indirectly, for the allotment or automatic disbursement payroll deductions.~~

(Applicant's Signature)

(Date)

10VAC5-60-35. Advertising.

A. A licensee shall conspicuously disclose the following information in its advertisements:

1. The name of the licensee as set forth in the license issued by the commission.

2. A statement that the licensee is "licensed by the Virginia State Corporation Commission."

3. The license number assigned by the commission to the licensee (i.e., CFI-XXX).

B. A licensee shall not deliver or cause to be delivered to a consumer any envelope or other written material that gives the false impression that the mailing or written material is an official communication from a governmental entity, unless required by the United States Postal Service.

C. Every advertisement used by, or published on behalf of, a licensee shall comply with the disclosure requirements for advertisements contained in Regulation Z (12 CFR Part 1026).

D. Every licensee shall retain for at least three years after it is last published, delivered, transmitted, or made available, an example of every advertisement used, including solicitation letters, print media proofs, commercial scripts, and recordings of all radio and television broadcasts, but excluding copies of internet web pages.

E. For purposes of this section, the term "conspicuously" means that the required disclosures are prominently located and readily noticeable by a potential borrower.

10VAC5-60-40. Rules governing open end credit business in licensed consumer finance offices. (Repealed.)

~~A. The business of extending open end credit shall be conducted by a separate legal entity, and not by the consumer finance licensee. The separate, open end credit entity ("separate entity") shall comply with all applicable state and federal laws.~~

~~B. Separate books and records shall be maintained by the licensee and the separate entity, and the books and records of the licensee shall not be commingled with those of the separate entity, but shall be kept in a different location within the office. The Bureau of Financial Institutions shall be given access to the books and records of the separate entity, and shall be furnished such information as it may require in order to assure compliance with this section.~~

~~C. The expenses of the two entities will be accounted for separately and so reported to the Bureau of Financial Institutions as of the end of each calendar year.~~

~~D. Advertising or other information published by the licensee or the separate entity shall not contain any false, misleading or deceptive statement or representation concerning the rates, terms or conditions for loans or credit made or extended by either of them. The separate entity shall not make or cause to be made any misrepresentation as to its being a licensed lender, or as to the extent to which it is subject to supervision or regulation.~~

~~E. The licensee and the separate entity shall not make both a consumer finance loan and an extension of open end credit to the same borrower or borrowers as part of the same transaction.~~

~~F. Except as authorized by the Commissioner of Financial Institutions, or by order of the State Corporation Commission, insurance, other than credit life insurance, credit accident and sickness insurance, credit involuntary unemployment insurance, and noncredit related life insurance sold pursuant to 10VAC5-70-10 et seq. shall not be sold in licensed consumer finance offices in connection with any extension of open end credit by the separate entity.~~

~~G. When the balance owed under an open end credit agreement is paid, finance charges will be assessed only to the date of payment.~~

10VAC5-60-45. Conducting other business.

A. This section governs the conduct of any business other than consumer finance lending where a licensed consumer finance lending business is conducted. As used in this section, the term "other business operator" refers to a licensed consumer finance company or third party, including an affiliate or subsidiary of the licensed consumer finance company, that conducts or wants to conduct other business from one or more consumer finance offices.

1. This section shall not apply to any other business that is transacted solely with persons residing outside of the Commonwealth.

2. If a licensee accepts loan applications, sends or receives loan-related information or documents, disburses loan funds, or accepts loan payments on or through the licensee's website or mobile application, and any other products or services are or will be offered or sold to Virginia residents on or through such website or mobile application, then the

offer or sale of such other products or services shall constitute the conduct of other business and shall be subject to all of the provisions of this section to the same extent as if such other business was conducted by an other business operator from the licensee's consumer finance offices.

B. Notwithstanding any provision of this section or authority obtained under § 6.2-1518 of the Code of Virginia or a predecessor statute prior to January 1, 2021, a licensee shall not make consumer finance loans at the same location at which the licensee, or any affiliate or subsidiary of the licensee, conducts business under Chapter 18 (§ 6.2-1800 et seq.) or Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2 of the Code of Virginia. However, if prior to January 1, 2021, a licensee obtained authority under § 6.2-1518 or a predecessor statute for the licensee or its affiliate or subsidiary to make payday loans or motor vehicle title loans from the licensee's consumer finance offices, then the licensee or its affiliate or subsidiary may continue collecting payments on any outstanding payday loans or motor vehicle title loans (i) in accordance with the preexisting terms of the loan contracts provided that such terms were permitted by law when the loans were made, and (ii) subject to the general conditions set forth in subsection F of this section.

C. The sale of insurance or enrolling of borrowers under a group insurance policy by a licensee shall not constitute other business for purposes of § 6.2-1518 of the Code of Virginia or this section when such insurance covers potential risks or losses associated with consumer finance loans made by the licensee. This subsection shall be applicable only to (i) credit life insurance, credit accident and sickness insurance, credit involuntary unemployment insurance, non-filing insurance, and property insurance; and (ii) other types of insurance that the commissioner determines meet the condition prescribed in this subsection.

D. If prior to January 1, 2021, a licensee obtained authority under § 6.2-1518 of the Code of Virginia or a predecessor statute for an other business operator to conduct other business in its consumer finance offices, then the following rules shall govern:

1. If the other business is identified in subsections G through R of this section, then the other business shall be conducted in accordance with (i) the general conditions set forth in subsection F of this section and (ii) the specific conditions prescribed for such business in subsections G through R of this section. These conditions shall supersede the conditions that were prescribed by regulation or established by the commissioner at the time the authority was obtained. Subject to the conditions referenced in this subsection, the other business may be conducted in any or all of the licensee's consumer finance offices.

2. If the other business is not identified in subsections G through R of this section, then the other business shall be conducted in accordance with (i) the general conditions set

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forth in subsection F of this section and (ii) the most recent set of conditions that were established by the commissioner. Subject to these conditions, the other business may be conducted in any or all of the licensee's consumer finance offices.

E. Beginning January 1, 2021, if a licensee seeks to conduct the business of making consumer finance loans from one or more of its consumer finance offices in which an other business operator will conduct other business, then the licensee shall give the commissioner written notice at least 30 days prior to the conduct of the other business, pay a fee of \$300, and provide the commissioner with any additional information pertaining to the other business that the commissioner may require.

1. If the other business specified in the licensee's written notice is identified in subsections G through R of this section, then the other business shall be conducted in accordance with (i) the general conditions set forth in subsection F of this section and (ii) the specific conditions prescribed for such business in subsections G through R of this section.

2. If the other business specified in the licensee's written notice is not identified in subsections G through R of this section, then the following rules shall govern:

a. The commissioner may, after providing notice to the licensee and offering the licensee an opportunity to request a hearing before the commission, prohibit or establish additional conditions for the conduct of such other business in the licensee's consumer finance offices if the commissioner finds that the other business is or would otherwise be (i) of such a nature or conducted in such a manner as to conceal or facilitate a violation or evasion of the provisions of the Act or this chapter; (ii) contrary to the public interest; or (iii) conducted in an unlawful manner.

b. Unless the conduct of such other business is prohibited, the other business shall be conducted in accordance with (i) the general conditions set forth in subsection F of this section and (ii) any specific conditions established by the commissioner pursuant to this subdivision.

3. Subject to the other provisions in this subsection and except as otherwise provided in subdivision E 2 of this section, the other business may be conducted in any or all of the licensee's consumer finance offices beginning on the earlier of (i) 30 days after the licensee furnishes the commissioner with the written notice, payment, and any additional information required by the commissioner, or (ii) the date the commissioner notifies the licensee that the other business may be conducted in the licensee's offices.

F. All other businesses conducted from a licensee's consumer finance offices shall be conducted in accordance with the following conditions:

1. The licensee shall not make a consumer finance loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator from the licensee's consumer finance offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing or registration requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The licensee shall not make a consumer finance loan or vary the terms of a consumer finance loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a consumer finance loan from the licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the licensee's consumer finance lending business and in a different location within the licensee's consumer finance offices. The bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

G. The following additional conditions shall be applicable to conducting open-end credit business from a licensee's consumer finance offices, which, for purposes of this section, includes a line of credit business, a revolving loan business, and the servicing of open-end loans, lines of credit, and revolving loans:

1. [The open-end credit business shall be conducted by a separate legal entity and not by the licensee.

2.] The licensee shall not make a consumer finance loan to a person if (i) the person has an outstanding open-end loan from the other business operator or (ii) on the same day the person repaid or satisfied in full an open-end loan from the other business operator.

[~~2.~~ 3.] The other business operator shall not make an open-end loan to a person if (i) the person has an outstanding

consumer finance loan from the licensee or (ii) on the same day the person repaid or satisfied in full a consumer finance loan from the licensee.

[~~3~~. 4.] The licensee and other business operator shall not make a consumer finance loan and an open-end loan contemporaneously or in response to a single request for a loan or credit.

[~~4~~. 5.] The licensee and other business operator shall provide each applicant for a consumer finance loan or open-end loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the licensee's consumer finance offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

H. The following additional conditions shall be applicable to conducting business under Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2 of the Code of Virginia from a licensee's consumer finance offices:

1. Pursuant to § 6.2-1507 A 4 of the Code of Virginia, the other business shall be conducted by a person other than the licensee or an affiliate or subsidiary of the licensee.

2. The licensee shall not make a consumer finance loan to a person if (i) the person has an outstanding short-term loan from the other business operator or (ii) on the same day the person repaid or satisfied in full a short-term loan from the other business operator.

3. The other business operator shall not make a short-term loan to a person if (i) the person has an outstanding consumer finance loan from the licensee or (ii) on the same day the person repaid or satisfied in full a consumer finance loan from the licensee.

4. The licensee and other business operator shall not make a consumer finance loan and a short-term loan contemporaneously or in response to a single request for a loan or credit.

5. The licensee and other business operator shall provide each applicant for a consumer finance loan or short-term loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the licensee's consumer finance offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

I. The following additional conditions shall be applicable to conducting business under Chapter 22 (§ 6.2-2200 et seq.) of Title 6.2 of the Code of Virginia from a licensee's consumer finance offices:

1. Pursuant to § 6.2-1507 A 4 of the Code of Virginia, the other business shall be conducted by a person other than the licensee or an affiliate or subsidiary of the licensee.

2. The licensee shall not make a consumer finance loan to a person if (i) the person has an outstanding motor vehicle title loan from the other business operator or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the other business operator.

3. The other business operator shall not make a motor vehicle title loan to a person if (i) the person has an outstanding consumer finance loan from the licensee or (ii) on the same day the person repaid or satisfied in full a consumer finance loan from the licensee.

4. The licensee and other business operator shall not make a consumer finance loan and a motor vehicle title loan contemporaneously or in response to a single request for a loan or credit.

5. The licensee and other business operator shall provide each applicant for a consumer finance loan or motor vehicle title loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the licensee's consumer finance offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

J. The following additional condition shall be applicable to conducting a mortgage lender or mortgage broker business from a licensee's consumer finance offices: the licensee and other business operator shall not make a consumer finance loan and make or broker a mortgage loan contemporaneously or in response to a single request for a loan or credit.

K. The following additional conditions shall be applicable to conducting an auto club membership business from a licensee's consumer finance offices:

1. A membership shall not be sold to any person who does not own or lease an automobile, motorcycle, mobile home, truck, van, or other vehicle operated on public highways and streets.

2. A renewal membership shall not be offered or sold more than one month prior to the expiration of a current membership term.

3. A membership shall not be offered or sold for more than a three-year term.

L. The following additional conditions shall be applicable to conducting business as an authorized delegate or agent of a money order seller or money transmitter from a licensee's consumer finance offices:

1. The other business operator shall be and remain a party to a written agreement to act as an authorized delegate or agent

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of a person licensed or exempt from licensing as a money order seller or money transmitter under Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of Virginia.

2. The other business operator shall not engage in money order sales or money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money order seller or money transmitter with whom it has a written agreement.

M. The following additional conditions shall be applicable to conducting the business of (i) tax preparation or electronic tax filing services, or (ii) facilitating third party tax preparation or electronic tax filing services, from a licensee's consumer finance offices:

1. The other business operator shall not engage in the business of (i) accepting funds for transmission to the Internal Revenue Service or other government instrumentalities, or (ii) receiving tax refunds for delivery to individuals, unless licensed or exempt from licensing under Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of Virginia.

2. The licensee shall not make a consumer finance loan that is secured by an interest in a borrower's tax refund.

N. The following additional conditions shall be applicable to conducting the business of facilitating or arranging tax refund anticipation loans or tax refund payments from a licensee's consumer finance offices:

1. The other business operator shall not engage in the business of receiving tax refunds or tax refund payments for delivery to individuals unless licensed or exempt from licensing under Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of Virginia.

2. The other business operator shall not facilitate or arrange a tax refund anticipation loan or tax refund payment to enable a person to pay any amount owed to the licensee as a result of a consumer finance loan transaction.

3. The other business operator and the licensee shall not facilitate or arrange a tax refund anticipation loan or tax refund payment and make a consumer finance loan contemporaneously or in response to a single request for a loan or credit.

4. The licensee shall not make a consumer finance loan that is secured by an interest in a borrower's tax refund.

5. The licensee and other business operator shall provide each applicant for a consumer finance loan or tax refund anticipation loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the licensee's consumer finance offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The

disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

O. The following additional conditions shall be applicable to conducting business as a check casher from a licensee's consumer finance offices:

1. Pursuant to § 6.2-2107 of the Code of Virginia, the check casher business shall be conducted by a person other than the licensee unless the licensee would not be required to be registered under Chapter 21 (§ 6.2-2100 et seq.) of Title 6.2 of the Code of Virginia.

2. The other business operator shall not charge a fee to cash a check issued by the licensee or any other person operating in the licensee's consumer finance offices.

P. The following additional condition shall be applicable to conducting the business of operating an automated teller machine from a licensee's consumer finance offices: the other business operator shall not charge a fee or receive other compensation in connection with the use of its automated teller machine by a person when the person is withdrawing funds in order to make a payment on a loan that was made by the licensee or any other lender conducting business from the licensee's consumer finance offices.

Q. The following additional condition shall be applicable to conducting the business of selling noncredit-related life insurance from a licensee's consumer finance offices: the licensee and other business operator shall comply with 10VAC5-70, Sale of Noncredit-Related Life Insurance in Consumer Finance Offices.

R. The conduct of the following businesses from a licensee's consumer finance offices shall have no conditions other than the conditions prescribed in subsection F of this section:

1. Mortgage servicing business.

2. Sales finance business.

S. Notwithstanding any other provision of this section, the commissioner may, after providing notice to affected licensees and offering them an opportunity to request a hearing before the commission, establish additional conditions for the conduct of any other business in consumer finance offices if the commissioner finds that the other business is or would otherwise be (i) of such a nature or conducted in such a manner as to conceal or facilitate a violation or evasion of the provisions of the Act or this chapter; (ii) contrary to the public interest; or (iii) conducted in an unlawful manner.

T. Failure by a licensee or other business operator to comply with any provision of this section or any condition established by the commissioner, or failure by a licensee to comply with the Act or this chapter, may result in revocation of the authority to conduct other business or any form of enforcement action specified in 10VAC5-60-65.

10VAC5-60-50. Rules governing real estate mortgage business in licensed consumer finance offices. (Repealed.)

~~A. The business of making or purchasing loans secured by liens on real estate shall be conducted by a separate legal entity, and not by the consumer finance licensee. This separate, mortgage entity ("separate entity") shall comply with all applicable state and federal laws.~~

~~B. Separate books and records shall be maintained by the consumer finance licensee and the separate entity, and the books and records of the consumer finance licensee shall not be commingled with those of the separate entity, but shall be kept in a different location within the office. The Bureau of Financial Institutions shall be given access to the books and records of the separate entity, and shall be furnished such information as it may require in order to assure compliance with this section.~~

~~C. The expenses of the two entities shall be accounted for separately and so reported to the Bureau of Financial Institutions as of the end of each calendar year.~~

~~D. Advertising or other information published by the consumer finance licensee or the separate entity shall not contain any false, misleading or deceptive statement or representation concerning the rates, terms or conditions for loans made by either of them. The separate entity shall not make or cause to be made any misrepresentation as to its being a licensed lender, or as to the extent to which it is subject to supervision or regulation.~~

~~E. The consumer finance licensee and the separate entity shall not make both a consumer finance loan and a real estate mortgage loan to the same borrower or borrowers as part of the same transaction.~~

~~F. Any compensation paid by the separate entity to any other party for the referral of loans, pursuant to an agreement or understanding between the separate entity and such other party, shall be an expense borne entirely by the separate entity. Such expense shall not be charged directly or indirectly to the borrower.~~

~~G. Except as authorized by the Commissioner of Financial Institutions, or by order of the State Corporation Commission, insurance, other than credit life insurance, credit accident and sickness insurance, credit involuntary unemployment insurance, and noncredit related life insurance sold pursuant to 10VAC5-70-10 et seq. shall not be sold in licensed consumer finance offices in connection with any mortgage loan made or purchased by the separate entity.~~

~~H. No interest in collateral other than real estate shall be taken in connection with any real estate mortgage loan made or purchased by the separate entity.~~

10VAC5-60-55. Books, accounts, and records; responding to requests from the bureau; providing false, misleading, or deceptive information.

A. A licensee shall maintain in its approved offices such books, accounts, and records as the bureau may reasonably require in order to determine whether the licensee is complying with the Act and this chapter. Such books, accounts, and records shall be maintained (i) for at least three years after a consumer finance loan is satisfied or paid in full or a consumer finance loan application is denied; and (ii) separate and apart from those relating to any other business conducted in the approved offices.

B. A licensee may maintain records electronically provided that (i) the records are readily available for examination by the bureau and (ii) the licensee complies with the Uniform Electronic Transactions Act (§ 59.1-479 et seq. of the Code of Virginia) and the Electronic Signatures in Global and National Commerce Act (15 USC § 7001 et seq.).

C. If a licensee disposes of records containing a consumer's personal financial information following the expiration of any applicable record retention periods, such records shall be shredded, incinerated, or otherwise disposed of in a secure manner. Licensees may arrange for service from a business record destruction vendor.

D. When the bureau requests a written response, books, records, documentation, or other information from a licensee in connection with the bureau's investigation, enforcement, or examination of compliance with applicable laws, the licensee shall deliver a written response as well as any requested books, records, documentation, or information within the time period specified in the bureau's request. If no time period is specified, a written response as well as any requested books, records, documentation, or information shall be delivered by the licensee to the bureau not later than 30 days from the date of such request. In determining the specified time period for responding to the bureau and when considering a request for an extension of time to respond, the bureau shall take into consideration the volume and complexity of the requested written response, books, records, documentation, or information, and such other factors as the bureau determines to be relevant under the circumstances. Requests made by the bureau pursuant to this subsection are deemed to be in furtherance of the investigation and examination authority provided for in §§ 6.2-1530 and 6.2-1531 of the Code of Virginia.

E. A licensee shall not provide any false, misleading, or deceptive information to the bureau.

10VAC5-60-60. Schedule prescribing annual fees paid for examination, supervision, and regulation of consumer finance licenses companies.

Pursuant to § 6.2-1532 of the Code of Virginia, the following schedule sets the fees to be paid annually by consumer finance

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licensees for their licenses, and to defray the costs of examination, supervision, and regulation of licensed consumer finance offices licensees by the bureau:

Minimum fee - \$300 per office open January 1 of the current calendar year.

In addition to the minimum fee, the following fee based on total assets:

SCHEDULE	
Total Assets	Fee
Over \$300,000 - \$750,000	\$.85 per \$1,000 or fraction thereof
\$750,000 - \$2,000,000	\$.70 per \$1,000 or fraction thereof
Over \$2,000,000	\$.55 per \$1,000 or fraction thereof

The annual fee for each licensee will be computed on the basis of its total assets combined with the total assets of ~~all other businesses conducted its affiliates conducting business~~ in any of its ~~licensed~~ authorized offices as of the close of business December 31 of the preceding calendar year. The amounts of such total assets will be derived from the annual reports ~~which that~~ § 6.2-1534 of the Code of Virginia requires licensees to file with the ~~Bureau of Financial Institutions~~ bureau on or before the first day of April of each year.

In accordance with § 6.2-1532 of the Code of Virginia, annual fees for any given calendar year will be assessed on or before May 1 of that year and must be paid on or before June 1 of that year. ~~Fees are to be assessed using the foregoing schedule for the calendar year which began January 1, 1983. This fee schedule will be in effect until it is amended or revoked by order of the Commission.~~

10VAC5-60-65. Enforcement; civil penalties.

A. Failure to comply with any provision of the Act or this chapter may result in civil penalties, license suspension, license revocation, or other appropriate enforcement action.

B. Pursuant to § 6.2-1543 of the Code of Virginia, a licensee shall be subject to a separate civil penalty of up to \$10,000 for every violation of the Act, this chapter, or a commission order that occurred knowingly or without the exercise of due care to prevent the violation. If a licensee violates a provision of the Act, this chapter, or a commission order in connection with multiple loans or borrowers, the licensee shall be subject to a separate civil penalty per violation for each loan or borrower.

10VAC5-60-70. Commission authority.

The commission may, at its discretion, waive or grant exceptions to any provision of this chapter for good cause shown.

VA.R. Doc. No. R21-6008; Filed March 5, 2021, 4:41 p.m.

Proposed Regulation

REGISTRAR'S NOTICE: The State Corporation Commission is claiming an exemption from the Administrative Process Act in accordance with § 2.2-4002 A 2 of the Code of Virginia, which exempts courts, any agency of the Supreme Court, and any agency that by the Constitution is expressly granted any of the powers of a court of record.

Title of Regulation: **10VAC5-220. Qualified Education Loan Servicers (adding 10VAC5-220-10 through 10VAC5-220-90).**

Statutory Authority: §§ 6.2-2622 and 12.1-13 of the Code of Virginia.

Public Hearing Information: A public hearing will be held upon request.

Public Comment Deadline: April 16, 2021.

Agency Contact: Dustin Physioc, Deputy Commissioner, Bureau of Financial Institutions, State Corporation Commission, P.O. Box 640, Richmond, VA 23218, telephone (804) 786-0831, FAX (804) 371-9416, email dustin.physioc@scc.virginia.gov.

Summary:

Pursuant to Chapters 1198 and 1250 of the 2020 Acts of Assembly, which establish a licensing and regulatory framework for qualified education loan servicers, the proposed regulation establishes the amount required for the surety bond, annual reporting requirements, the procedure for documenting eligibility for automatic issuance of a license, the application and renewal process, the annual fee schedule, and procedures for submitting information to the Bureau of Financial Institutions.

AT RICHMOND, MARCH 9, 2021

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. BFI-2021-00007

Ex Parte: In the matter of Adopting Regulations Governing Qualified Education Loan Servicers under Chapter 26 of Title 6.2 of the Code of Virginia

ORDER TO TAKE NOTICE

Chapters 1198 and 1250 of the 2020 Virginia Acts of Assembly amend the Code of Virginia ("Code") by adding Chapter 26 of Title 6.2 (§ 6.2-2600 et seq.) of the Code ("Chapter 26"). Chapter 26 establishes a licensing and regulatory framework for qualified education loan servicers, and it will become effective on July 1, 2021. Section 6.2-2622 of the Code authorizes the State Corporation Commission ("Commission") to adopt such regulations as it deems appropriate to effect the purposes of Chapter 26.

The Bureau of Financial Institutions ("Bureau") has submitted to the Commission proposed regulations to

implement the provisions of Chapter 26 by, among other things, establishing the amount required for the surety bond, annual reporting requirements, the procedure for documenting eligibility for automatic issuance of a license, the application and renewal process, the annual fee schedule, and procedures for submitting information to the Bureau.

NOW THE COMMISSION, having considered the Bureau's proposal, is of the opinion and finds that the proposed regulations should be considered for adoption.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations are attached hereto and made a part hereof.

(2) Comments or requests for a hearing on the proposed regulations must be submitted in writing to the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 on or before April 16, 2021. Requests for a hearing shall state why a hearing is necessary and why the issues cannot be adequately addressed in written comments. All correspondence shall contain a reference to Case No. BFI-2021-00007. Interested persons desiring to submit comments or request a hearing electronically may do so by following the instructions available at the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments.

(3) The Bureau shall file its statement of position in response to any comments filed pursuant to Ordering Paragraph 2 on or before May 17, 2021.

(4) This Order and the attached proposed regulations shall be made available on the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) The Commission's Division of Information Resources shall provide a copy of this Order and the proposed regulations to the Virginia Registrar of Regulations for publication in the Virginia Register of Regulations.

A COPY of this Order and the attached proposed regulations shall be sent by the Clerk of the Commission to the Commission's Office of General Counsel and to the Commissioner of Financial Institutions, who shall send by e-mail or U.S. mail a copy of this Order and the attached proposed regulations to such interested persons as he may designate.

Chapter 220

Qualified Education Loan Servicers

10VAC5-220-10. Definitions.

A. The following term when used in this chapter shall have the following meaning unless the context clearly indicates otherwise:

"Chapter 26" means Chapter 26 (§ 6.2-2600 et seq.) of Title 6.2 of the Code of Virginia.

B. Other terms used in this chapter shall have the meanings set forth in § 6.2-100 or 6.2-2600 of the Code of Virginia.

10VAC5-220-20. Surety bond standards.

Pursuant to § 6.2-2604 of the Code of Virginia, a surety bond shall be filed with the commissioner and continuously maintained thereafter in full force by each licensee. The form of the bond will be prescribed and provided by the commissioner. The bond amount required for licensure shall be \$50,000 or such other amount as may be prescribed by the commissioner, but not exceeding \$500,000. After initial licensure, the bond amount required may be adjusted as the commissioner deems necessary.

10VAC5-220-30. Procedure for documenting eligibility through the Registry for automatic issuance of a license.

A. Pursuant to subsection A of § 6.2-2602 of the Code of Virginia, a person shall be exempt from the application procedures described in subsections A and B of § 6.2-2603 of the Code of Virginia upon determination by the commissioner that the person (i) has an agreement with the U.S. Secretary of Education under 20 USC § 1078(b), solely to the extent of the person's actions as a guarantor that engages in averting defaults or (ii) is a party to a contract awarded by the U.S. Secretary of Education under 20 USC § 1087f.

B. In order to document eligibility for this exemption, a person shall:

1. Complete and submit the Registry's company filing form for the person through the Registry. Such filing shall be accompanied by the fee required by subsection C of § 6.2-2603 of the Code of Virginia and the surety bond required by § 6.2-2604 of the Code of Virginia;

2. Upload a copy of the agreement or contract described in subsection A of this section through the Registry; and

3. Provide any additional information through the Registry that the commissioner deems necessary to determine a person's eligibility for the exemption.

10VAC5-220-40. Nationwide Multistate Licensing System and Registry.

A. Applications for a license under Chapter 26 shall be made through the Registry in accordance with instructions provided by the commissioner. The commissioner may provide these instructions through the Registry, on the commission's website, or by any other means the commissioner deems appropriate.

B. Every licensee shall maintain current information in its records with the Registry. Any changes to a licensee's information in its records with the Registry shall be updated no later than 10 days from when the change takes effect unless this chapter or Chapter 26 provides otherwise.

C. If (i) any provision of Chapter 26 requires a licensee to provide the bureau, commissioner, or commission with a

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written notice and (ii) the Registry enables licensees to submit such notice through the Registry, then a licensee shall be deemed to have complied with the written notice requirement if the licensee timely submits the required notice through the Registry.

D. A qualified education loan servicer license shall expire at the end of each calendar year unless it is renewed by a licensee on or after November 1 of the same year. However, licenses that are granted between November 1 and December 31 shall not expire until the end of the following calendar year. Except as otherwise provided in § 6.2-2602 B 2 of the Code of Virginia, a license shall be renewed upon the commissioner finding that the licensee has (i) requested license renewal through the Registry and (ii) complied with any requirements associated with the renewal request that are imposed by the Registry.

E. If a licensee fails to timely meet the requirements specified in subsection D of this section but meets such requirements before March 1 of the following calendar year, the license shall be reinstated and renewed upon payment of a reinstatement fee of \$100.

10VAC5-220-50. Books, accounts, and records.

A. A licensee shall maintain in its principal place of business all books, accounts, and records required by Chapter 26 and this chapter.

B. A licensee may maintain records electronically, provided (i) the records are readily available for examination by the bureau and (ii) the licensee complies with the Uniform Electronic Transactions Act (§ 59.1-479 et seq. of the Code of Virginia), the Electronic Signatures in Global and National Commerce Act (15 USC § 7001 et seq.), and any other applicable laws.

10VAC5-220-60. Responding to requests from the Bureau of Financial Institutions; providing false, misleading, or deceptive information.

A. If the bureau requests information from an applicant to complete a deficient application filed under § 6.2-2603 or 6.2-2609 of the Code of Virginia and the information is not received within 60 days of the request, the application shall be deemed abandoned unless a request for an extension of time is received and approved by the bureau prior to the expiration of the 60-day period.

B. When the bureau requests a written response, books, records, documentation, or other information from a licensee in connection with the bureau's investigation, enforcement, or examination of compliance with applicable laws, the licensee shall deliver a written response as well as any requested books, records, documentation, or information within the time period specified in the bureau's request. If no time period is specified, a written response as well as any requested books, records, documentation, or information shall be delivered by the

licensee to the bureau not later than 30 days from the date of such request. In determining the specified time period for responding to the bureau and when considering a request for an extension of time to respond, the bureau shall take into consideration the volume and complexity of the requested written response, books, records, documentation, or information and such other factors as the bureau determines to be relevant under the circumstances. If a licensee described in subsection A of § 6.2-2602 of the Code of Virginia is unable to deliver a written response, books, records, documentation, or other information requested by the bureau, the licensee shall provide the bureau with documentation asserting the basis for the licensee's inability to comply with this subsection not later than 30 days from the date of the bureau's request.

C. A licensee or applicant shall not provide any information to the bureau, either directly or through the Registry, that is false, misleading, or deceptive.

10VAC5-220-70. Annual reporting requirements.

Pursuant to subsection B of § 6.2-2612 of the Code of Virginia, each licensee shall annually, on or before March 1, file a written report with the commissioner or Registry containing such information as the commissioner may require concerning the licensee's business and operations during the preceding calendar year.

In addition to other information required by the commissioner, the licensee shall provide the total number and dollar amount of qualified education loans serviced by the licensee pursuant to Chapter 26.

10VAC5-220-80. Schedule for annual fees for the examination, supervision, and regulation of qualified education loan servicers.

Pursuant to § 6.2-2614 of the Code of Virginia, the commission sets the following schedule of annual fees to be paid by licensees. Such fees are to defray the costs of examination, supervision, and regulation of licensees by the bureau. The fees are related to the actual costs of the bureau, the volume of business of the licensees, and to other factors relating to supervision and regulation.

The annual fee shall be \$1,000 per licensee plus \$0.48 per qualified education loan serviced by the licensee pursuant to Chapter 26 during the calendar year preceding the year of the assessment. In cases where a licensee was not licensed under Chapter 26 as of December 31 of the calendar year preceding the year of the assessment, the annual fee shall be \$0.

Fees shall be assessed on or before April 1 every calendar year. By law the fee must be paid on or before May 1.

The written report filed annually by each licensee pursuant to 10VAC5-220-70 shall provide the basis for its assessment.

Fees prescribed and assessed pursuant to this schedule are apart from and do not include the following: (i) the

reimbursement for expenses permitted by subsection B of § 6.2-2614 of the Code of Virginia and (ii) the annual license renewal fee authorized by subsection B of § 6.2-2601 of the Code of Virginia.

10VAC5-220-90. Commission authority.

The commission may, at its discretion, waive, or grant exceptions to any provision of this chapter for good cause shown.

VA.R. Doc. No. R21-6711; Filed March 10, 2021, 10:53 a.m.

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TITLE 11. GAMING

VIRGINIA LOTTERY

Emergency Regulation

Title of Regulation: 11VAC5-90. Casino Gaming (adding 11VAC5-90-10 through 11VAC5-90-180).

Statutory Authority: §§ 58.1-4101 and 58.1-4102 of the Code of Virginia.

Effective Dates: March 11, 2021, through September 10, 2022.

Agency Contact: Amy Roper, Regulatory Coordinator, Virginia Lottery, 600 East Main Street, First Floor, Richmond, VA 23219, telephone (804) 692-7133, FAX (804) 692-7325, or email aroper@valottery.com.

Preamble:

Section 2.2-4011 of the Code of Virginia states that agencies may adopt emergency regulations in situations in which Virginia statutory law or the appropriation act requires that a regulation be effective in 280 days or less from its enactment, and the regulation is not exempt under the provisions of § 2.2-4006 A 4 of the Code of Virginia.

Pursuant to Chapter 1248 of the 2020 Acts of Assembly, the emergency action establishes requirements for licensure of casino gaming operators and the conduct of casino gaming. The regulation establishes (i) how the Virginia Lottery will issue casino licenses and permits; (ii) casino facility and gaming security and control standards; (iii) rules and guidelines for slot machine, mechanical casino games, and table games and on premises mobile casino gaming; (iv) reporting requirements; (v) facility, employee, and equipment investigation procedures and nonmonetary sanctions and penalties for violations, and (vi) procedures for payment of taxes, fees, and penalties.

Chapter 90
Casino Gaming

11VAC5-90-10. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Adjusted gross receipts" means the gross receipts from casino gaming less winnings paid to winners.

"Applicant" means a person who has submitted an application to the board.

"Application" means a written request for a license or permit that has been submitted to the board.

"Associated equipment" means hardware located on a facility operator's premises that is connected to the slot machine system for the purpose of performing communication, validation, or other functions, but not including the communication facilities of a regulated utility or the slot machines.

"Average payout percentage" means the average percentage of money used by players to play a slot machine or mechanical casino game that is returned to players of that game.

"Background investigation" means a security, criminal, and credit investigation of a person who applies for or who is granted a license or permit under this chapter.

"Board" means the Virginia Lottery Board established in the Virginia Lottery Law (§ 58.1-4100 et seq.) of Title 58.1 of the Code of Virginia.

"Cashable credit" means a credit on a casino game that activates play and is convertible to cash at the conclusion of play.

"Casino gaming" or "casino game" or "game" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines, roulette wheels, Klondike tables, punchboards, faro layouts, numbers tickets, push cards, jar tickets, or pull tabs and any other activity that is authorized by the board as a wagering game or device under this chapter. "Casino gaming" or "casino game" or "game" includes on-premises mobile casino gaming.

"Casino Gaming Law" or "gaming law" means Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1 of the Code of Virginia.

"Casino gaming machine" means an electronic or mechanical device approved by the department that a player may use to gamble without the assistance of a dealer or other casino employee.

"Central monitor and control system" means a centralized computer system maintained or operated by or on behalf of the department that allows the department to monitor electronic

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gameplay and measure its share of gross revenue with respect to those games.

"Cheat" or "cheating" means to alter the selection criteria that determine the result of a game or the amount or frequency of payment in a game for the purpose of obtaining an advantage for one or more participants in a game over other participants in a game.

"Civil penalty" or "penalty" means a monetary enforcement action that the director or the board may impose on a licensee or permit holder under the casino gaming law and this chapter.

"Concessionaire" means a person who provides to a facility operator those services that do not require a supplier permit.

"Contractor" means a person or individual, other than an employee of a facility operator, that or who contracts with a facility operator or other person to:

1. Manage or operate a facility;
2. Provide security for a facility;
3. Perform service, maintenance, or repairs of a slot machine, mechanical casino game, table game device, central operating system, associated equipment, or software;
4. Own or control a person described in subdivisions 1, 2, and 3 of this definition;
5. Provide junket enterprise services; or
6. Provide any other service that is essential to operation of a casino gaming facility.

"Control" means the authority to direct the management and policies of an applicant, licensee, or permit holder.

"Controlling entity" means an entity that possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract, by beneficial ownership, or otherwise.

"Date of final action on a civil penalty or sanction" means:

1. If, after the director sends a deficiency notice under the department's regulations, a licensee or permit holder fails to submit a timely, acceptable corrective action plan, the date the board adopts as final the director's deficiency notice; or
2. If the board holds a hearing on the director's recommendation to impose a civil penalty or sanction, the date of the board's written decision.

"Date of final action on a denial" means:

1. If, after the director sends written notice of license or permit denial or recommendation of denial, an applicant fails to timely request a reconsideration meeting, the date of the director's written notice;

2. If, after a reconsideration meeting, an applicant fails to timely request a board hearing, the date of the director's written notice after the reconsideration meeting; or

3. If the board holds a hearing on an appeal of the director's license, or permit denial or reconsideration of such a denial, the date of the board's written decision.

"Dealer" means an employee of a facility operator whose primary function is to directly operate and conduct table games.

"Department" or "lottery" means the Virginia Lottery Department, the independent department responsible under the casino gaming law for the administration of the casino gaming program in the Commonwealth of Virginia.

"Director" means the Executive Director of the Virginia Lottery or the director's designees.

"Eligible host city" or "host city" means a city described in § 58.1-4107 of the Code of Virginia in which a casino gaming establishment is authorized to be located.

"Entity" means a person that is not a natural person.

"Facility" or "casino gaming facility" or "casino gaming establishment" means the premises upon which lawful casino gaming is authorized and licensed under the casino gaming law and this chapter and does not include a riverboat or similar vessel.

"Facility operator" or "casino gaming operator" means a person who operates or manages the operation of a casino gaming establishment.

"Facility operator's license" means the authority given by the board to a facility operator for the legal operation of casino gaming.

"Facility operator's slot machine management system" means the collective hardware, software, communications technology, and other ancillary equipment owned or leased by a facility operator to collect, monitor, interpret, analyze, authorize, issue, redeem, report, and audit data with regard to activity at slot machines, including a:

1. Casino management system;
2. Gaming ticket system;
3. Promotional play system;
4. Player tracking system; and
5. Slot machine data system.

"Fill" means the distribution of gaming chips, coins, and plaques to a gaming table to replenish the table inventory.

"Floorperson" means an employee of a facility operator whose primary function is to supervise the conduct of table games at multiple tables on the gaming floor.

"Gaming chip" means a roulette chip, poker rake chip, tournament chip, or value chip.

"Gaming day" means a period of time determined by the department not to exceed 24 hours marking the beginning and ending times of gaming activities for the purposes of accounting reports and determination by the central monitor and control system of daily proceeds.

"Gaming employee" means an individual who:

1. Is employed by or is seeking to be employed by an applicant for or holder of an operation license, whose duties relate or will relate to the operation of a facility, and who performs or supervises or will perform or supervise the performance of:

a. Operating, servicing, or maintaining a casino gaming machine, table game, or associated equipment;

b. Accounting, maintaining, or auditing a facility's financial records;

c. Counting or processing casino gaming machine or table game revenue;

d. Conducting security or surveillance in or around a facility; or

e. Operating or maintaining a facility's information systems;

2. Is employed by a permit holder and whose duties directly relate to the repair, service, or distribution of a casino gaming machine, table game, or associated equipment or is otherwise required to be present on the gaming floor or in a restricted area of the facility;

3. Is employed by a permit holder as a junket representative; and

4. Is otherwise required by the department to hold a service permit as a gaming employee.

"Gaming floor" means that part of a facility where casino gaming machines or table games have been installed for use or play.

"Gaming operation" means the conduct of authorized casino gaming within a casino gaming establishment.

"Gaming ticket" means an instrument that upon insertion into a bill validator entitles the player inserting the gaming ticket to credits on a gaming machine corresponding to the amount printed on the gaming ticket.

"Gaming ticket system" means the collective hardware, software, communications technology, and other ancillary equipment owned or leased by a facility operator to facilitate the issuance or redemption of a gaming ticket.

"Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by casino gaming players.

"Immediate family" means

1. A spouse; and

2. Any other person residing in the same household as an officer or employee and who is a dependent of the officer or employee or of whom the officer or employee is a dependent.

"Independent certified testing laboratory" means a person engaged in the testing and verification of casino gaming machines and the equipment, systems, and software utilized to collect, monitor, interpret, analyze, authorize, issue, redeem, report, and audit data with regard to activity at casino gaming machines that:

1. Holds a certificate in good standing for compliance with:

a. International Organization for Standardization # 17025 -- General Requirements for the Competence of Testing and Calibration Laboratories; and

b. International Organization for Standardization # 17020 -- General Criteria for the Operation of Various Types of Bodies Performing Inspections;

2. Has performed testing and certification of gaming equipment, systems, and software on behalf of a state within the United States for a period of five or more years;

3. Has been approved by the department to test and certify equipment, systems, and software on its behalf; and

4. Meets all conditions and requirements enumerated in any request for proposals issued by the department pertaining to testing, as amended or clarified.

"Individual" means a human being and not a corporation, partnership, association, trust, or other entity.

"Institutional investor" means:

1. A retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees;

2. An investment company registered under the Investment Company Act of 1940 (15 USC § 80a et seq.);

3. A collective investment trust organized by banks under Part 9 of the rules of the Comptroller of the Currency;

4. A closed end investment trust;

5. A chartered or licensed life insurance company;

6. A property and casualty insurance company;

7. A banking or other chartered or licensed lending institution;

8. An investment advisor registered under the Investment Advisers Act of 1940 (15 USC § 80b et seq.); or

9. Any other person registered in any foreign jurisdiction and regulated in accordance with a statute of any foreign jurisdiction that the board determines to be substantially

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similar to that regulated by the Investment Company Act of 1940 or the Investment Advisors Act of 1940.

"Jackpot" means any cash, annuity, or merchandise to be paid to a player as a result of a specific combination of characters on a casino gaming machine.

"Junket" means an arrangement:

1. That is intended to induce an individual who is selected or approved for participation based on the individual's ability to satisfy financial qualification obligations, willingness to gamble, or any other basis related to propensity to gamble; and

2. Under which, or as consideration for which, any or all of the cost of transportation, food, lodging, and entertainment for an individual is directly or indirectly paid by a facility operator or an employee or agent of a facility operator.

"Junket enterprise" means a person, other than a facility operator, that employs or otherwise engages the services of a junket representative in connection with a junket to a facility, regardless of whether the activity occurs in the Commonwealth of Virginia.

"Junket representative" means an individual who negotiates the terms of, or engages in the referral or selection of an individual who may participate in, a junket to a facility, regardless of whether the activity occurs in the Commonwealth of Virginia.

"Key manager" means:

1. An individual who owns, controls, or manages a licensee or otherwise exercises control over the gaming functions of a licensee;

2. An employee of a permit holder who manages or operates the facility, supervises the security of the facility, or is otherwise considered by the department to be a key manager; and

3. Is not a gaming employee.

"Licensee" or "license holder" means a person holding an operator's license under § 58.1-4111 of the Code of Virginia.

"Manufacturer" means

1. A person:

a. That is engaged in the business of designing, building, constructing, assembling, manufacturing, or distributing a central monitor and control system, slot machines, associated equipment or software, mechanical casino games, or the cabinet in which a slot machine or mechanical casino game is housed;

b. That produces a product that is intended for sale, lease, or other assignment to the Commission or a licensee; and

c. That contracts with the board, a licensee, or permit holder for the sale, lease, or other assignment of a product described in subdivision 1 a of this definition.

2. A person:

a. That is engaged in the business of designing, building, constructing, assembling, manufacturing, or distributing table games or table game equipment;

b. That produces a product related to table games that is intended for sale, lease, or other assignment to a licensee or permit holder; and

c. That contracts with a licensee or permit holder for the sale, lease, or other assignment of a product described in subdivision 2 a of this definition.

"Mechanical casino gaming device" means a device approved by the department for play on the gaming floor of a casino gaming facility that relies primarily on a non-electronic form of interaction with the player, and includes such devices as jar tickets and pull tabs. "Mechanical casino gaming device" does not mean table game equipment.

"Minor" means an individual who is younger than 21 years of age.

"Mobile casino gaming" means any interactive platform for use through the Internet, mobile device, or computer, which has been approved by the Virginia Lottery Board for operation of gaming by a facility operator.

"Multi-source authentication" means a strong procedure that requires more than one method to verify a player's identity through a combination of two or more independent credentials such as information known only to the player, such as a password, pattern or answers to challenge questions and a player's personal biometric data, such as fingerprints, facial, or voice recognition, to the extent it does not violate any privacy laws.

"Nongaming employee" means an individual who is:

1. Employed or is seeking to be employed by an applicant for or holder of an operation license and whose duties are or will be other than the duties of a gaming employee; or

2. Otherwise required by the department to hold a service permit as a gaming employee.

"Operator's license," "facility operator's license," or "casino gaming facility license" means the formal permission granted by the board to legally operate a casino gaming establishment or facility in the Commonwealth of Virginia.

"Notice" or "written notice" means notice provided in paper or electronic form, including electronic mail.

"Permit" means the authority given by the department to a supplier or a service permit holder that authorizes that person or individual to perform the functions permitted by the department.

"Permit holder" means a person holding a supplier or service permit pursuant to this chapter.

"Person" means any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, government, political subdivision, or any other legal or commercial entity and any successor, representative, agent, agency or instrumentality thereof.

"Plaque" means a rectangular, square, or oval marker that can be used instead of value chips.

"Player" means an individual who participates in casino gaming.

"Preferred casino gaming operator" means the proposed casino gaming establishment and operator thereof submitted by an eligible host city to the board for licensure.

"Principal" means an individual who, solely or together with the individual's immediate family members, (i) owns or controls, directly or indirectly, 5.0% or more of the pecuniary interest in any entity that is a licensee or (ii) has the power to vote or cause the vote of 5.0% or more of the voting securities or other ownership interests of such entity, and any person that manages a gaming operation on behalf of a licensee.

"Prize" means:

1. A monetary award;
2. Merchandise; or
3. An experiential award, such as:
 - a. A trip;
 - b. An outing; or
 - c. A designated activity involving personal participation.

"Progressive jackpot" means a prize that increases as one or more casino games is connected to a progressive jackpot system.

"Progressive jackpot system" means a system capable of linking one or more casino games in one or more licensed facilities and offering one or more common progressive jackpots.

"Restricted area" means that part of a facility directly related to the operation of the gaming floor where access is specifically designated by the department as restricted, including:

1. Cashier's cage, including a satellite cashiers' cage and ancillary offices;
2. Computer space allocated to the central monitor and control system;
3. Count room and trolley storage areas;
4. Areas designated for the storage or repair of equipment of casino gaming machines or table game devices;
5. Information technology department operations centers;

6. Progressive controller locations;

7. Surveillance monitoring rooms;

8. Vault and armored car bay locations; and

9. Any area that the facility operator has designated as restricted in its department-approved accounting and internal control systems.

"Retailer" or "lottery retailer" means a business or person that has been licensed by the department to sell lottery tickets.

"Sanction" means a nonmonetary enforcement action that the director or the board may take against a licensee or permit holder for a violation of the casino gaming law or this chapter and includes suspension, revocation, or nonrenewal of a license or permit, reprimand, or imposition of a condition on a licensee or permit holder.

"Security" has the same meaning as provided in § 13.1-501 of the Code of Virginia and, if the department finds that any obligation, stock, or other equity interest creates control of or voice in the management operations of an entity in the manner of a security, then such interest shall be considered a security.

"Service permit" means the authority given by the department to a casino employee or a concessionaire or concessionaire employee that authorizes that person or individual to perform the functions permitted by the department.

"Signature" for a facility employee or contractor, means:

1. At a minimum, the first initial, last name, and department license or permit identification number, written by the facility employee or contractor; or
2. The unique identification code issued to the facility employee or contractor by the facility operator if the document to be signed is authorized by the department to be generated by a system and the method of signature is approved or required by the department.

"Slot machine" means

1. Any machine or other device that:
 - a. On insertion of a token, voucher, gaming ticket, coupon, or similar item, or on payment of any consideration is available to play or simulate the play of any game of chance in which the results, including the options available to the player, are randomly determined by the machine or other device; and
 - b. By the element of chance, may deliver or entitle the player who operates the machine or device to receive cash, premiums, merchandise, tokens, or anything of value, whether the payout is made automatically from the device or in any other manner.
2. Each single position or seat available for use by a player.

"Slot machine" includes a machine or device that (i) does not directly dispense money, tokens, or anything of value to

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winning players; and (ii) uses an electronic credit system making the deposit of bills, coins, or tokens unnecessary.

"Slot machine management system provider" means an entity that operates or manages the department's central monitor and control system or a facility operator's slot machine management system.

"State" means any state in the United States of America and includes any United States territories and the District of Columbia.

"Submit" means to deliver a document:

1. In a manner that ensures its receipt by the party to whom it is addressed; and
2. That is considered complete only upon actual receipt by that party.

"Supplier" means any person that sells or leases, or contracts to sell or lease, any casino gaming equipment, devices, or supplies, or provides any management services, to a licensee.

"Table games" means:

1. Roulette, baccarat, blackjack, craps, big six wheel, poker, pai gow, and sic bo shakers, pai gow tiles, any variation and composites of such games, and other games that the department has approved for play in a casino; and
2. Gaming tournaments in which players compete against one another in one or more of the games authorized under this chapter.

"Table game equipment" means equipment that is related to the operation of table games and that is owned or leased by a facility operator and located on the casino's premises and includes table layouts, cards, dice, chips, shufflers, tiles, wheels, or any mechanical, electrical, or computerized device, apparatus, or supplies used to conduct a table game or designated by the department as table game equipment.

"Table game equipment" does not mean (i) a table or base that does not have a device that is attributable to a specific table game or is not identified with the facility operator's logo on the layout; or (ii) an item described in clause (i) of this definition that is unfinished or inoperable.

"Terminal" means a computerized unit specifically designed for issuing and processing tickets and for printing of special reports.

"Ticket" or "lottery ticket" means a ticket that a lottery retailer or the department makes available for sale.

"Transport" or "transportation" means any shipping, transfer, delivery, or other movement of a slot machine, mechanical casino gaming device, or table game equipment into or out of the state, or between facilities within the state. "Transport" or "transportation" does not include the movement of a slot

machine, mechanical gaming device, or table game equipment within a casino gaming facility.

"Value chip" means a chip that contains a denomination on each face.

"Vendor" means a person that provides goods or services to a casino gaming facility applicant or licensee and that is not required to be licensed as a manufacturer or contractor under the gaming law, this chapter, or department policy and directive, and includes:

1. Except for Virginia Alcoholic Beverage Control, providers of alcoholic beverages;
2. Providers of food and nonalcoholic beverages;
3. Refuse handlers;
4. Vending machine providers and service personnel;
5. Janitorial and maintenance companies;
6. Tenant businesses or franchises located within facilities if such goods and services are not gaming related;
7. Providers of transportation services if such services are not gaming related;
8. Persons involved in the construction of a facility;
9. Lessors of real property or goods;
10. Payroll services and other employer related services;
11. Employee recruiting services; and
12. Persons whose services the board reviews and determines must be registered or certified under this regulation.

"Virginia Indian tribe" means an Indian tribe recognized in House Joint Resolution No. 54 (1983) and acknowledged by the Assistant Secretary-Indian Affairs for the U.S. Department of the Interior as an Indian tribe within the meaning of federal law that has the authority to conduct gaming activities as a matter of claimed inherent authority or under the authority of the federal Indian gaming law.

"Voluntary exclusion program" means the self-exclusion program maintained by the department under 11VAC5-60.

"Wire transfer" means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 CFR 210.25 et seq.

11VAC5-90-20. Unclaimed jackpots.

A. In this section, "unclaimed jackpot" means any cash, annuity, merchandise, cashable credit, or gaming ticket to be paid or dispensed to a player.

B. A player shall have a maximum of 180 days from the date an unclaimed jackpot is won to claim it.

C. After 180 days, an unclaimed jackpot shall be distributed to the Lottery for deposit in the Problem Gambling Treatment and Support Fund established by § 37.2-314.1 of the Code of Virginia.

11VAC5-90-30. Waiver request.

A. A person seeking an exemption from this chapter shall submit a written waiver request in a format specified by the department.

B. A written waiver request shall contain at least the following:

1. The regulation for which the waiver is sought;
2. Detailed facts in support of the waiver request;
3. An explanation of the unique circumstances justifying the request; and
4. Any other information requested by the department.

C. Upon receipt of a waiver request that fails to comply with this section, department staff shall notify the requestor:

1. Of any deficiency in the waiver request; and
2. That the waiver request will not be presented to the board unless the identified deficiency is corrected.

D. Upon receipt of a waiver request that complies with this section, department staff shall present the waiver request to the board as soon as practicable.

E. In evaluating whether to grant a waiver request, the board may consider:

1. The particular facts supporting the waiver request;
2. Whether enforcement of the regulation as to the subject of the waiver request is necessary to protect the public interest or accomplish the policies established by the Casino Gaming Law;
3. Limiting or restricting the relief sought as the board considers necessary in the public interest;
4. Granting the waiver request subject to a condition;
5. Requiring the requestor to submit any additional information; and
6. Any other relevant information.

F. The board shall provide the requestor with written notification of its decision.

G. A decision of the board on a waiver request is not appealable.

11VAC5-90-40. Licenses and permits generally.

A. Applications.

1. An applicant for a license or permit shall submit an electronic application in the form and format established by

the department and, as required by the director, may include an original and copies.

2. Upon filing of an application for a license or permit under this chapter, the applicant shall pay by wire transfer the applicable investigation and nonrefundable application fees established by the director.

3. If a license or permit application or related documentation must be submitted to the director by a particular date, the application documents shall be delivered to the director not later than 11:59:59 p.m. local time at the headquarters of the department on the last day of the specified period, and an application or documents submitted after the deadline may not be accepted or considered.

4. A person may not submit an application earlier than one year after the board has:

- a. Taken final action on a license or permit denial of a previous application involving the applicant;
- b. Taken final action on a sanction resulting in revocation of a previous application involving the applicant; or
- c. Provided a person with written notice of termination of a temporary permit.

5. Documents and information submitted to the director in a license or permit application shall be verified under oath or affirmation and sworn under the penalties of perjury as to their truth and validity by the applicant or, if the applicant is not an individual, by an officer or director of the applicant.

6. Upon receipt of an application by the department, department staff shall review the application to determine whether it contains all the information required under this chapter.

7. If the director determines that the required information has not been submitted, department staff shall notify the applicant in writing and state the nature of the deficiency.

8. An applicant notified in accordance with subdivision 7 of this subsection shall submit the information necessary to complete the application not later than 15 days after issuance of the notification.

9. Neither the director nor the board will consider the application of an applicant that is notified in accordance with subdivision 7 of this subsection but fails to submit the requested information in a timely manner.

10. The director and the board will consider only a timely, complete application.

B. Changes in application.

1. If information submitted by an applicant as part of a license or permit application changes or becomes inaccurate before the board acts on the application, the applicant shall immediately notify the department staff in writing of the change or inaccuracy.

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2. After an application has been filed by an applicant, the applicant may not amend the application except:

a. To address a deficiency in accordance with a notice sent under subdivision A 7 of this section;

b. As required by the board or department staff for clarification of information contained in the application; or

c. To address a change in the circumstances surrounding the application that was outside the control of the applicant and that affects the ability of the applicant to comply with the law or the regulations of the board.

3. To amend an application under this subsection, an applicant shall submit to the department a written request to amend the application, stating:

a. The change in the circumstances surrounding the application that necessitates the amendment;

b. The nature of the amendment; and

c. The reason why the amendment is necessary to bring the application into compliance with the law or the regulations of the board.

4. The director or department staff shall grant or deny each request submitted under subdivision 2 c of this subsection.

5. A request shall be granted if the applicant demonstrates to the satisfaction of the director that:

a. Before the change in the circumstances surrounding the application, the application complied with the pertinent provisions of the law or the regulations of the board; and

b. The amendment is necessary to bring the application into compliance with the pertinent provisions of the law or the regulations of the board.

6. An application for a license or permit may be withdrawn if the:

a. Applicant submits a written request to the director to withdraw the application; and

b. Written request is submitted before the board has:

(1) Denied the application; or

(2) Terminated a temporary permit.

C. Burden of proof.

1. The burden of proof shall be on an applicant to show by clear and convincing evidence that:

a. The applicant complies with the laws of the Commonwealth of Virginia and the regulations of the board regarding eligibility and qualifications for the license or permit;

b. The applicant is not otherwise disqualified from holding a license or permit; and

c. Award of the license or permit will provide benefit to the people of the Commonwealth of Virginia and assist

economic development, promote tourism, and provide for the implementation of casino gaming operations of the highest quality, honesty, integrity; free of any corrupt, incompetent, dishonest, or unprincipled practices.

2. The board may deny a license or permit to an applicant whose gaming license has been suspended or revoked in another jurisdiction.

3. The board may deny a license or permit to an applicant whose past or present conduct would bring the Commonwealth into disrepute.

D. Impact of sports betting permit or license.

1. Unless prohibited by the Casino Gaming Law, the board may consider an applicant's status as the holder of a sports betting permit or license issued under Sports Betting (11VAC5-70) to qualify and issue a license or permit under this chapter.

2. Subdivision 1 of this subsection does not prohibit the department from requiring additional information from an applicant or requiring the applicant to pay additional background investigation or other fees.

E. Bonds.

1. The department shall require an applicant for or holder of a facility operator's license to obtain a bond and submit the original to the director before the board issues or reissues the operator's license.

2. The department may require an applicant for or holder of a permit to obtain a bond and submit the original to the director before the license or permit is issued.

3. A bond shall be for the benefit of the Commonwealth for the faithful performance of the requirements imposed by the laws of the Commonwealth and this chapter, shall be renewable annually, and may not be canceled without at least a 30-day written notice submitted to the director.

4. A bond shall be issued only by a company that is financially rated A or better by a nationally recognized rating agency and that is permitted to transact business in the Commonwealth of Virginia.

5. The amount of the bond shall be in an amount determined by the director to be sufficient to cover any loss or indebtedness to the Commonwealth incurred by the licensee or permit holder.

6. For a facility operator or supplier, the amount of the bond may not exceed \$50 million.

7. For a service permit holder, the amount of the bond may not exceed \$100,000.

8. The bond for a facility operator or supplier shall include coverage for all its officers, principals, managers, directors, and employees.

9. The director may apply a bond to the payment of an unpaid liability of the facility operator or permit holder associated with the Casino Gaming Law or this chapter.

10. On an annual basis, the director shall review the amount of bonds required of a facility operator.

F. Denial of license or permit.

1. In addition to the hearing requirements in subdivision 3 of this subsection, the process set out in subdivision 2 of this subsection shall precede a hearing by the board on the denial or nonrenewal of a license or permit.

2. After reviewing an application submitted for a license or permit, department staff may recommend that the director or board deny the application or renewal of an applicant that:

a. Has not established by clear and convincing evidence that the applicant meets applicable qualifications set out in the Casino Gaming Law and this chapter, including demonstration of the good character, honesty, and integrity of the applicant and its officers, principals, managers and directors;

b. Has been convicted of a felony under the laws of the Commonwealth or any other state or of the United States;

c. Is prohibited from holding a license or permit by the casino gaming law or this chapter; or

d. Has violated:

(1) A provision of the casino gaming law of this or any other jurisdiction;

(2) A provision of this chapter or any other chapter related to casino gaming; or

(3) A condition set by the director or the board;

e. If department staff recommends that the director or board deny or refuse to renew a license or permit, the director or the director's designee shall promptly provide the applicant with written notice of:

(1) The recommendation and the basis therefor; and

(2) The applicant's right to request an informal fact-finding conference with the director or the director's designee as provided by § 58.1-4007 of the Code of Virginia.

f. An applicant may submit to the director a written request for an informal fact-finding conference within 15 days of the date of the notice described in subdivision e of this subsection.

g. If an applicant fails to timely submit a request, the director:

(1) May adopt as final the recommendation of department staff;

(2) Shall refuse to renew a license or permit;

(3) Shall forward a denial recommendation to the board for final action; and

(4) Notify the applicant of the director's actions and the applicant's appeal rights.

h. During an informal fact-finding conference, an applicant may:

(1) Be represented by counsel; and

(2) Present evidence as to why the license or permit should be granted or renewed.

i. If after the informal fact-finding conference, the applicant is dissatisfied with the decision of the director, the applicant may submit to the board, in writing:

(1) A request for hearing before the board on the decision; and

(2) The applicant's legal and factual bases for disagreeing with the recommendation of the director.

j. An applicant may submit a hearing request to the board within 15 days of the date of notice of the recommendation of the director after an informal fact-finding conference.

k. If an applicant fails to timely submit a request for an informal fact-finding conference or a written hearing request, the director's recommendation for denial shall be adopted by the board as final.

3. Board process.

a. Upon receipt of a timely written hearing request, the board shall provide the applicant a hearing notice for a hearing before the board.

b. The board's hearing notice, and the board's hearing at which the director's denial will be considered, shall comply with the requirements of the Virginia Administrative Process Act, Chapter 40 (§ 2.2-4000 et seq.) of Title 2.2 of the Code of Virginia.

c. Following a hearing, the board shall:

(1) Grant the license or permit after determining that the applicant is qualified for and not prohibited from holding a license or permit; or

(2) Deny the license or permit after determining that the applicant:

(a) Is not qualified for a license or permit or is disqualified from holding a permit or license;

(b) Has violated a provision described in subdivision F 2 of this section; or

(c) Has failed to demonstrate by clear and convincing evidence that its application or renewal request should be granted.

d. Following a hearing, if the board decides to uphold the decision of the director on a renewal or on a recommendation to deny a license or permit, the board shall:

(1) Prepare an order denying the license or permit with a statement of the reasons and specific findings of fact; and

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(2) Provide the applicant with written notice of its final action.

e. The board's final action on a license or permit denial is subject to judicial review as provided in § 58.1-4105 of the Code of Virginia.

f. Unless a waiver under 11VAC5-90-30 has been granted, a person may not reapply for a permit that has been denied any sooner than five years after the date of final action on the denial or nonrenewal.

G. Effect of license or permit.

1. Participation in casino gaming operations by a licensee or permit holder shall be deemed a revocable privilege and shall be conditioned on the proper and continued qualification of the licensee or permit holder and on the discharge of the affirmative responsibility of each licensee and permit holder to provide to the regulatory and investigatory authorities under this chapter or any other provision of law, any assistance and information necessary to assure that the policies underlying this chapter are achieved.

2. Consistent with the policy described in subdivision 1 of this subsection, this chapter:

a. Precludes:

(1) The creation of any property right in any license or permit required under this chapter;

(2) The accrual of any monetary value to the privilege of participation in casino gaming operations; and

(3) Except as specifically provided by the Casino Gaming Law and this chapter, the transfer of any license or permit issued under this chapter; and

b. Requires that participation in casino gaming operations be conditioned solely on the continuing qualifications of the person that seeks the privilege.

3. The holder of a facility operator's license may sublicense, convey, concede, or otherwise transfer its license to a third party only after the transferee:

a. Applies and pays all application and background investigation fees for a license;

b. Receives the approval of the board; and

c. Pays to the department a nonrefundable transfer fee of \$15 million.

H. Continuing obligations.

1. Applicants who are awarded a license or permit shall, during the term of their license or permit, conform to all of the information contained in their applications, including all information submitted by a license applicant to a host city.

2. If information submitted by an applicant that is issued a license or permit changes during the term of the license or

permit, the licensee or permit holder shall immediately submit to the department notice in writing of the change.

3. Every five years after the date a license is issued, a facility operator shall submit to the department for review and approval a reinvestment projection related to the casino gaming establishment to cover the succeeding five-year period of operations.

4. As a condition of holding a license or permit, a licensee or permit holder must comply with all requirements of the Casino Gaming Law, this chapter, and any other law or regulation related to casino gaming.

5. Failure to comply with the obligations of subdivision 1, 2, 3, or 4 of this subsection shall be grounds for the director taking enforcement action against the licensee or permit holder.

I. Identification cards.

1. The director shall issue an identification card to an individual who has been issued a supplier or service permit.

2. An identification card shall display a photograph of the individual and, at a minimum, indicate:

a. The individual's name;

b. By color, pattern, or symbol, the permit category; and

c. The permit expiration date.

3. An identification card is evidence that the individual is authorized to be employed in the designated permit category by a facility operator, supplier, or service permit holder.

4. An identification card is the property of the director.

5. An individual issued an identification card:

a. Shall wear or otherwise prominently display the identification card at all times while working unless otherwise approved by the director for a specific date and time;

b. Shall immediately report a loss or theft of the card to the individual's employer and the director;

c. May not allow another individual to possess the card; and

d. Shall comply with an order of the director to surrender the card.

6. If an identification card issued under this section is lost or stolen:

a. The individual shall immediately report the loss or theft to the individual's employer;

b. In a form or format designated by the director, the individual shall submit to the director a written description of the circumstances of the loss or theft; and

c. After verifying the permit holder's identity, the director may issue a new identification card to the individual.

7. If an identification card issued under this section is temporarily unavailable to the individual:

- a. The individual shall immediately report the temporary unavailability of the card to the individual's employer;
- b. In a form or format designated by the director, the individual shall submit to the director or department staff a written description as to why the card is temporarily unavailable;
- c. After verifying the permit holder's identity, the director may issue an emergency credential that is valid for one day; and
- d. The individual shall surrender the emergency credential to the director or department staff at the end of the shift on the day when the individual received the card.

8. If the director issues a replacement or temporary identification card to an individual, the individual's employer shall pay the director:

- a. \$40 for the cost of a replacement identification card; or
- b. \$20 for the cost of a temporary identification card.

9. The employer of an individual issued an identification card under this section shall ensure that the employee's identification card is surrendered to the director if the:

- a. Director suspends or revokes the individual's service permit;
- b. Service permit is not renewed;
- c. Individual separates from employment with the individual's employer; or
- d. The individual is otherwise ordered by the department to surrender the identification card.

10. If an identification card is not surrendered as required under this section, the individual's employer may be subject to enforcement action under this chapter.

11. If an identification card was surrendered when an individual separated employment from the individual's employer, the director may issue that individual another identification card if the:

- a. Individual obtains employment with a facility operator, supplier, or service permit holder;
- b. Term of the individual's service permit has not expired; and
- c. Director verifies the individual's identity and confirms that the individual's service permit was in good standing when the card was surrendered, has not expired, and remains in good standing.

12. There is no fee for an identification card issued under subdivision 11 of this subsection.

13. Nothing in subdivision 11 of this subsection shall preclude the director from taking enforcement action against

a service permit holder based on the circumstances related to the individual's separation from employment.

11VAC5-90-50. Investigations.

A. An applicant for a license or permit shall submit to a personal and background investigation conducted by the department.

B. A person who is required to provide personal and background information under this chapter shall provide a statement that irrevocably gives consent to the director, department staff and its investigative contractors, and persons authorized by the director to:

1. Verify all information provided in the application; and
2. Conduct a background investigation of the individual.

C. An applicant shall authorize the director, department staff, and investigative contractors to have access to any and all information the applicant has provided to any other jurisdiction while seeking a gaming or similar license in that other jurisdiction, as well as the information obtained by that other jurisdiction during the course of any investigation it may have conducted regarding the applicant.

D. The background investigation shall include a criminal history records check and fingerprinting for:

1. Every individual applying for a license or permit pursuant to this chapter;
2. Every individual who is an officer, director, or principal of a licensee or applicant for a license and every employee of the licensee who conducts gaming operations;
3. All individual security personnel of any licensee; and
4. All permit holders and officers, directors, principals, and employees of permit holders whose duties relate to gaming operations in Virginia.

E. In the form and format required by the department, each individual required by subsection D of this section to undergo a criminal history records check shall submit fingerprints and personal descriptive information to the Central Criminal Records Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records search and to the Department of State Police for a Virginia criminal history records check. The results of the background check and national and state criminal records check shall be returned to the department.

F. Administrative costs of background investigations.

1. An applicant is responsible for the administrative costs to the department of conducting the personal and background investigations required by this chapter.
2. The administrative costs of the personal and background investigation are independent of and in addition to

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fingerprinting fees and, except for a service permit, any license or permit issuance fees.

3. The administrative costs associated with performing the background investigation of a particular facility operator or supplier permit applicant and any individual required to be investigated will vary depending on the:

- a. Complexity of the investigation;
- b. Time necessary to properly conduct the investigation;
- c. Type of license or permit sought; and
- d. Types of activities the license or permit will authorize the applicant to undertake if the license or permit is granted.

4. When a preferred casino gaming operator submits its application for the facility operator's license, it shall send by wire transfer to the department a nonrefundable application and background investigation fee of \$50,000 per principal.

5. When an applicant for a supplier permit submits its application to the department, it shall send by wire transfer:

- a. A nonrefundable application fee of \$5,000; and
- b. A background investigation fee of \$50,000 per principal.

6. When an applicant for a service permit submits its application to the department, it shall send by wire transfer \$500 as a nonrefundable fee to cover the administrative costs of conducting the personal and background check and issuing the permit.

7. In addition to other fees set out in this subsection, the forms submitted in compliance with this regulation shall be accompanied by the:

- a. Fee for access to Virginia criminal history record information;
- b. Mandatory processing fee required by the Federal Bureau of Investigation for a national criminal history records check; and
- c. Mandatory processing fee required by Interpol for an international criminal history records check for an applicant who is a citizen of any country other than the United States.

G. An applicant for a facility operator license or supplier permit shall ensure that all principals, key managers, and other required individuals have submitted appropriate and complete applications.

H. The director may require initial and additional deposits from an applicant for the administrative costs of conducting the applicant's background investigation.

I. Promptly upon receipt of an invoice from the department, an applicant for a license or permit shall reimburse the department for:

1. The additional administrative costs associated with performing background investigations of the applicant and any individual required to provide information under this chapter; and

2. Any payments made by the director to a person approved by the director to conduct the background investigation.

J. Failure to reimburse the department shall be grounds for disqualification of the applicant.

K. Unless otherwise specified, the director shall refund to an applicant for a license or permit any unused portion of an advance deposit required to offset the additional costs of conducting the applicant's background investigation and submitted under subsection H of this section.

L. Personal and background information.

1. Except as otherwise provided by the department, application documents shall include the information under subdivision 2 of this subsection, for an individual who is:

- a. The applicant;
- b. A director, officer, or key management individual employed by the applicant;
- c. A partner of the applicant;
- d. An owner of an interest of 5.0% or more in the applicant; or
- e. A principal.

2. An individual listed under subdivision 1 of this subsection shall furnish the following:

- a. Full name and any previous names or aliases;
- b. Date of birth;
- c. Physical description;
- d. Home and business addresses and telephone numbers;
- e. Driver's license number and state of issuance;
- f. Social Security number;
- g. Passport or identification photo;
- h. Fingerprints for a criminal records check:

(1) For a Virginia resident, from an electronic fingerprinting service approved by the board; or

(2) For resident form outside Virginia, one Federal Bureau of Investigation and one local fingerprint card, taken within the previous 45 days before submission to the department; and

i. Any other document or information required by the department.

3. If the applicant is a corporation, the application documents shall state the:

- a. State in which the applicant is incorporated; and
- b. Name and address of the applicant's agent for service of process in Virginia.

4. If an applicant is a nonprofit corporation, only an individual who is a director or officer of the applicant shall provide the information required under subdivision 2 of this subsection.

5. The department may require an applicant to furnish the information listed in subdivision 2 of this subsection with regard to the applicant's family and associates.

6. Inadvertent, nonsubstantive errors that might be made in furnishing the information required by this regulation may not be used as a reason by the board for disqualifying the applicant.

M. Information for background investigation. An individual required to provide information under this section shall complete a background form supplied by the department that includes a statement disclosing whether the individual has ever been:

1. Arrested;
2. Convicted of, pled nolo contendere to, or received probation before judgment for a felony or misdemeanor, other than a misdemeanor traffic offense;
3. Sanctioned by a government agency related to gaming;
4. Found liable in connection with a civil action related to gaming;
5. A debtor in a bankruptcy proceeding; or
6. Denied a bond.

N. If the applicant for a facility operator's license or a supplier permit is a corporation, the application shall include a:

1. Statement of when the corporation was organized;
2. Copy of the articles of incorporation and bylaws of the corporation;
3. Statement and documentation of whether the corporation has been reorganized or reincorporated during the five-year period preceding the date on which the application is submitted to the director;
4. Statement and documentation of whether the corporation has filed restated articles of incorporation; and
5. List identifying each person who:
 - a. Exercises voting rights in the corporation; and
 - b. Directly or indirectly owns 5.0% or more of the corporation.

O. If the applicant for a facility operator's license or a supplier permit is an unincorporated business association, the application shall include a:

1. Copy of each organizational document of the applicant, including any partnership agreement;
2. Description of any oral agreements involving the organization of the applicant; and

3. List identifying each person who:

- a. Exercises voting rights in the applicant; or
- b. Directly or indirectly owns 5.0% or more of the business association.

P. If the applicant for a facility operator's license or a supplier permit is authorized to issue capital stock, the applicant shall state, for each class of stock authorized, the:

1. Total number of shares;
2. Par value, if any;
3. Voting rights;
4. Current rate of dividend;
5. Number of shares outstanding and the market value of each share on the date of the application; and
6. Existence of any voting trust or voting agreement in which capital stock of the applicant is held, and the:
 - a. Name and address of each stockholder participating in the trust or agreement;
 - b. Class of stock involved; and
 - c. Total number of shares held by the trust or agreement.

Q. The application for a facility operator's license or a supplier permit shall include a certified copy of each voting trust or voting agreement in which capital stock is held.

R. The application for a facility operator's license or a supplier permit shall describe the terms of any proxy by which any capital stock may be voted and shall state the:

1. Name and address of the person holding the proxy;
2. Name and address of the stockholder who granted the proxy;
3. Class of stock for which the proxy may vote; and
4. Total number of shares voted by the proxy.

S. The application for a facility operator's license or a supplier permit shall state any provisions and the procedures by which these provisions may be modified for the redemption, repurchase, retirement, conversion, or exchange of an ownership interest.

T. The application for a facility operator's license or a supplier permit shall state whether the applicant's stock may be traded through options and whether the corporation or a stockholder has executed an agreement or contract to convey any of the corporation's or the stockholder's stock at a future date.

U. The application for a facility operator's license or a supplier permit shall include a copy or a description of each agreement or contract disclosed under subsection T of this section.

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V. The application for a facility operator's license or a supplier permit shall include a copy of each prospectus, pro forma, or other promotional material given to potential investors about the permit holder applicant's operation.

W. The application for a facility operator's license or a supplier permit shall provide full disclosure for any stock options that may exist or have been granted.

X. If the applicant is not an individual, the application for a facility operator's license or a supplier permit shall include a list of the individuals who are serving, or who are designated to serve, during the first year after the date the application is submitted to the Executive Director of the Virginia Lottery, as a director, officer, partner, or principal as defined in this chapter and provide:

1. The individual's name and address;
2. Each position or office of the applicant held by the individual;
3. The individual's primary occupation during the five-year period preceding the date on which the application is submitted to the director; and
4. The nature and extent of any ownership interest that the individual has in the applicant.

Y. The application for a facility operator's license or a supplier permit shall:

1. Disclose all individuals and entities that have an ownership interest of 5.0% or more in the applicant, including any beneficial ownership as defined Article 1 (§ 13.1-1200 et seq.), Chapter 14 of the Code of Virginia; and
2. Describe the:
 - a. Nature of the ownership, and
 - b. Extent of control exercised by the owner, and
3. Include information and documents required by this chapter as to each owner.

Z. Outside interests.

1. The application documents for a facility operator's license or a supplier permit shall state whether the applicant, a director, an officer, or a partner of the applicant, or an owner of 5.0% or more of an interest in the applicant:
 - (a) Has ever held an ownership interest personally or in an entity holding a license or permit issued by the board or the department; or
 - (b) Is currently engaged in the business of gaming in another state, and the nature and extent of that involvement.

2. The applicant shall describe the nature of participation stated under subdivision 1 of this subsection.

AA. Approval of institutional investors.

1. An institutional investor that holds or proposes to hold an ownership interest in a facility or supplier that would require a background investigation may request the director to waive the requirement of conducting a full background investigation of the institutional investor.

2. The board may approve the institutional investor's request for a waiver if it satisfactorily completes and submits an institutional investor waiver application as required by the department.

3. An entity for which the director has approved a waiver request is an approved institutional investor.

4. An institutional investor can maintain its approved status by:

- a. Maintaining an ownership interest in an applicant, licensee, or permit holder; and
- b. Providing the department with the statement of ownership percentage it reported to the Securities and Exchange Commission:
 - (1) Annually, before the last day of April; or
 - (2) As otherwise directed by the department.

5. If an approved institutional investor complies with subdivision 4 of this subsection, the department's approval is valid for five years from the date of approval, and:

- a. The waiver may apply to one or more applicants, licensees, or permit holders in which the entity is an institutional investor; and
- b. The institutional investor shall submit an institutional waiver application every five years from the date of the department's last approval.

6. If an approved institutional investor does not meet the requirements of subdivision 4 of this subsection with respect to one or more applicants, licensees, or permit holders:

- a. The approved institutional investor shall notify the department in writing if the institutional investor's ownership interest falls below 5.0%; and
- b. The department may require the institutional investor to submit a new waiver application if the institutional investor acquires an ownership interest of five percent or greater in any applicant, licensee, or permit holder.

11VAC5-90-60. Applications for and issuance of facility operator's license.

A. In addition to the processes and requirements set out in 11VAC5-90-40 and 11VAC5-90-50, the requirements set out in this section shall apply to the applications for a facility operator's license and the applicant's related entities and individuals.

B. Who may apply.

1. Only a preferred casino gaming operator may apply for a facility operator's license.

2. The preferred casino gaming operator may not deviate substantively from the plan it submitted to the host city and the department during the certification process set out in §§ 58.1-4107 F and 58.1-4109 of the Code of Virginia.

C. An applicant for a facility operator license shall submit with its application all required fees for:

1. The applicant itself;
2. Its owners, principals, directors, and officers;
3. Any supplier that is expected to provide casino management for the applicant; and
4. All known key managers.

D. Evaluation.

1. The department shall review an application for a facility operator's license to determine whether the applicant is qualified to hold an operator's license.

2. An applicant for a facility operator's license shall present in its application sufficient information, documentation, and assurances to establish the following qualification criteria by clear and convincing evidence:

- a. Substantiation that the applicant has made, or will make prior to the issuance of an operation license for a permanent casino facility, a capital investment of at least \$300 million, including the value of the real property upon which the facility is located and all furnishings, fixtures, and other improvements;
- b. Substantiation that the applicant possesses an equity interest of at least 20% in the facility;
- c. For an applicant that is a Virginia Indian tribe, certification that the material terms of all relevant development agreements between the Virginia Indian tribe and any development partner have been determined in the opinion of the Office of General Counsel of the National Indian Gaming Commission after review not to deprive the Virginia Indian tribe of the sole proprietor interest in the facility's gaming operations for the purposes of federal Indian gaming law;
- d. Existence of an adequate plan for addressing responsible gaming issues, including the goals of the plan, procedures, and deadlines for implementation of the plan;
- e. Substantiation that the applicant's proposed permanent facility is or will be appropriate for gaming operations consistent with the purposes of the Casino Gaming Law and this chapter;
- f. Certification from the city where the facility will be located that the proposed project complies with all applicable land use ordinances pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2 of the Code of Virginia;
- g. Substantiation that any required local infrastructure or site improvements, including necessary sewerage, water, drainage facilities, or traffic flow, are to be paid

exclusively by the applicant without state or local financial assistance;

h. If the applicant is an entity, demonstration that its securities are fully paid and, in the case of stock, nonassessable and have been subscribed and will be paid for only in cash or property to the exclusion of past services;

i. Uncontested and enforceable written agreement that all principals meet the criteria of this chapter and have submitted to the jurisdiction of the Virginia courts, and that all nonresident principals have designated the director as their agent for receipt of process;

j. If the applicant is an entity, substantiation that it has the right to purchase at fair market value the securities of, and require the resignation of, any person who is or becomes disqualified under subsection E of this section;

k. Substantiation that the applicant meets any other criteria established by the Casino Gaming Law and this chapter for the granting of an operator's license, including submission to the department of adequate plans for operation of casino gaming as required by this chapter;

l. Substantiation that the applicant is qualified to do business in Virginia or is subject to the jurisdiction of the courts of the Commonwealth; and

m. Substantiation that the applicant or its principals have not previously been denied a license pursuant to subsection E of this section.

E. Required denials.

1. The board shall deny a facility operator's license to an applicant if the board finds that for any reason the issuance of a license to the applicant would reflect adversely on the honesty and integrity of the casino gaming industry in the Commonwealth or that the applicant, or any officer, principal, manager, or director of the applicant:

a. Has failed to prove by clear and convincing evidence that the applicant and each person who owns or controls the applicant are qualified under subsection D of this section;

b. Is under current prosecution for or has been found guilty of any illegal act, conduct, or practice in connection with gaming operations in this or any other state or has been convicted of a felony, provided that, at the request of the applicant, the board may defer its decision on the application during the pendency of the charge;

c. Has had a license or permit to hold or conduct a gaming operation denied for cause, suspended, or revoked, in this or any other state or country, unless the license or permit was subsequently granted or reinstated;

d. Has at any time during the previous five years knowingly failed to comply with the provisions of the Casino Gaming Law or any department regulation;

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e. Has knowingly made a false statement of material fact to the department or has deliberately failed to disclose any information requested by the department;

f. Has willfully defied a legislative investigatory body or other official investigatory body of the United States, or a jurisdiction within the United States, when the body is engaged in the investigation of crimes relating to gambling, official corruption, or organized crime activity;

g. Has defaulted in the payment of any obligation or debt due to the Commonwealth and has not cured such default;
or

h. Has operated or caused to be operated a casino gaming establishment for which a license is required under this chapter without obtaining such license.

F. Issuance term.

1. As a condition of accepting a facility operator's license to an applicant, the licensee expressly acknowledges its duty to adhere to its application, the plan it submitted to the host city and the department during the certification process set out in §§ 58.1-4107 F and 58.1-4109 of the Code of Virginia, all requirements of the Casino Gaming Law, this chapter, and department policies and directives.

2. The term of a facility operator's license begins on the day of issuance and continues for 10 years, subject to annual review consistent with § 58.1-4111 of the Code of Virginia.

3. A casino may not begin operations before the board has issued the facility operator's license.

4. The department may issue a facility operator's license subject to conditions.

5. No portion of any structure developed with the assistance of grants or loans provided by a redevelopment and housing authority created by § 36-4 of the Code of Virginia may be used as a casino gaming establishment.

6. The facility operator shall submit a nonrefundable issuance fee of \$15 million before the operation license is issued and upon any approved transfer of the license

7. The board may issue a facility operator's license only after determining that:

a. The facility complies with the Casino Gaming Law, this chapter, and department policies and directives;

b. All gaming machines and associated equipment have been tested and comply with the Casino Gaming Law, this chapter, and department policies and directives.;

c. The gaming floor plan complies with the Casino Gaming Law, this chapter, and department policies and directives;

d. The facility operator's internal controls comply with the Casino Gaming Law, this chapter, and department policies and directives;

e. The facility operator is prepared to implement the internal controls, surveillance, and security procedures that are necessary to ensure that the operation of all casino gaming is conducted safely and legally;

f. The facility operator's employees are:

(1) Properly permitted by the department; and

(2) Trained in the performance of their responsibilities;

g. The facility is prepared in all respects to receive the public;

h. The facility operator has complied with any additional pre-opening conditions imposed by the department; and

i. The facility operator has successfully completed a test period.

8. A licensed casino gaming facility operator is not prohibited from operating an online sports betting operation licensed by the Lottery under the Virginia Lottery Law (§ 58.1-4000 et seq. of the Code of Virginia) and the Sports Betting regulation (11VAC5-70).

G. Temporary facility.

1. The holder of, or applicant for, a facility operator's license may ask the department to authorize casino gaming to occur in a temporary facility.

2. Gaming may be conducted in a temporary facility for one year.

3. Gaming in a temporary facility does not extend the 10-year term of the facility operator's license.

4. Approval to conduct casino gaming in a temporary facility shall be conditioned upon:

a. The applicant's having been issued a facility operator's license;

b. Approval by the host city and the department of the facility operator's construction schedule for the permanent facility;

c. Using the same site for the temporary facility as was approved by the host city's voters in the referendum held pursuant to § 58.1-4123 of the Code of Virginia;

d. The facility operator having secured suppliers and employees holding the permits required and sufficient for the routine operations of the site where the temporary gaming will be authorized; and

e. Posting of a performance bond in an amount acceptable to the board.

5. The department may extend the authorization to conduct casino gaming in a temporary facility for an additional year if it determines that the licensee has made a good faith effort to comply with the approved construction schedule.

H. Suspension, civil penalties, revocation, and nonrenewal.

1. In addition to any other sanctions or civil penalties, including those set out in 11VAC5-90-90, the director may impose a civil penalty or suspend, revoke, or refuse to renew a facility operator's license for:

- a. Failure to comply with, or violation of, any provision of the Casino Gaming Law, this chapter, or a directive of the department or director;
- b. Failure to disclose facts during the application process that indicate that the operation license should not have been issued;
- c. Conviction of a felony under the laws of the Commonwealth of Virginia or any other state, or of the United States subsequent to issuance of the facility operator's license;
- d. Failure to file any return or report, keep any record, or pay any fee or other charges required by the Casino Gaming Law, this chapter, or a directive of the department or director;
- e. Any act of fraud, deceit, misrepresentation, or conduct prejudicial to public confidence in the integrity of gaming operations; or
- f. A material change, since issuance of the facility operator's license, with respect to any matters required to be considered by the director under the Casino Gaming Law, this chapter, or a directive of the department or director.

2. The director may temporarily suspend a facility operator's license without notice pending any prosecution, hearing, or investigation, whether by a third party or by the director.

3. Disputes related to a suspension, revocation, or refusal to renew a facility operator's license shall be conducted pursuant to the procedures set out in 11VAC5-90-40 F.

I. Renewal.

1. A license may be renewed for additional 10-year terms.
2. The criteria and procedures for license renewal shall be the same for successive renewal terms as for the initial term of licensure, including the application fees for background and other investigations, unless the facility operator's operational and capital investment plans have been approved for amendment by the department.
3. A facility operator shall notify the department 18 months before the expiration of its license term if it does not intend to seek renewal.
4. A facility operator shall submit a completed renewal application, for itself and its principals and employees, along with any required fees, between 15 and 12 months before the expiration of its current license.
5. A facility operator shall submit a nonrefundable renewal fee of \$15 million before the operation license is re-issued.

6. A license renewal request shall not be unreasonably refused by the board.

11VAC5-90-70. Applications for and issuance of supplier permits.

A. In addition to the processes and requirements set out in 11VAC5-90-40 and 11VAC5-90-50, the requirements set out in this section shall apply to the applications for a supplier permit and the applicant's related entities and individuals.

B. There are four categories of suppliers:

1. Contractor;
2. Key manager;
3. Manufacturer; and
4. Slot machine management system provider.

C. An applicant for a supplier permit shall submit with its application all required fees and applications for:

1. The applicant itself;
2. If applicable, its principals; and
3. All known key managers.

D. The fee for each supplier applicant shall be a:

1. Nonrefundable \$5,000 application fee for the supplier; and
2. \$50,000 background investigation fee for any principal, including any applicable key manager.

E. Following a successful background investigation and prior to issuance of a supplier permit, the supplier shall submit a \$5,000 annual permit fee.

F. A person is ineligible to receive a supplier's permit if:

1. The person has been convicted of a felony under the laws of the Commonwealth or any other state or of the United States;
2. The person has submitted an application for a license under this chapter that contains false information;
3. The person is a board member, employee of the department, or a member of the immediate household of a board member or department employee;
4. The person is an entity in which a person described in subdivision 1, 2, or 3 of this subsection is an officer, director, principal, or managerial employee;
5. The firm or corporation employs a person who participates in the management or operation of casino gaming authorized under this chapter;
6. A prior license or permit issued to such person to own or operate casino gaming establishments or supply goods or services to a gaming operation under this chapter or any laws of any other jurisdiction has been revoked; or

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7. A. period of five years has not elapsed since the date of final action on a denial of an earlier application for a service permit, unless the director in the director's sole and unappealable discretion has made an exception to that waiting period.

G. Issuance.

1. The department shall consider all information submitted in the supplier permit application and any information discovered as a result of the department's background investigation.

2. As a condition of accepting a supplier permit, permit holders shall expressly acknowledge their duty to adhere to all requirements of the Casino Gaming Law, this chapter, and department policies and directives.

3. Upon request of an applicant, the director may in his sole discretion issue a temporary or conditional supplier permit to an apparently-qualified applicant pending final board approval of the permit.

4. An applicant for a supplier permit may not be considered to be apparently-qualified if:

a. The applicant has an immediately known present or prior activity, criminal record, reputation, habit, or association that would disqualify the applicant from holding a permit or license under the Casino Gaming Law or this chapter;

b. The applicant poses a serious imminent risk of harm to the integrity, security, or profitability of the Commonwealth of Virginia's casino gaming program; or

c. There are reasonable grounds to believe that the applicant will not be able to establish the applicant's qualifications by clear and convincing evidence under this chapter.

5. A temporary or conditional supplier permit holder whose permanent supplier permit is denied shall not receive a refund of any fees paid toward the application and the costs of the department's background investigation.

6. A temporary or conditional supplier permit:

a. May not be issued until the applicant has acknowledged in writing that the Commonwealth of Virginia is not financially responsible for any consequences resulting from termination of a temporary or conditional supplier permit, or a denial of the application;

b. Expires 60 days after the date of issuance; and

c. May be extended by the director for one period of up to 60 days.

7. When the board changes a temporary or conditional supplier permit into permanent status, the date of issuance of the permanent supplier permit shall be deemed to be the date that the director issued the temporary supplier permit.

8. If, during the course of conducting an applicant's background investigation, department staff reasonably believes that there is a basis for recommending denial of a permanent supplier permit to a temporary or conditional supplier permit holder, department staff shall:

a. Notify the director and the temporary or conditional supplier permit holder; and

b. If the board has not yet issued a final decision on the application, allow the application to be withdrawn.

9. By written notice to a temporary or conditional supplier permit holder, the director may terminate, without a hearing and without following the denial process under 11VAC5-90-40, the temporary or conditional supplier permit of an applicant for:

a. Failure to pay a required fee;

b. Failure to submit required information and documentation to department staff within 15 days of responding to a request for additional information or documents;

c. Failure to comply with any other request of department staff;

d. Engaging in conduct that obstructs department staff from completing the applicant's background investigation;

e. Failure to comply with the conditions imposed by the director; or

f. Violating any provision of the Casino Gaming Law or this chapter.

10. Unless the applicant withdraws the application within seven days of the notice issued under subdivision 8 or 9 of this subsection, the director's written notice of termination of a temporary or conditional supplier permit shall be deemed a denial and referred to the board for completion of the process set out in 11VAC5-90-40 F.

11. A decision by the department not to issue or renew a temporary or conditional supplier license is not appealable.

H. Suspension, civil penalties, revocation, and nonrenewal.

1. In addition to any other sanctions or civil penalties, including those set out in 11VAC5-90-90, the director may impose a civil penalty or suspend, revoke, or refuse to renew a supplier permit for:

a. Failure to comply with, or violation of, any provision of the Casino Gaming Law, this chapter, or a directive of the department or director;

b. Failure to disclose facts during the application process that indicate that the supplier permit should not have been issued;

c. Conviction of a felony under the laws of the Commonwealth of Virginia or any other state, or of the United States subsequent to issuance of the supplier permit;

d. Failure to file any return or report, keep any record, or pay any fee or other charges required by the Casino Gaming Law, this chapter, or a directive of the department or director;

e. Any act of fraud, deceit, misrepresentation, or conduct prejudicial to public confidence in the integrity of gaming operations; or

f. A material change, since issuance of the supplier permit, with respect to any matters required to be considered by the director under the Casino Gaming Law, this chapter, or a directive of the department or director.

2. The director may temporarily suspend a supplier permit without notice pending any prosecution, hearing, or investigation, whether by a third party or by the director.

3. Disputes related to a suspension, revocation, or refusal to renew a supplier permit shall be conducted pursuant to the procedures set out in 11VAC5-90-40 F.

I. Portability.

1. A supplier permit holder who wishes to perform the functions approved by the department pursuant to its initial permit application at a different location or for a different licensee or permit holder shall inform the department in advance.

2. The department shall freely authorize transfers requested pursuant to subdivision 1 of this subsection.

3. The permit holder shall comply with the requirements set out in 11VAC5-90-40 for the replacement of identification cards.

J. Renewal term.

1. Unless otherwise required by law, a permit shall be automatically renewed each year after the first year for four additional successive annual terms.

2. A permit holder shall submit to the department an annual permit fee of \$5,000 before the start of the next annual term.

3. The department need not conduct a new background investigation of the permit holder during the four renewal terms.

4. Every five years, a permit holder shall:

a. Submit a renewal application six to three months before the expiration date of the permit term, and

b. Pay any fees associated with the application and background investigation as directed by the department.

11VAC5-90-80. Application for and issuance of service permits.

A. In addition to the processes and requirements set out in 11VAC5-90-40 and 11VAC5-90-50, the requirements set out in this section shall apply to the applications for a service permit and the applicant's related entities and individuals.

B. There are four categories of service permits:

1. Gaming employee;

2. Nongaming employee;

3. Vendor-major; and

4. Vendor-minor.

C. The two categories of vendor described in subsection B of this section are meant to incorporate the types of concessionaires for which service permits are required under § 58.1-4118 of the Code of Virginia.

D. An applicant for a service permit shall submit with its application all required fees and applications for:

1. The applicant itself;

2. Any employees who require a service permit under this chapter; and

3. If applicable, all principals and key managers.

E. The fee for each service applicant shall be a:

1. Nonrefundable \$500 application fee for the service permit applicant, plus any applicable fingerprinting fees; and

2. \$50,000 background investigation fee for any principal not the holder of, or applicant for, a supplier permit, including any applicable key manager.

F. The director shall deny a service permit if the director finds that:

1. The issuance of the service permit would not be in the best interests of the Commonwealth or would reflect negatively on the honesty and integrity of casino gaming in the Commonwealth;

2. The granting of the service permit is not consistent with the provisions of the Casino Gaming Law or this chapter, the department's responsibilities, or any regulations promulgated by any other agency of the Commonwealth; or

3. That the applicant:

a. Has knowingly made a false statement of a material fact in the application or has deliberately failed to disclose any information requested by the department;

b. Is or has been guilty of any corrupt or fraudulent practice or conduct in connection with gaming operations in the Commonwealth or any other state;

c. Has knowingly failed to comply with the provisions of the Casino Gaming Law or this chapter;

d. Has had a service permit or license to engage in activity related to casino gaming denied for cause, suspended, or revoked in the Commonwealth or any other state, and such denial, suspension, or revocation is still in effect;

e. Is unqualified to perform the duties required for the service permit sought; or

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f. Has been convicted of a misdemeanor or felony involving unlawful conduct of wagering, fraudulent use of a gaming credential, unlawful transmission of information, touting, bribery, embezzlement, distribution or possession of drugs, or any crime considered by the director to be detrimental to the honesty and integrity of casino gaming in the Commonwealth, or

G. Issuance.

1. The department shall consider all information submitted in the service permit application and any information discovered as a result of the department's background investigation.

2. As a condition of accepting a service permit, permit holders shall expressly acknowledge their duty to adhere to all requirements of the Casino Gaming Law, this chapter, and department policies and directives.

3. Upon request of an applicant, the director may in his sole discretion issue a temporary or conditional service permit to an apparently-qualified applicant pending final board approval of the permit.

4. An applicant for a service permit may not be considered to be apparently-qualified if:

a. The applicant has an immediately known present or prior activity, criminal record, reputation, habit, or association that would disqualify the applicant from holding a permit or license under the Casino Gaming Law or this chapter;

b. The applicant poses a serious imminent risk of harm to the integrity, security, or profitability of the Commonwealth of Virginia's casino gaming program; or

c. There are reasonable grounds to believe that the applicant will not be able to establish the applicant's qualifications by clear and convincing evidence under this chapter.

5. A temporary or conditional service permit holder whose permanent service permit is denied shall not receive a refund of any fees paid toward the application and the costs of the department's background investigation.

6. A temporary or conditional service permit:

a. May not be issued until the applicant has acknowledged in writing that the Commonwealth of Virginia is not financially responsible for any consequences resulting from termination of a temporary or conditional service permit, or a denial of the application;

b. Expires 60 days after the date of issuance; and

c. May be extended by the director for one period of up to 60 days.

7. When the board changes a temporary or conditional service permit into permanent status, the date of issuance of

the permanent service permit shall be deemed to be the date that the director issued the temporary service permit.

8. If, during the course of conducting an applicant's background investigation, department staff reasonably believes that there is a basis for recommending denial of a permanent service permit to a temporary or conditional service permit holder, department staff shall:

a. Notify the director and the temporary or conditional service permit holder; and

b. If the board has not yet issued a final decision on the application, allow the application to be withdrawn.

9. By written notice to a temporary or conditional service permit holder, the director may terminate, without a hearing and without following the denial process under 11VAC5-90-40, the temporary or conditional service permit of an applicant for:

a. Failure to pay a required fee;

b. Failure to submit required information and documentation to department staff within 15 days of responding to a request for additional information or documents;

c. Failure to comply with any other request of department staff;

d. Engaging in conduct that obstructs department staff from completing the applicant's background investigation;

e. Failure to comply with the conditions imposed by the director, or

f. Violating any provision of the Casino Gaming Law or this chapter.

10. Unless the applicant withdraws the application within seven days of the notice provided under subdivision 8 or 9 of this subsection, the director's written notice of termination of a temporary or conditional service permit shall be deemed a denial and referred to the board for completion of the process set out in 11VAC5-90-40 F.

11. A decision by the department not to issue or renew a temporary or conditional service license is not appealable.

H. Suspension, civil penalties, revocation, and nonrenewal.

1. In addition to any other sanctions or civil penalties, including those set out in 11VAC5-90-90, the director may impose a civil penalty or suspend, revoke, or refuse to renew a service permit for:

a. Failure to comply with, or violation of, any provision of the Casino Gaming Law, this chapter, or a directive of the department or director;

b. Failure to disclose facts during the application process that indicate that the service permit should not have been issued;

c. Conviction of a felony under the laws of the Commonwealth of Virginia or any other state, or of the United States subsequent to issuance of the service permit;

d. Failure to file any return or report, keep any record, or pay any fee or other charges required by the Casino Gaming Law, this chapter, or a directive of the department or director;

e. Any act of fraud, deceit, misrepresentation, or conduct prejudicial to public confidence in the integrity of gaming operations; or

f. A material change, since issuance of the service permit, with respect to any matters required to be considered by the director under the Casino Gaming Law, this chapter, or a directive of the department or director.

2. The director may temporarily suspend a service permit without notice pending any prosecution, hearing, or investigation, whether by a third party or by the director.

3. Disputes related to a suspension, revocation, or refusal to renew a service permit shall be conducted pursuant to the procedures set out in 11VAC5-90-40 F.

I. Portability.

1. A service permit holder who wishes to perform the functions approved by the department pursuant to its initial permit application at a different location or for a different licensee or permit holder shall inform the department in advance.

2. The department shall freely authorize transfers requested pursuant to subdivision 1 of this subsection.

3. The permit holder shall comply with the requirements set out in 11VAC5-90-40 for the replacement of identification cards.

J. Renewal term.

1. The term of a service permit shall be five years.

2. A holder of a service permit who wishes to renew the permit shall:

a. Submit a renewal application three to two months before the expiration date of the permit term; and

b. Pay any fees associated with the application and background investigation as required by the director.

11VAC5-90-90. Enforcement.

A. Inspections.

1. A licensee or permit holder is subject to unannounced inspections conducted by the department to evaluate and verify the entity's compliance with the Casino Gaming Law, this chapter, or a directive of the department or director.

2. The department may conduct an unannounced inspection without a warrant and take any of the following actions:

a. Conduct an inspection of premises in which:

(1) Casino gaming is conducted;

(2) Authorized casino games, table game equipment, a central monitor and control system, or associated equipment and software are:

(a) Designed;

(b) Built;

(c) Constructed;

(d) Assembled;

(e) Manufactured;

(f) Sold;

(g) Distributed; or

(h) Serviced; or

(3) Records are prepared or maintained for activities referenced in subdivisions 2 a (1) and 2 a (2) of this subsection;

b. Conduct an inspection of a casino game, table game equipment, a central monitor control system, or associated equipment and software in, about, on, or around the premises specified in subdivision 2 a of this subsection;

c. From the premises specified in subdivision 2 a of this subsection, summarily seize, remove, impound, or assume physical control of, for the purposes of examination and inspection:

(1) A casino game;

(2) Table game equipment;

(3) A central monitor and control system; or

(4) Associated equipment and software;

d. Inspect, examine, and audit books, records, and documents concerning a licensee's or permit holder's casino gaming operations, including the financial records of a:

(1) Parent corporation;

(2) Subsidiary corporation; or

(3) Similar business entity; or

e. Seize, impound, or assume physical control of:

(1) Books;

(2) Records;

(3) Ledgers;

(4) Cash boxes and their contents;

(5) A counting room or its equipment;

(6) Other physical objects relating to casino gaming operations; or

(7) Any record or object that a licensee or permit holder is required by law or license and permit terms to maintain.

3. During an inspection, a licensee or permit holder and their employees, agents, and representatives:

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a. Shall:

(1) Make available for inspection, copying, or physical control a record that a licensee or permit holder is required to maintain;

(2) Authorize any person having financial records relating to the licensee or permit holder to provide those records to the department; and

(3) Otherwise cooperate with the activities of the department described in this chapter; and

b. May not knowingly interfere with the authorized activity of the department during an unannounced inspection.

4. An unannounced inspection may be conducted:

a. Any time during reasonable business hours; and

b. Periodically, as determined by the department.

5. The refusal of a licensee or permit holder or their employees or agents to provide the department with the access necessary to perform an unannounced inspection may be the basis for enforcement action under this section.

6. In addition to subdivisions 1 through 5 of this subsection, department staff, along with agents of the Department of State Police and local law-enforcement or fire departments, may enter any casino gaming facility at any time to determine compliance with the Casino Gaming Law, this chapter, and applicable fire prevention and safety laws.

B. Records and reports.

1. Within a reasonable time after the conclusion of the unannounced inspection, the department's inspectors shall submit a written report of the inspection to the director and the licensee or permit holder that was the subject of the unannounced inspection.

2. A written report of an unannounced inspection shall be considered a public record to the extent allowable under the Virginia Freedom of Information Act (§ 2.2-3700 et seq. of the Code of Virginia).

C. A licensee or permit holder may not:

1. Violate a provision of the Casino Gaming Law, this chapter, or a directive of the board or director;

2. Take, or attempt to take, any action that is intended to:

a. Change or influence the outcome of a casino game;

b. Influence any person or unit of government that is involved in implementing or enforcing the casino gaming law;

c. Interfere with the regular operation of:

(1) The central monitor and control system;

(2) A slot machine;

(3) Associated equipment or software; or

(4) A casino game;

3. Fail to:

a. Conform to the information contained in a license or permit application;

b. Meet a licensing or permit requirement;

c. Promptly submit to the department any change in the information contained in a license or permit application, including a subsequent conviction of a felony under the laws of Virginia, any other state, or the United States; or

d. Adequately remedy a deficiency of which the licensee or permit holder has received notice under this chapter.

D. Notice of violation.

1. After receiving a report of an alleged violation of subsection C of this section by a licensee or permit holder, the director shall notify the licensee or permit holder of the alleged violation and investigate the report.

2. The director may designate staff to serve on a review committee that:

a. Reviews the investigation into the alleged violation conducted under subdivision 1 of this subsection; and

b. Makes a recommendation to the director for addressing the alleged violation.

3. The review committee's recommendation to the director may include:

a. Requiring the licensee or permit holder to implement a corrective action plan;

b. Issuing the licensee or permit holder a warning letter;

c. Entering into a settlement agreement with the licensee or permit holder;

d. Recommending that the director initiate proceedings to impose a sanction or civil penalty on the licensee or permit holder; or

e. Any other appropriate action.

4. After considering the review committee's recommendation, the director may:

a. Initiate proceedings to impose a sanction or civil penalty on the licensee or permit holder;

b. Direct staff to:

(1) Implement the review committee's recommendation; or

(2) Take other appropriate action.

5. Department staff shall prove a licensee or permit holder with notice of the violations that describes the statute, regulation, or directive allegedly violated, along with the director's recommendation for addressing the alleged violation.

6. Nothing in this subsection shall be construed to require that:

- a. The licensee or permit holder receive an opportunity to meet with staff or the director to discuss an informal settlement of a violation; or
- b. The department undertake development of a corrective action plan or attempt to reach a settlement with the licensee or permit holder before the director initiates proceeding for imposition of a sanction or civil penalty against the licensee or permit holder.

7. If the report received under this subsection contains a credible complaint of an alleged criminal violation of the Casino Gaming Law, the director shall immediately forward the report to the Office of the Attorney General and the Department of State Police for appropriate action.

E. Corrective action plan.

1. If the director instructs staff to initiate a corrective action plan with a licensee or permit holder, department staff shall give written notice to the licensee or permit holder that includes:

- a. A description of the alleged violation;
- b. A description of the sanctions and civil penalties that are possible because of the alleged violation; and
- c. The requirement that the licensee or permit holder submit a corrective action plan to the department.

2. A corrective action plan shall include:

- a. Periodic monitoring or progress reports;
- b. Timelines for completing corrective action;
- c. Implementation of measures to guard against recurrence of the alleged violation; and
- d. Any other measures necessary to resolve the alleged violation.

3. Timeframe for implementing a corrective action plan.

- a. Within 10 days of receipt of a notice under subdivision 1 of this subsection, the licensee or permit holder shall submit a corrective action plan to the director or the director's designee.
- b. The director or the director's designee shall review the corrective action plan and inform the licensee or permit holder whether the corrective action plan is acceptable.
- c. If the corrective action plan is acceptable, the licensee or permit holder shall implement it immediately.
- d. If the corrective action plan is not acceptable, the licensee or permit holder shall submit a revised plan immediately.

4. If a licensee or permit holder fails to submit an acceptable corrective action plan within the timeframe described in this subsection, the director may:

- a. Provide the licensee or permit holder additional time within which to submit an acceptable corrective action plan; or
- b. Initiate proceedings for imposition of a sanction or civil penalty.

5. Corrective plan outcome.

a. After a licensee or permit holder has completed, to the satisfaction of the director or the director's designee, a corrective action plan, the alleged violation is resolved, except that the alleged violation may be:

(1) The basis of a subsequent corrective action plan, settlement, sanction, or civil penalty if a similar violation occurs; or

(2) Raised during a board hearing as part of the department's enforcement record for the licensee or permit holder.

b. If, at any time during the corrective action period, the director or the director's designee determines that the licensee or permit holder has made insufficient progress toward fulfilling a requirement of the corrective action plan, the director may:

(1) For good cause, extend the time for completion of a correction action plan; or

(2) Initiate proceedings for imposition of a sanction or civil penalty.

c. If, at the end of the corrective action period, the licensee or permit holder has failed to satisfactorily complete the corrective action plan, the director may initiate proceedings for imposition of a sanction or civil penalty.

F. Settlement.

1. The director may provide a licensee or permit holder with the opportunity to discuss with staff a means of entering into a voluntary settlement agreement between the licensee or permit holder and the department by which the violation is settled without a sanction or civil penalty.

2. A settlement shall involve elements of corrective action and may also include a remittance of funds to the department from the licensee or permit holder.

3. A settlement agreement shall be signed by an authorized representative of the licensee or permit holder and the director or director's designee.

4. If a licensee or permit holder violates a term of a settlement agreement, nothing in this subsection shall be construed to prevent the director or board from imposing a sanction or civil penalty against the licensee or permit holder for that, or the underlying violation.

G. Emergency suspension.

1. The director may emergently suspend a license or permit if the director determines that suspension is necessary to

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protect the Commonwealth's casino gaming program against a serious and imminent risk of harm to its integrity, security, or profitability.

2. If the director emergently suspends a license or permit, the director shall:

a. Promptly schedule a board hearing on the emergency suspension;

b. Provide the licensee or permit holder the written notice required under subsection E of this section,

c. Order the licensee or permit holder to immediately cease performing the functions otherwise authorized by the license or permit; and

d. Inform the licensee or permit holder that failure to comply with the director's order constitutes a separate violation for which an additional sanction or civil penalty may be imposed.

3. An emergency suspension may be resolved through a voluntary settlement agreement pursuant to subsection F of this section.

H. Imposition of sanctions and civil penalties.

1. For a violation of subsection C of this section, the director may impose:

a. A civil penalty:

(1) For a facility operator or a supplier, in an amount not to exceed \$100,000; and

(2) For a holder of service permit, in an amount not to exceed \$10,000; or

b. A sanction, including:

(1) Revocation of a license or permit;

(2) Suspension of a license or period for a period of time;

(3) Reprimand; or

(4) Condition that must be met within a specified time as to:

(a) Training;

(b) Staffing;

(c) Supervision;

(d) Compliance with internal controls;

(e) Probationary periods; or

(f) Any other directive to address the violation.

2. The imposition of a civil penalty or a sanction may be appealed to the board for a hearing under 11VAC5-20-180.

3. To determine the amount of a civil penalty to impose on a licensee or permit holder, the board shall consider:

a. The seriousness of the violation;

b. The harm caused by the violation; and

c. Whether the person who committed the violation acted in good faith.

4. To determine the appropriate sanction to impose on a licensee or permit holder, the board may consider the factors in subdivision 2 of this subsection, and:

a. Whether a violation was willful;

b. Whether the licensee or permit holder had, or should have had, control of the situation;

c. Whether the violation may have occurred in connection with unclear or insufficient:

(1) Information;

(2) Training;

(3) Communication; or

(4) Requirements;

d. Any extraordinary circumstances;

e. Prior disciplinary history with the board;

f. Profit that resulted, or may have resulted, from the violation;

g. Harm that resulted, or may have resulted, from the violation;

h. How the violation was detected;

i. Tailoring the discipline to address the violation;

j. Action taken by the licensee or permit holder to prevent recurrence of the violation;

k. Action taken by the department to address similar violations; and

l. Any other information that the board finds relevant.

5. Because a licensee and a permit holder is presumed to be familiar with applicable statutes and regulations governing Virginia's casino gaming program, a claim of ignorance of the law or this chapter may not be used as a defense to a finding of a violation or to the imposition of a sanction or civil penalty.

6. A sanction and a civil penalty may be imposed for each violation.

I. Board action.

1. Board action against a licensee or permit holder for a violation of subsection C of this section shall be conducted in accordance with 11VAC5-90-180, and the board shall:

a. Make a finding whether the licensee or permit holder violated a provision of subsection C of this section; and

b. If the licensee or permit holder violated a provision of subsection C of this section, decide whether, and to what extent, to impose a sanction or civil penalty.

2. A licensee or permit holder may seek judicial review of the board's decision.

3. A licensee or permit holder against whom the board ordered the imposition of suspension or revocation of a license or permit shall immediately comply with the board's order.

4. A licensee or permit against whom the board imposed a civil penalty shall remit to the board payment in full of the civil penalty within 30 calendar days.

11VAC5-90-100. General facility operator requirements.

A. Purpose.

1. The requirements of this section are in addition to any other requirements for licensees and permit holders.

2. The purposes of the Casino Gaming Law and this chapter are to assist economic development, promote tourism, and provide for the implementation of casino gaming operations of the highest quality, honesty, and integrity and free of any corrupt, incompetent, dishonest, or unprincipled practices.

3. An application for a facility operator's license shall:

a. Be complete before it is fully evaluated by the department;

b. Shall include such information about the facility and its location as required by the department; and

c. Be evaluated as to whether:

(1) The application complies with the minimum standards provided in the Casino Gaming Law and this chapter; and

(2) Gaming operations at the proposed location will be in furtherance of the purposes of the Casino Gaming Law and this chapter.

B. Board and director responsibility.

1. No member of the board shall:

a. Have any direct or indirect financial, ownership, or management interest in any casino gaming operation.

b. Receive or share in, directly or indirectly, the receipts or proceeds of any casino gaming operation.

c. Have an interest in any contract for the manufacture or sale of gaming devices, the conduct of any gaming activity, or the provision of independent consulting services in connection with any gaming establishment or gaming activity.

2. The board may issue subpoenas for the attendance of witnesses before the board, administer oaths, and compel production of records or other documents and testimony of such witnesses whenever in the judgment of the board it is necessary to do so for the effectual discharge of its duties.

3. In addition to any other audits provided for under this chapter, the board may order such audits as it deems necessary and desirable.

4. The director shall have the authority to:

a. Inspect and investigate and have free access to the offices, facilities, or other places of business of any licensee or permit holder and may compel the production of any of the books, documents, records, or memoranda of

any licensee or permit holder for the purpose of ensuring compliance with the Casino Gaming Law and this chapter.

b. Compel any person holding a license or permit to file with the department such information as shall appear to the director to be necessary for the performance of the department's functions, including financial statements and information relative to principals and all others with any pecuniary interest in such person.

c. Apply to the appropriate circuit court for an injunction against any person who has violated or may violate any provision of this chapter or any regulation or final decision of the department, and the order granting or refusing such injunction shall be subject to appeal as in other cases in equity.

d. In addition to and not limited by any action taken against a regulated entity, licensee, or permit holder, impose a fine or penalty not to exceed \$1 million upon any person determined, in proceedings commenced pursuant to § 58.1-4105 of the Code of Virginia, to have violated any of the provisions of the Casino Gaming Law or regulations promulgated by the board.

C. License or permit required.

1. A person may not operate a casino gaming establishment without having obtained an operator's license in accordance with the provisions of the Casino Gaming Law and this chapter.

2. Only the holder of a supplier's permit may sell or lease, or contract to sell or lease, casino gaming equipment and supplies, or provide management services, to any licensee involved in the ownership or management of gaming operations to the extent provided in the permit.

3. Any person that supplies any casino gaming equipment, devices, or supplies to a licensed gaming operation or manages any operation, including a computerized network of a casino gaming establishment shall first obtain a supplier's permit.

4. A supplier shall:

a. Furnish to the department a list of all management services, equipment, devices, and supplies offered for sale or lease in connection with the games authorized under the Casino Gaming Law and this chapter;

b. Keep books and records for the furnishing of casino gaming equipment, devices, and supplies to gaming operations separate and distinct from any other business that the supplier might operate;

c. File a quarterly return with the department listing all sales and leases for which a permit is required; and

d. Permanently affix its name to all its equipment, devices, and supplies for gaming operations.

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5. Gaming equipment, devices, and supplies may not be distributed unless the equipment, devices, and supplies conform to standards adopted by the department.

6. A supplier's equipment, devices, or supplies that are used by any person in an unauthorized gaming operation shall be forfeited to the Commonwealth.

7. No person shall participate in any gaming operation as a casino gaming employee or concessionaire or employee of either or in any other occupation that has determined necessary to regulate in order to ensure the integrity of casino gaming in the Commonwealth unless such person possesses a service permit.

8. A person who conducts a gaming operation without first obtaining a license to do so, or who continues to conduct such games after revocation of the person's license, in addition to other penalties provided, shall be subject to a civil penalty assessed by the board equal to the amount of gross receipts derived from wagering on games, whether unauthorized or authorized, conducted on the day, as well as confiscation and forfeiture of all casino gaming equipment, devices, and supplies used in the conduct of unauthorized games. Any civil penalties collected pursuant to this subdivision shall be payable to the State Treasurer for deposit to the general fund.

D. Facility operator requirements.

1. A facility operator shall be the person primarily responsible for the gaming operations under the facility operator's license and compliance of such operations, and the compliance of the facility operator's affiliates and contractors, with the provisions of the Casino Gaming Law and this chapter.

2. A facility operator shall submit to the department any updates or revisions to the capital investment plan the facility operator provided with its initial license application pursuant to subdivision B 4 of § 58.1-4109 of the Code of Virginia.

3. A facility operator may operate its own equipment, devices, and supplies and may utilize casino gaming equipment, devices, and supplies at such locations as may be approved by the department for the purpose of training enrollees in a school operated by the licensee and approved by the department to train individuals who desire to become qualified for employment or promotion in gaming operations.

4. A facility operator shall be subject to review by the department on an ongoing basis and annually to determine compliance with the Casino Gaming Law, this chapter, and directives of the department and the director

5. Annual reviews under subdivision 4 of this subsection shall include a certification from the host city of the status of

the operator's compliance with local ordinances and regulations.

6. If the certification under subdivision 5 of this subsection states that the facility operator is not in compliance, the department shall require the operator to submit a plan of compliance, corrective action, or request for variance consistent with this chapter.

7. Department staff may be present in any facilities under the control of a licensee.

8. A facility operator shall file an annual report with the department listing its inventories of casino gaming equipment, devices, and supplies related to its operations in the Commonwealth of Virginia.

9. Within 90 days after the end of each fiscal year, a facility operator shall transmit to the department a third-party, independent audit of the financial transactions and condition of the licensee's total operations.

10. Every five years, a facility operator shall submit to the department for review and approval a reinvestment projection related to the facility to cover the succeeding five-year period of operations.

11. Consistent with requirements of the Casino Gaming Law and the contract between a host city and its preferred casino gaming operator, a facility operator shall submit to the department evidence that:

a. Any contractor hired for construction at the facility has:

(1) Paid the local prevailing wage rate as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 USC § 276 et seq., to each laborer, workman, and mechanic the contractor employs on the site;

(2) Participated in apprenticeship programs that have been certified by the Department of Labor and Industry or the U.S. Department of Labor;

(3) Established preferences for hiring residents of the eligible host city and adjacent localities, veterans, women, and minorities for work performed on the site;

(4) Provided health insurance and retirement benefits for all full-time employees performing work on the site; and

(5) Required that the provisions of subdivisions 11 a (1) through 11 a (4) of this subsection are included in every subcontract; and

b. The facility operator has:

(1) Paid its full-time employees performing work at the facility an hourly wage or a salary, including tips, that equates to an hourly rate no less than 125% of the federal minimum wage;

(2) Established preferences for hiring residents of the host city and adjacent localities, veterans, women, and

minorities for work performed at the facility in compliance with any applicable federal law;

(3) Provided access to health insurance and retirement savings benefit opportunities for all full-time employees of the facility operator performing work at the facility; and

(4) Required that any contract for services performed at the facility, other than construction, with projected annual services fees exceeding \$500,000, meet the requirements of subdivisions 11 b (1), 11 b (2), and 11 b (3) of this subsection with regard to full-time personnel of the subcontractor who performed services at the facility.

E. Junkets.

1. Junket agreements and final reports

a. A facility operator shall ensure that:

(1) A junket agreement between a facility operator and a junket enterprise, or junket representative, is in writing; and

(2) An executed copy of the junket agreement is submitted to the department before a junket arrives at the facility.

b. A junket agreement shall include at least the following provisions:

(1) If the department disapproves a term of the junket agreement or determines that a junket enterprise or junket representative has engaged in an activity prohibited under the Casino Gaming Law, this chapter, or a directive of the department or director:

(a) The department shall notify the facility operator that is a party to the junket agreement of the disapproval or determination; and

(b) The operations under the agreement shall be suspended as of the date of the department's disapproval until it is amended by the parties to the satisfaction of the department;

(2) The junket enterprise or junket representative shall:

(a) Maintain good standing with the Commonwealth of Virginia; and

(b) Obtain and maintain all required business licenses and permits; and

(3) The services of the junket enterprise and junket representative will comply with all applicable laws.

c. Junket final reports shall:

(1) Be prepared by a facility operator for a junket engaged in or on its property and shall include:

(a) The origin of a junket and its date and time of arrival and departure;

(b) The name of all junket enterprises and junket representatives involved in the junket;

(c) A junket manifest that lists the names and addresses of the junket participants;

(d) The nature, amount, and value of complimentary services, accommodations, and other items provided by the facility to a junket participant; and

(e) The total amount of services or other items of value provided to or for the benefit of a patron participating in a junket that was paid for by the junket enterprise, a junket representative, or an agent or employee of a junket enterprise or junket representative;

(2) Be prepared and signed by an employee of the facility operator;

(3) Be prepared within seven days of completion of the junket; and

(4) Be submitted to the department upon request.

2. Prohibited activities. A facility operator shall ensure that a junket enterprise or a junket representative or an agent or employee of a junket enterprise or a junket representative does not:

a. Unless approved in writing by the department, accept compensation on any basis other than theoretical win;

b. Engage in collection efforts;

c. Solicit, receive, or accept any fee or gratuity from a patron for the privilege of participating in a junket or for performance of any function for which the junket enterprise or junket representative is licensed;

d. Unless disclosed in writing to the facility operator for which the junket was arranged, pay for transportation or any other service or item of value that is provided to or for the benefit of a patron participating in a junket;

e. Extend credit to or grant credit on behalf of a facility operator to a patron participating in a junket;

f. Accept an advance of money or a loan from a patron participating in a junket;

g. Engage in conduct that would bring the Commonwealth of Virginia into disrepute;

h. Pursue economic gain in an occupational manner or context that is in violation of the laws of the Virginia, if the pursuit creates a reasonable belief that participation of the junket enterprise or junket representative would be inimical to the policies of the laws of the Commonwealth, including the Casino Gaming Law, and this chapter;

i. Engage in activities that create a reasonable belief that the junket enterprise or junket representative is or is an associate of a criminal or criminal enterprise; or

j. Perform junket services under an agreement that has not been reduced to writing.

F. Central monitor and control system.

1. Each casino game that operates electronically shall be connected to a central monitor and control system established and operated by the department.

2. The central monitor and control system shall:

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- a. Provide the ability to audit and account for terminal revenues and distributions in real time; and
- b. Collect the following information from each electronically operated casino game, as applicable:
 - (1) Cash in;
 - (2) Cash out;
 - (3) Points played;
 - (4) Points won;
 - (5) Gross terminal income;
 - (6) Net terminal income;
 - (7) The number of plays of the game;
 - (8) The amounts paid to play the game;
 - (9) Door openings;
 - (10) Power failures;
 - (11) Remote activations and disabling; and
 - (12) Any other information required by the department.

G. Conduct of casino gaming; prohibited acts.

- 1. A person licensed or holding a permit under this chapter shall allow no form of wagering that is not authorized by the Casino Gaming Law and this chapter.
- 2. A facility operator may accept wagers only from an individual present at the facility.
- 3. A person present at a facility may not place or attempt to place a wager on behalf of another person who is not present at the facility.
- 4. No person younger than 21 years of age shall be permitted to make a wager or be present where casino gaming is being conducted.
- 5. No person shall place or accept a wager on youth sports.
- 6. No licensee or permit holder shall accept postdated checks in payment for participation in any gaming operation.
- 7. No licensee, permit holder, or any person on the premises of a casino gaming establishment shall extend lines of credit or accept any credit card or other electronic fund transfer in payment for participation in any gaming operation.
- 8. Casino gaming wagers shall be conducted only with tokens, chips, or electronic cards purchased from the facility operator.
- 9. Tokens, chips, or electronic cards may be used only for the purpose of:
 - a. Making wagers on casino games; or
 - b. Making a donation to a charitable entity granted tax-exempt status under § 501(c)(3) of the Internal Revenue Code, provided that the donated tokens, chips, or electronic cards are redeemed by the same charitable entity accepting the donation.

10. No person shall:

- a. Operate casino gaming where wagering is used or to be used without a license issued by the department;
- b. Operate casino gaming where wagering is permitted in a manner other than as specified by the Casino Gaming Law, this chapter, and any directive of the department or the director;
- c. Offer, promise, or give anything of value or benefit to a person who is connected with a gaming operation, including an officer or employee of a licensed operator or permit holder, pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a game, or to influence official action of a member of the board, the director, a department employee, or a local governing body;
- d. Solicit or knowingly accept a promise of anything of value or benefit while the person is connected with a gaming operation, including an officer or employee of a licensed operator or permit holder, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a game, or to influence official action of a member of the board, the director, a department employee, or a local governing body;
- e. Use or possess with the intent to use a device to assist in:
 - (1) Projecting the outcome of a game;
 - (2) Keeping track of the cards played;
 - (3) Analyzing the probability of the occurrence of an event relating to a game; or
 - (4) Analyzing the strategy for playing or betting to be used in a game except as permitted by department regulation;
- f. Cheat at gaming;
- g. Manufacture, sell, or distribute any card, chip, dice, game, or device that is intended to be used to violate any provision of the Casino Gaming Law or this chapter;
- h. Alter or misrepresent the outcome of a game on which wagers have been made after the outcome is made sure but before it is revealed to the players;
- i. Place a bet after acquiring knowledge not available to all players of the outcome of the game that is the subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome;
- j. Claim, collect, or take, or attempt to claim, collect, or take money or anything of value in or from a game with intent to defraud, without having made a wager contingent on winning the game or claim, collect, or take an amount of money or thing of value of greater value than the amount won;

- k. Use counterfeit chips or tokens in a game; or
- l. Except for a permit holder or licensee authorized by the facility operator, possess any key or device designed for the purpose of opening, entering, or affecting the operation of a game, drop box, or electronic or mechanical device connected with the game or for removing coins, tokens, chips, or other contents of a game.

H. In addition to any criminal actions brought against the person, a person convicted of a violation the activities listed in subsection G of this section shall be barred for life from gaming operations under the jurisdiction of the board.

I. Any credential, license, or permit issued by the department if used by the holder thereof for a purpose other than identification and in the performance of legitimate duties in a casino gaming establishment, shall be automatically revoked.

J. Voluntary exclusion; responsible gaming.

1. In addition to the requirements of 11VAC5-90-60, a facility operator shall comply with the requirements of this subsection.

2. A facility operator may disclose information about an individual on the voluntary exclusion list to:

- a. The department;
- b. The facility's:
 - (1) Manager;
 - (2) Security department;
 - (3) Surveillance department; or
 - (4) Employees who are directly responsible for excluding unauthorized individuals from the facility; and
- c. If the facility operator pursues criminal charges against an individual on the voluntary exclusion list who is suspected of trespassing at a facility, to:
 - (1) A law enforcement officer; or
 - (2) A person who is legally authorized to be involved in the criminal prosecution of an individual on the voluntary exclusion list who is suspected of trespassing at a facility.

3. If an individual on the voluntary exclusion list is found on the premises of a facility, the facility operator:

- a. Shall immediately notify the department; and
- b. May pursue criminal charges against the individual for trespassing or any other appropriate criminal charge.

4. A facility operator may not:

- a. Permit an individual on the voluntary exclusion list to:
 - (1) Enter the facility; or
 - (2) Play a casino game;
- b. Knowingly fail to exclude from the premises an individual on the voluntary list; or

c. Disclose information about individuals on the voluntary exclusion list beyond the disclosures that are authorized by subdivision 2 of this subsection.

5. Responsible gaming plan.

a. A facility shall establish a responsible gaming plan that sets forth the facility's plan for addressing problem gambling at the facility.

b. The responsible gaming plan shall include at least the following elements:

- (1) Goals;
- (2) Procedures and deadlines for implementation;
- (3) Identification of facility personnel responsible for implementation;
- (4) Responsibilities of facility personnel identified as responsible for implementation;
- (5) Training for facility personnel on problem gambling and voluntary exclusion;
- (6) Means of controlling access to records pertaining to voluntary exclusion;
- (7) Means of educating players about:
 - (a) Problem gambling;
 - (b) Problem gambling treatment resources; and
 - (c) Voluntary exclusion;
- (8) Placement of responsible gambling awareness materials in the facility;
- (9) Procedures for ensuring that an individual in the voluntary exclusion program is not permitted to:
 - (a) Enter the facility;
 - (b) Play a casino game; or
 - (c) Claim a jackpot;
- (10) The facility's response to the discovery of an individual who is enrolled in the voluntary exclusion program on facility property, which may include pursuing criminal charges against the individual; and
- (11) Any other element required by the department.

c. A facility operator shall submit to the department its responsible gaming plan at least 60 days before operations are to commence.

d. A facility operator shall submit any amendments to its responsible gaming plan to the department prior to implementation.

e. A facility operator shall submit to the department an annual report describing the facility's responsible gaming plan.

6. A facility operator shall:

a. Post signage that prominently bears the gambling assistance message and the underage warning message

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approved by the department at each customer entrance to the gaming floor;

b. Ensure that the gambling assistance message approved by the department is included in an advertisement that is intended to encourage casino game play at its facility, including advertisements that are:

(1) In print medium;

(2) On a billboard;

(3) Broadcast on radio, television, or other means, including social media;

(4) Printed on a paper product that is associated with player consumption of food or beverage if the paper product is:

(a) Special ordered; and

(b) Branded with the facility's logo; or

(5) Is printed on ticket stock; and

c. Place in the facility responsible gambling awareness materials according to its responsible gaming plan.

K. Mandatory exclusion.

1. This subsection establishes a mechanism by which the department:

a. Maintains a list of individuals who are to be mandatorily excluded or ejected from a facility; and

b. Establishes standards that require a facility operator to:

(1) Exclude or eject an individual from the premises of the facility; and

(2) Ensure that intoxicated individuals and individuals younger than 21 years of age are not allowed:

(a) To play casino games; and

(b) In areas of the facility where casino games are located.

2. The department shall establish and maintain a mandatory exclusion list that identifies individuals whom the department has directed be mandatorily excluded or ejected by a facility operator.

3. The director may place on the mandatory exclusion list an individual who:

a. Has exhibited behavior:

(1) In an occupational manner or context for the purpose of economic gain; and

(2) Utilizes methods that are deemed by the department as criminal violations inimical to the interest of the Commonwealth;

b. Has been convicted of a criminal offense under the laws of the United States or any jurisdiction within the United States that is a criminal offense involving moral turpitude or a gambling offense;

c. Would adversely affect the interests of the Commonwealth, the licensee, or the individual if the individual were to be present at a facility;

d. Is the subject of any administrative or judicial order directing the individual to stay away from a casino or other gaming facility;

e. Presents a threat to the safety of any individual on the premises of a facility;

f. Engages in, or has a documented history of engaging in, disruption of casino game play;

g. The director or a facility operator has a reasonable belief has cheated, or attempted to cheat at a facility by engaging in conduct including:

(1) Altering or misrepresenting the outcome of a game or event on which bets have been placed;

(2) Placing, canceling, increasing, or decreasing a bet based on knowledge that is not available to other players;

(3) Claiming or collecting a prize from a facility that the individual did not win or earn or that the individual was not otherwise authorized to claim or collect;

(4) Manipulating a casino game, a central monitor and control system, or associated equipment or software to affect the outcome of a game or bet; or

(5) Altering the elements of chance or methods of selection or criteria that determine the outcome of a game or bet;

h. Has been banned for life from casino play or operations pursuant to the gaming law or this chapter; or

i. Engages in any conduct that may adversely affect public confidence in, or perception of, casino gaming operations in the Commonwealth.

4. In evaluating whether to place an individual on the mandatory exclusion list related to an incident or series of incidents, the director may specify monetary amounts and circumstances, including:

a. The nature of the incident or incidents;

b. Whether the individual was an employee of a licensee or permit holder at the time of the incident or incidents;

c. If the individual was a licensee or the holder of a permit, whether the individual was working at a facility while the individual engaged in conduct described in subdivision 3 of this subsection;

d. Whether the incident or incidents had a direct impact on:

(1) A facility;

(2) A player;

(3) A licensee; or

(4) The amount or type of loss to:

(a) A facility;

(b) A player; or

- (c) A licensee or permit holder;
- e. Whether the individual made restitution;
- f. Whether the individual was involved in a prior incident that meets the criteria of subdivision 3 of this subsection;
- g. Whether a facility has other information the director finds relevant; and
- h. Any other information the director finds relevant.

5. The entry of an individual on the mandatory exclusion list shall include sufficient information to identify the excluded individual.

6. The mandatory exclusion list shall be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq. of the Code of Virginia).

7. Inclusion on mandatory exclusion list

a. Upon receipt of information that reasonably indicates that an individual meets any criteria under subdivision 3 of this subsection, and after making any considerations described in subdivision 3 of this subsection, the director shall:

- (1) Evaluate the information;
- (2) Ensure that the information sufficiently identifies the individual; and
- (3) Decide whether to place the individual on the mandatory exclusion list.

b. Prior to placing an individual on the mandatory exclusion list, the director or the director's designee may provide a facility with:

- (1) Information used to identify an individual who may be excluded;
- (2) The factual basis for placing an individual on the mandatory exclusion list; and
- (3) An opportunity to provide the director with information identified in subdivision 3 of this subsection.

c. If the director decides to place an individual on the mandatory exclusion list, department staff shall deliver to the individual via U.S. Postal Service mail, a written notice explaining:

- (1) The factual basis for placing the individual on the mandatory exclusion list;
- (2) The availability of a reconsideration meeting with the director or the director's designee;
- (3) The requirements for submitting a request for a reconsideration meeting;
- (4) That if a timely request for a reconsideration meeting is not submitted, the individual's name shall be:

- (a) Placed on a mandatory exclusion list;
- (b) Distributed to all Virginia facility operators; and
- (c) Made publicly available; and

(5) That the excluded individual shall be:

- (a) Prohibited from entering any facility and from playing any casino game in the Commonwealth of Virginia;
- (b) Subject to criminal charges for trespassing or any other appropriate criminal charge; and
- (c) Required to redeem or liquidate an unredeemed item with monetary value that the individual has received since being placed on the mandatory exclusion list and surrender those redeemed or liquidated sums to the Problem Gambling Treatment and Support Fund established under § 37.2-314.2 of the Code of Virginia.

8. Reconsideration meeting.

a. An individual may submit to the director a written request for a reconsideration meeting within 15 days of the date of the individual's receipt of the notice described in subdivision 7 of this subsection.

b. If an individual fails to timely submit a request for a reconsideration meeting, the individual shall be placed on the mandatory exclusion list.

c. A reconsideration meeting may be held by the director or the director's designee.

d. During a reconsideration meeting, an individual may:

- (1) Be represented by counsel; and
- (2) Present evidence as to why the individual does not meet the criteria for mandatory exclusion.

e. The director or the director's designee shall deliver to the individual via U.S. Postal Service mail, a written notice of the decision following the reconsideration meeting.

f. An individual dissatisfied with the result of a reconsideration meeting may submit a written request to the board for an appeal hearing.

g. The request for an appeal hearing shall:

- (1) Be submitted within 15 days of the date of the individual's receipt of the written notice of the decision following the reconsideration meeting; and
- (2) Describe the individual's legal and factual bases for disagreeing with placement on the mandatory exclusion list.

h. If an individual fails to timely submit a written request for an appeal hearing, the individual shall be placed on the mandatory exclusion list.

i. Upon receipt of a timely written request for an appeal hearing, the board shall provide the individual with a notice for the appeal hearing.

9. Appeal hearing.

a. If after an appeal hearing the board decides that the excluded individual does not meet any criteria under subdivision 3 of this subsection, the individual's name may not be placed on the mandatory exclusion list.

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b. If after an appeal hearing, the board decides that the excluded individual meets any criteria under subdivision 3 of this subsection:

(1) The individual's name shall remain on the mandatory exclusion list;

(2) The department shall notify all facility operators of the individual's addition to the mandatory exclusion list;

(3) The individual may seek judicial review of the board's decision; and

(4) The individual may request to be removed from the mandatory exclusion list only as provided in subdivision 10.

10. Removal from mandatory exclusion list

a. After an excluded individual has been on the mandatory exclusion list for at least five years, the individual may request removal from the mandatory exclusion list.

b. An excluded individual's request for removal shall be submitted to the director in writing and shall include a detailed statement about why there is:

(1) Good cause for removal of the individual from the list; and

(2) A material change in the individual's circumstances since the individual's name was placed on the list.

c. The director or the director's designee shall investigate the request and make a recommendation to the department whether to grant or deny the request.

d. If the director or the director's designee recommends removing the individual from the list, the department may approve the recommendation without a hearing, and department staff shall:

(1) Remove the individual from the mandatory exclusion list;

(2) Deliver to the individual via U.S. Postal Service mail a notice of removal from the mandatory exclusion list; and

(3) Notify all facility operators of the individual's removal from the mandatory exclusion list.

e. If the director or the director's designee recommends continued inclusion on the mandatory exclusion list, the excluded individual may submit to the board a written request for an appeal hearing.

11. Appeal hearing.

a. The request for an appeal hearing shall:

(1) Be submitted within 15 days of the date of the individual's receipt of the written notice of the recommendation of the director or the director's designee; and

(2) Describe the individual's legal and factual bases for disagreeing with the recommendation.

b. If an individual fails to timely submit a written request for an appeal hearing, the individual shall remain on the mandatory exclusion list.

c. Upon receipt of a timely written request for an appeal hearing, the director shall provide the individual with notice for a hearing.

12. If after a hearing the board denies the individual's request for removal, the board shall deliver to the individual via U.S. Postal Service mail a notice that the:

a. Request was denied; and

b. Individual shall remain on the mandatory exclusion list.

13. Separate from the individual's ability to request removal from the mandatory exclusion list, the director shall periodically review the mandatory exclusion list and may consider the following in order to determine if an individual should be removed:

a. Whether the individual is living;

b. Whether there are changed circumstances; or

c. Any other relevant information.

14. Judicial review. The board's decision under subdivisions 9 and 11 of this subsection may be subject to judicial review.

L. Enforcement. A facility operator may not:

1. Knowingly fail to exclude or eject from the facility premises an excluded individual;

2. Fail to notify the department if an excluded individual is excluded or ejected from the facility;

3. Permit an intoxicated individual or individual younger than 21 years of age to:

a. Play a casino game; or

b. Be in areas of the facility where casino games are located;

4. Knowingly allow the following individuals to collect a jackpot:

a. An excluded individual; or

b. An individual younger than 21 years of age; or

5. Fail to obtain any unredeemed items and prizes in the possession of an excluded individual and transfer them to the Problem Gambling Treatment and Support Fund established under § 37.2-314.2 of the Code of Virginia.

M. Facility exclusion plan.

1. A facility operator shall establish a plan for identifying and:

a. Excluding or ejecting from a facility:

(1) Excluded individuals; and

(2) Individuals who may be eligible for placement on the mandatory exclusion list; and

b. Ensuring that intoxicated individuals and individuals younger than 21 years of age are not allowed:

(1) To play casino games; and

(2) In areas of the facility where casino games are located.

2. The plan required under subdivision 1 of this subsection shall include at least the following elements:

a. Goals;

b. Procedures and deadlines for implementation;

c. Identification of facility personnel responsible for implementation;

d. Responsibilities of facility personnel identified as responsible for implementation;

e. Training for facility personnel on the requirements of this chapter;

f. Regular monitoring of the mandatory exclusion list;

g. Prompt reports to the department about the presence on facility premises of an individual who:

(1) Is included on the mandatory exclusion list; and

(2) Is required to be prevented from playing casino games;

h. Prompt reports to the department about an individual who is permanently excluded from the facility;

i. The facility's response to the discovery of an individual who is on the mandatory exclusion list on facility property, which may include pursuing criminal charges against the individual; and

j. Any other element required by the department.

3. A facility operator shall submit to the department for its approval:

a. The exclusion plan required under subdivision 1 of this subsection at least 60 days before operations are to commence;

b. Any amendments to a facility's exclusion plan prior to implementation; and

c. An annual report describing the operation of the facility's exclusion plan.

N. Collection of taxes, fees, and civil penalties.

1. A tax on the adjusted gross receipts of each facility operator received from games authorized under this chapter shall be imposed as required by § 58.1-4124 of the Code of Virginia.

2. The department shall send to facility operators an invoice for slot machine adjusted gross receipts on the first workday of each month, where "workday" means when Commonwealth of Virginia government offices are open for business.

3. A facility operator shall certify its adjusted gross receipts from gaming sources other than slot machines and submit the certification to the department on a monthly basis.

4. The taxes imposed on a facility operator for adjusted gross receipts as described in this subsection shall be paid by wire transfer to the department by a facility operator no later than the fifth day of each month for the month preceding when the adjusted gross receipts were received and shall be accompanied by any additional forms and returns required by the department, including the certification required by subdivision 3 of this subsection.

5. Funds received from an applicant, licensee, or permit holder for taxes, fees, or civil penalties shall be paid to the appropriate fund as established by the Code of Virginia.

6. For a fee or civil penalty:

a. The department shall issue an invoice or other order to pay; and

b. The applicant, licensee or permit holder shall remit payment to the department within 30 days after the date of the invoice or order to pay by wire transfer or other method specified by the department.

7. The department may suspend or revoke a license or permit for willful failure to submit payments in full within the specified time.

8. The department may recover from an applicant or licensee whose payment of taxes, fees, or penalties is overdue:

a. The unpaid amount of the taxes, fees, or penalties;

b. Revenues lost to the Commonwealth as the result of the nonpayment;

c. Attorney fees; and

d. Any other penalty, interest, cost, and expense allowable by law.

9. The failure of a licensee or permit holder to timely pay a tax, fee, or penalty is a violation of an order of the department.

10. The department's election to seek recovery under subdivision 8 of this subsection does not preclude the department or the Commonwealth from enforcing other rights, or seeking other remedies, for the same failure to pay.

11VAC5-90-110. Casino gaming facility minimum internal control standards.

A. In this section, the following terms have the meanings indicated unless the context clearly indicates otherwise:

"Bill validator" means an element of a casino gaming operation designed and configured to accept any combination of currency, gaming tickets, promotional play instruments, or other instruments authorized by the department for activating credits for a player to use for gaming.

"Cash" means currency and coin.

"Cash equivalent" means a:

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1. Certified check, cashier's check, treasurer's check, travelers check, or money order that is:

- a. Payable to the facility operator, "bearer," or "cash,"
- b. Drawn for a specific amount;
- c. Currently dated not postdated;
- d. Payable on demand; and
- e. Without an endorsement; and

2. Certified check, cashier's check, treasurer's check, or money order that is:

- a. Made payable to the presenting player;
- b. Drawn for a specific amount;
- c. Currently dated not postdated;
- d. Payable on demand;
- e. Endorsed by the presenting player; and
- f. Without an endorsement other than that of the presenting player.

"Cash storage box" means a secure tamper resistant container in a bill validator into which currency, gaming tickets, promotional play instruments, or other instruments authorized by the department.

"Customer deposit account" means a player-specific account established in a facility operator's cashiers' cage accountability into which a player may deposit cash or funds accepted by means of personal check, wire transfer, cash equivalent, or other negotiable instrument.

"Noncashable credit" means a credit on a casino game that activates play but is not convertible to cash at the conclusion of play.

"Promotional play" means an award by a facility operator of noncashable credits on a casino game:

1. Directly or indirectly to a player; and
2. With or without regard to the:
 - a. Identity of the player; or
 - b. Player's level of gaming activity.

"Promotional play system" means the collective hardware, software, communications technology and other ancillary equipment owned or leased by a facility operator to facilitate the award of promotional play by means of a:

1. Promotional play instrument; or
2. Download from the system to the casino game.

B. Accounting records.

1. A facility operator shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and expenses of the facility.

2. General ledger records shall be maintained on a double entry system of accounting with transactions recorded on a basis consistent with generally accepted accounting principles in the United States.

3. Subsidiary ledgers and records supporting general ledger records shall be prepared in accordance with generally accepted accounting principles in the United States.

4. Subsidiary ledgers and records shall include, at a minimum, documents that:

a. Support the financial statements and all transactions impacting the financial statements including contracts or agreements with manufacturers, contractors, and management companies;

b. Pertain to proceeds including generation of, accounting for, and transmission into the Gaming Proceeds Fund (§ 58.1-4125 of the Code of Virginia);

c. Identify for each casino game on a week-to-date, month-to-date, and year-to-date basis, the:

- (1) Handle;
- (2) Payout;
- (3) Win amount;
- (4) Win percentage; and
- (5) Average payout percentage;

d. Identify all costs and expenses associated with the operation of a facility;

e. Are prepared in compliance with the internal controls approved by the department under this chapter; and

f. Relate to:

- (1) Loans and other amounts payable by a facility operator;
- (2) Player disputes including player complaint forms filed with the department under this section;
- (3) Negotiable instruments accepted, deposited, returned as uncollected or ultimately written-off by a facility operator under this chapter; and
- (4) Investments in property and equipment for the benefit of a facility.

C. Forms and documents.

1. A form or document required by this chapter, including stored data, shall have:

- a. All information placed on the form or document recorded in ink or another permanent form; and
- b. The title of the form or document and the name of the facility imprinted or preprinted on it.

2. If under this section multiple copies are required of a form or document, all copies shall have the name of the recipient receiving the copy preprinted on the bottom of the copy in order to differentiate between the copies.

3. If under this section a form or document is required to be accounted for by series number or copies of a form or document are required to be compared for agreement, the responsible department shall report exceptions in writing to the facility's internal audit department not later than two days after identification of the exception.

4. A facility operator may prepare more copies of a form or document than required by this section.

D. Content of internal controls.

1. A facility operator shall develop a written description of its administrative and accounting procedures, including the system of internal controls over casino gaming operations.

2. A facility operator's internal controls are subject to review and approval by the department.

3. Internal controls shall, at a minimum, include:

a. Administrative controls and recordkeeping that document the authorization of transactions;

b. Accounting controls that provide reasonable assurance that:

(1) Transactions or financial events that occur in connection with the operation of a casino game are:

(a) Executed in accordance with the facility operator's authorization protocols;

(b) Recorded to permit preparation of financial statements in conformance with generally accepted accounting principles in the United States and the requirements of this chapter; and

(c) Recorded to permit proper and timely reporting and calculation of proceeds and to maintain accountability for assets;

(2) Access to assets is permitted only in accordance with the facility operator's authorization protocols; and

(3) The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with regard to a discrepancy;

c. Procedures and controls for ensuring:

(1) That a slot machine accurately and timely communicates all required activities and financial details to the:

(a) Department's central monitor and control system; and

(b) Facility operator's slot machine management system;

(2) That all functions, duties, and responsibilities are segregated and performed in accordance with sound financial practices by qualified personnel; and

(3) Through the use of a surveillance and a security department, that the facility is secure at all times during normal operation and during any emergency due to malfunctioning equipment, loss of power, natural disaster, or any other cause;

(4) Access controls that address, at a minimum, the:

(a) Content of, and administrative responsibility over, the manual or computerized access control matrix governing employee access to restricted areas;

(b) Issuance of a temporary access credential; and

(c) Comprehensive key controls;

(5) A record retention policy in accordance with this chapter;

(6) Procedures and controls over the movement of cash and the count room;

(7) Procedures and standards for conducting internal audits; and

(8) Other procedures and controls the department may require to be included in a facility operator's internal controls.

4. A facility operator shall make available a current version of its department-approved internal controls, in hard copy or through secure computer access, to:

a. All mandatory departments required under this section; and

b. The department's onsite office.

5. A facility operator shall maintain, in hard copy or electronic form, all superseded internal controls together with the written representations required under this section for at least five years after the date the internal controls were superseded.

E. Review of internal controls.

1. At least 60 days before casino gaming operations are to commence, a facility operator shall submit its internal controls to the department for review and written approval.

2. The internal controls shall be accompanied by:

a. A certification by the facility operator's chief executive officer or chief legal officer that the submitted internal controls conform to the requirements of the casino gaming law, this chapter, and any directives of the department or the director;

b. A certification by the facility operator's director of finance that the submitted internal controls:

(1) Establish a consistent overall system of internal controls;

(2) Provide reasonable assurance that financial reporting conforms to generally accepted accounting principles in the United States; and

(3) Conform to the requirements of the Casino Gaming Law, this chapter, and any directive of the department or the director; and

c. An opinion letter by an independent certified public accountant expressing an opinion as to:

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- (1) The effectiveness of the design of the submitted system of internal controls over financial reporting;
 - (2) Whether the submitted system of internal controls conforms to the requirements of the casino gaming law, this chapter, and any directives of the department of the director; and
 - (3) If applicable, whether a deviation from the requirements of the casino gaming law, this chapter, or any directive of the department of the director identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.
3. A facility operator may not commence operations until its internal controls are approved in writing by the director.
4. If the director determines that a submitted internal control is deficient, the:
- a. Department shall provide the facility operator with written notice of the deficiency; and
 - b. Facility operator shall revise the internal control as appropriate and resubmit to the director for review.
5. A facility operator may not implement a change or amendment in its approved internal controls without the prior written approval of the director.
6. A facility operator's initial internal controls submission and a change or amendment to its approved internal controls shall be reviewed and approved in accordance with a process and timeframe developed and implemented by the department.
7. The process developed by the department under subdivision 6 of this subsection shall, at a minimum, require the facility operator to:
- a. Submit a redlined copy of any section of the approved internal controls to be changed or amended with added text underlined and deleted text lined out;
 - b. Document on the redlined copy the date the director approved the section to be changed or amended and the date the revision was submitted to the director for review;
 - c. Submit a narrative explaining the reason for the change or amendment that includes the facility operator's target date for implementation;
 - d. Submit the written representations required in subdivision 2 of this subsection with regard to the proposed change or amendment;
 - e. Maintain a log of all changes or amendments in approved internal controls that includes the initial approval date and the effective date of any change or amendment approved by the director; and
 - f. Mark each page of approved internal controls with the date on which it was approved by the director.
- F. Standard financial and statistical reports.
1. The department may require a facility operator to submit daily, weekly, monthly, quarterly, and annual reports of financial and statistical data.
 2. Reports required under this chapter shall be in a form and submitted in accordance with a timeframe specified by the department.
 3. Unless otherwise specified by the department, reports to the department shall be signed by the:
 - a. Chief executive officer if the facility operator is a corporation;
 - b. General partner if the facility operator is a partnership;
 - c. Manager if the facility operator is a limited liability company;
 - d. Chief executive officer or functional equivalent if the facility operator is any other form of business association; or
 - e. Owner if the facility operator is a sole proprietorship.
 4. A facility operator shall submit a report to the department on the due date specified by the department unless an extension has been approved in writing by the director.
 5. The department, on written notice to a facility operator, may require an interim report to be submitted in a form and in accordance with a timeframe specified by the director.
- G. Annual audit and other regulatory reports.
1. A facility operator shall cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent certified public accountant.
 2. The annual financial statements shall be prepared on a comparative basis for the current and prior fiscal year and present financial position and results of operations in conformity with generally accepted accounting principles in the United States.
 3. The audited financial statements shall include a footnote reconciling and explaining any difference between the financial statements included in any report submitted to the department under subsection F of this section and the audited financial statements.
 4. A facility operator shall with regard to adjustments resulting from the annual audit:
 - a. Disclose to the department all adjustments whether or not recorded in the accounting records; and
 - b. Record the adjustment in the accounting records of the year to which the adjustment relates.
 5. No later than 90 days after the end of its fiscal year, a facility operator shall submit to the department:
 - a. A copy of its audited financial statements; and

- b. Any management letter or report prepared with regard to the financial statements by its independent certified public accountant.
6. A facility operator shall require the independent certified public accountant auditing its financial statements or other qualified entity approved by the department to render the following additional reports:
- a. A report identifying:
- (1) Material weaknesses or significant deficiencies in the facility operator's department-approved internal controls noted in the course of the examination of the financial statements; and
- (2) Recommendations as to how to eliminate each material weakness or significant deficiency identified; and
- b. A report assessing the adequacy and effectiveness of the facility operator's information technology security controls and system configurations with recommendations as to how to eliminate each material weakness or significant deficiency identified.
7. A facility operator shall prepare a written response to the reports required by subdivision 6 of this subsection that includes details as to any corrective action taken.
8. No later than 120 days after the end of its fiscal year, a facility operator shall submit to the department a copy of:
- a. The reports required under subdivision 6 of this subsection;
- b. The response required under subdivision 7 of this subsection; and
- c. Any other report on internal controls or other matters relative to its accounting or operating procedures rendered by its independent certified public accountant.
9. If a facility operator or any of its affiliates are publicly held, the facility operator shall submit to the department a copy of:
- a. Any report required to be filed with the Securities and Exchange Department including:
- (1) Form S-1;
- (2) Form 8-K;
- (3) Form 10-Q;
- (4) Form 10-K;
- (5) Proxy statement;
- (6) Information statement; and
- (7) Registration statement; and
- b. Any other report required to be filed with a domestic or foreign securities regulatory agency.
10. A report required to be filed under subdivision 9 of this subsection shall be submitted to the department no later than 10 days after the date of filing with the applicable agency.
11. A facility operator shall submit a written report to the department if an independent certified public accountant who is engaged as the principal accountant to audit its financial statements:
- a. Resigns;
- b. Is dismissed as the facility operator's principal accountant; or
- c. Is replaced by another independent certified public accountant as principal accountant.
12. A report required to be filed under subdivision 11 of this subsection shall include:
- a. The date of the resignation, dismissal, or new engagement;
- b. Whether in connection with the audits of the two most recent years preceding a resignation, dismissal, or new engagement there were any disagreements, resolved or unresolved, with the former accountant on:
- (1) Accounting principles or practices;
- (2) Financial statement disclosure; or
- (3) Auditing scope or procedure;
- c. The nature of any disagreement disclosed in subdivision 12 b of this subsection;
- d. Whether the principal accountant's report on the financial statements for either of the past two years contained an adverse opinion or disclaimer of opinion or was qualified;
- e. The nature of any adverse opinion, disclaimer of opinion, or qualification; and
- f. A letter from the former principal accountant addressed to the director stating whether the principal accountant concurs with the statements made by the facility operator in the report to the department submitted under this subsection.
13. A report required to be filed under subdivision 11 of this subsection shall be submitted to the department no later than 10 days after the end of the month in which the resignation, dismissal, or new engagement occurred.
14. No later than seven days after the date of filing with the applicable agency, a facility operator shall file with the department a copy of each Suspicious Activity Report-Casino filed under 31 CFR § 103.21.
15. A facility operator or a director, officer, employee, or agent of a facility operator who reports suspicious activity under 31 CFR § 103.21 may not notify an individual involved in the suspicious activity that the suspicious activity has been reported.
16. No later than seven days after the date of filing with the applicable agency, a facility operator shall file with the department a copy of each Currency Transaction Report by Casino filed under 31 CFR § 103.22.

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17. At least 30 days before casino gaming operations are to commence, a facility operator shall submit to the department a copy of its compliance program required under 31 CFR § 103.64.

18. On or before its effective date, a facility operator shall submit to the department any change or amendment to its compliance program required under 31 CFR § 103.64.

H. Record retention.

1. In this subsection, "books and records" means any document pertaining to, prepared in, or generated by a facility operator, without regard to the medium through which the record is generated or maintained, including all general ledger records, subsidiary records and ledgers, computer-generated data, forms, documents, internal audit reports and work papers, correspondence, and personnel records.

2. All original books and records shall be:

a. Prepared and maintained in a complete, accurate, and legible form;

b. Stored in a format that ensures readability, regardless of whether the technology or software that created or maintains it has become obsolete;

c. Retained in a secure location equipped with a fire notification system:

(1) At the facility; or

(2) An off-site location approved by the department for the express purpose of document storage;

d. Kept immediately available for inspection by the department during all hours of operation;

e. Organized and indexed in a manner designed to provide immediate accessibility to the department; and

f. Destroyed only after expiration of the minimum retention period required under this section.

3. The department 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 by this chapter.

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

a. Ownership of the facility;

b. Internally initiated investigations and due diligence;

c. Personnel matters;

d. Signature cards of current employees; and

e. Destruction of documents including:

(1) The identity of the document;

(2) Period of retention; and

(3) Date of destruction.

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

a. Identified for indefinite retention under subdivision 4 of this subsection; or

b. Subject to an exemption under subdivision 6 of this subsection.

6. Exceptions. The following exceptions apply to the retention period in subdivision 4 of this subsection:

a. A minimum retention period of four years shall apply to documentation pertaining to cashiers' cage transactions;

b. A minimum retention period of three years shall apply to:

(1) Signature cards of terminated employees;

(2) Insurance records relating to claims by players;

(3) Surveillance and security department;

(a) Employee duty logs;

(b) Visitor logs;

(c) Incident logs;

(d) Recording logs; and

(e) Equipment malfunction reports; and

(4) Documentation pertaining to gaming tickets or promotional play instruments reported to the department as possibly counterfeit, altered, or tampered with;

c. A minimum retention period of 30 days shall apply to:

(1) Canceled promotional play instruments for which all reconciliations required by the facility operator's approved internal controls have been conducted and resolved;

(2) Voided gaming tickets; and

(3) Gaming tickets redeemed at a location other than a casino gaming machine or ticket redemption unit; and

d. A minimum retention period of seven days shall apply to gaming tickets redeemed at a casino gaming machine or ticket redemption unit.

7. On submission of a written request by the facility operator, the department may approve a location outside the facility to store original books and records.

8. A facility operator requesting to store original books and records outside the facility shall submit to the department:

a. A description of the proposed location, including details with regard to security and fire notification systems;

b. Details with regard to the ownership of the proposed storage facility; and

c. Procedures for department access to original books and records retained at the proposed location.

9. A facility operator may not store books and records outside the facility without the prior written approval of the director.

10. On submission of a written request by a facility operator, the department may approve a microfilm, microfiche, or other suitable media system for the copying and storage of original books and records.

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

a. Processing, preservation, and maintenance methods to be utilized will make books and records readily available for review and reproduction;

b. Inspection and quality control methods to be utilized will ensure that when books and records are viewed or reproduced they will exhibit a high degree of legibility and readability;

c. Equipment necessary to readily locate, read, and reproduce books and records is available to the department at the facility or approved off-site storage location; and

d. Detailed index of all microfilmed, microfiche, or other stored data maintained and arranged to facilitate the immediate location of particular books and records is available to the department at the facility or approved off-site storage location.

12. A facility operator may not utilize a microfilm, microfiche, or other suitable media system for the copying and storage of original books and records without the prior written approval of the department.

13. A facility operator may utilize the services of a contractor for the destruction of books and records permitted to be destroyed under this section.

14. Nothing in this section shall be construed as relieving a facility operator of any obligation to prepare or maintain books and records required by any other federal, state, or local governmental entity.

I. Table of organization.

1. For the purposes of this subsection, the title used to describe a department head is intended to indicate responsibility for the functions of the enumerated department and does not obligate the facility operator to use that particular title.

2. Subject to the requirements of this subsection, a facility operator shall tailor its table of organization to meet its needs and policies.

3. At least 30 days before casino game operations begin, a facility operator shall submit to the department for review and written approval a table of organization depicting all direct and indirect reporting lines for:

a. The chief executive officer required by this subsection;

b. Mandatory departments required by this subsection; and
c. The cashiers' cage manager required by this subsection.

4. A facility operator may not commence operations until the table of organization submitted under subsection is approved in writing by the director.

5. A facility operator's table of organization shall include:

a. A system of personnel and chain of command that permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility;

b. The segregation of incompatible functions, duties, and responsibilities so that no individual is in a position to both:

(1) Commit an error or to perpetrate a fraud; and

(2) Conceal the error or fraud in the normal course of the individual's duties;

c. All functions, duties, and responsibilities of qualified personnel;

d. Areas of responsibility that are not so extensive as to be impractical for one individual to monitor;

e. A chief executive officer who is:

(1) Based for employment purposes at the facility;

(2) The holder of a supplier permit as key manager; and

(3) Ultimately responsible for the daily conduct of all operations at the facility; and

f. The following mandatory departments and supervisors:

(1) A surveillance department supervised by a director of surveillance who is:

(a) Based for employment purposes at the facility;

(b) Subject to the reporting requirements of this section;

(c) The holder of a supplier permit as a key manager; and

(d) Responsible for the surveillance of all aspects of casino game operations;

(2) An internal audit department supervised by a director of internal audit who is:

(a) Based for employment purposes at the facility;

(b) Subject to the reporting requirements of section;

(c) The holder of a supplier permit as a key manager; and

(d) Responsible for assessing compliance with approved internal controls, applicable laws and regulations, the reliability of financial reporting, deterring and investigating fraud, and the safeguarding of assets;

(3) An information technology department supervised by a director of information technology who is:

(a) Based for employment purposes at the facility;

(b) The holder of a supplier permit as a key manager; and

(c) Responsible for the quality, reliability, accuracy, and security of all facility operator's slot machine and casino

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management systems and associated equipment and software utilized by the facility operator regardless of whether the data, software, or systems are located in or outside the facility;

(4) A security department supervised by a director of security who is:

(a) Based for employment purposes at the facility;

(b) The holder of a supplier permit as a key manager; and

(c) Responsible for the overall security of the facility;

(5) An accounting department supervised by a director of finance who is:

(a) Based for employment purposes at the facility;

(b) The holder of a supplier permit as a key manager; and

(c) Responsible for all accounting and finance functions, including the control and supervision of cashiers' cage, satellite cages, and count room; and

(6) A gaming operations department supervised by a director of gaming operations who is:

(a) Based for employment purposes at the facility;

(b) The holder of a supplier permit as a key manager; and

(c) Responsible for the operation and conduct of casino games.

6. Nothing in this section shall preclude a facility operator from establishing a casino games department supervised by a director of casino gaming machine operations and a director of table games operations.

7. The director of surveillance and the director of internal audit required by this subsection shall be independent of the chief executive officer regarding matters of policy, purpose, responsibility, and authority and shall report directly to an:

a. Individual based for employment purposes at the facility with no incompatible functions; or

b. Audit committee of:

(1) The facility operator; or

(2) A department-authorized licensed affiliate of the facility operator.

8. The individual or audit committee to whom the director of surveillance and the director of internal audit report under subdivision 7 of this subsection shall also control the hiring, termination, and salary of those directors.

9. The director of surveillance and the director of internal audit may report to the chief executive officer with regard to daily operations.

10. Mandatory departments and the supervisors over them shall cooperate with, yet perform independently of, all other mandatory departments and supervisory positions.

11. A facility operator may designate more than one individual to serve jointly as the director of a mandatory department required by this section.

12. A joint director of a mandatory department under subdivision 11 of this subsection shall be:

a. Based for employment purposes at the facility; and

b. Individually and jointly accountable and responsible for the operation of the department.

13. A department that is not mandatory may operate under, or in conjunction with, a mandatory department where the table of organization is consistent with the requirements of this section.

14. A facility operator's cashiers' cage manager shall hold a supplier's permit as a key manager.

15. Unless another key manager required by this section is present at the facility, 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 hold a supplier's permit as a key manager.

16. A facility operator may not implement a change in the table of organization approved by the department without the prior written approval of the department.

17. A facility operator shall ensure that an individual employed at the facility is trained in the policies, procedures, and internal controls relevant to the individual's function.

18. If there is a vacancy in the chief executive officer position or any mandatory department director position required by this subsection, the following shall apply:

a. No later than five days after the date of a vacancy, a facility operator shall notify the department in writing of:

(1) The vacant position;

(2) The date on which the position will become or became vacant; and

(3) The date on which the facility operator anticipates that the vacancy will be filled on a permanent basis;

b. No later than 30 days after the date of a vacancy, a facility operator shall fill the vacant position on a temporary basis;

c. No later than 120 days after the original date of the vacancy, a facility operator shall fill the vacant position on a permanent basis; and

d. No later than five days after filling a vacancy, a facility operator shall notify the department in writing of:

(1) The vacant position filled;

(2) The name of the individual designated to fill the position;

(3) The date that the vacancy was filled; and

(4) Whether the vacancy has been filled on a temporary or permanent basis.

J. Surveillance system design standards.

1. A facility operator shall install in its facility a surveillance system that complies with the requirements of this subsection and is reviewed and approved by the department.

2. A facility operator's surveillance system shall include:

a. Light sensitive cameras enabled by:

(1) Lenses of sufficient magnification to read a casino gaming machine's reel strip and credit meter;

(2) Lighting that is continuous and of sufficient quality to produce clear video recordings and still pictures; and

(3) 360-degree pan, tilt, and zoom capability, without camera stops, configured to clandestinely monitor and record:

(a) Play and transactions conducted at casino games;

(b) Transactions conducted in the cashiers' cage and any satellite cage, including the face of each individual transacting business with a cashier;

(c) Transactions conducted at ticket redemption units, automated jackpot payout machines, and automated teller machines;

(d) Activity in the count room;

(e) Movement of cash and cash storage boxes within the facility;

(f) Entrances and exits to the facility and the gaming floor;

(g) Activities in all other restricted areas; and

(h) Other areas and events designated by the director;

b. A monitor room located in the facility:

(1) Staffed by employees of the facility operator's surveillance department 24 hours per day; and

(2) Equipped with:

(a) A communication system capable of monitoring all security department communications;

(b) Connections, direct or through a documented communication protocol with the security department, to all facility alarm systems;

(c) A surveillance failure notification system that provides an audible, as well as a visual, notification of any failure in the surveillance system or the digital video recording media storage system;

(d) An emergency power system, tested by the facility operator in the presence of the department at least once a year, that can be used to operate the surveillance system in the event of a power failure;

(e) Computer terminals permitting event notification to, and read only access by authorized surveillance department employees to, the facility operator's slot machine management system;

(f) An updated photo library, consisting of photographs that are no more than five years old, of all current employees of the facility;

(g) A copy of the facility operator's gaming floor plan;

(h) A copy of the procedures addressing the evacuation of the facility in the event of fire or other emergency; and

(i) Copies of the surveillance system contingency plans;

c. Digital video recording capability equipped to:

(1) Superimpose the date and time on all monitoring and recording;

(2) Identify and locate, through the use of a meter, counter, or other device or method, a particular event that was recorded;

(3) Identify on video recording disks or other storage media the type of media player and software prerequisite to viewing the digital images; and

(4) Be authenticated through use of an embedded video verification encryption code or watermark;

d. Audio recording capability in the count room that is installed and disclosed to employees of the facility; and

e. An access system that:

(1) Controls:

(a) Physical and logical access to the surveillance system; and

(b) Physical access to the surveillance monitor room; and

(2) Restricts access to the security administration capabilities of the system.

3. A facility operator shall configure its surveillance system to record all areas and transactions required by subdivision 2 a (3) of this subsection to no less than the minimum specifications required by the department.

4. With the approval of the department, a facility operator may configure its surveillance system to record activity in areas of the facility not covered by subdivision 2 a (3) of this subsection at lower specifications than that required by subdivision J 3.

5. Except as provided in subdivision 6 of this subsection, a facility operator shall retain surveillance recordings:

a. For a minimum of 14 days for transactions or event in the areas covered by subdivision 3 of this subsection.

b. For a minimum of seven days for transactions or events in the areas covered by subdivision 4 of this subsection; and

6. Upon the request of the department or a law enforcement agency that has proper jurisdiction over the facility, a recording shall be retained and stored in accordance with the directives of the department or law enforcement agency pertaining to that recording.

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7. Except as provided in this subsection, the surveillance system shall be under the exclusive control of the facility operator's surveillance department.

8. A facility operator shall provide the department with timely and unfettered access to its surveillance monitor room, surveillance system, and all transmissions.

9. A facility operator shall timely comply with a request from the department to:

- a. Use, as necessary, any monitor room in the facility;
- b. Display on the monitors in its monitor room or in the department's onsite monitor room any event capable of being captured by the surveillance system;
- c. Relinquish control of a camera or monitor;
- d. Discontinue monitoring a particular camera or recording activity captured by it;
- e. Make a video recording or photograph of any event capable of being captured by the surveillance system; and
- f. Restrict or deny access to a recording or photograph.

10. A surveillance system may not be remotely accessed from a location outside the surveillance monitor room without the prior written approval of the department.

11. An entrance to a surveillance monitor room may not be visible from the gaming floor.

K. Surveillance department operating procedures.

1. At least 60 days before casino gaming operations commence, a facility operator shall submit to the department for review and written approval:

- a. A surveillance system meeting the requirements of subsection J of this section, at a minimum, details pertaining to:
 - (1) Camera configuration inside and outside the facility;
 - (2) Monitor room configuration;
 - (3) Video recording format and configuration specifications;
 - (4) Authentication of digital recordings, including department access to the system's video verification encryption code or watermark;
 - (5) Audio recording format; and
 - (6) System access controls; and
- b. Surveillance department operating procedures conforming to this section.

2. A facility operator may not commence operations until its surveillance system and surveillance department operating procedures are approved in writing by the department.

3. A facility operator's surveillance department operating procedures shall, at a minimum, require:

- a. Coverage of all areas and transactions enumerated in subsection J of this section;

b. Contingency plans addressing:

(1) Full and partial failure of the surveillance system including:

(a) A contact list with telephone numbers for individuals required to be notified in the event of a failure; and

(b) Facility closure protocols; and

(2) Planned shutdown of the surveillance system;

c. A surveillance incident log:

(1) Maintained by monitor room employees in:

(a) A book with bound numbered pages that cannot be readily removed; or

(b) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and

(2) Documenting the scheduled coverage in subdivision 3 of this subsection and all other nonroutine surveillance activity, including:

(a) Date and time surveillance is commenced;

(b) Name and department identification license or permit number of the individual initiating, performing, or supervising the surveillance;

(c) Reason for the surveillance;

(d) Whether the suspicious activity involves an alleged regulatory violation or criminal activity;

(e) Name, if known, alias, or description of an individual being monitored;

(f) Description of the activity in which the individual being monitored is engaged;

(g) Reading on a meter, counter, or device that identifies the point on the video recording at which the event was recorded;

(h) Time at which a video recording is commenced and terminated if different than when surveillance is commenced or terminated;

(i) Date and time surveillance is terminated;

(j) Summary of the results of the surveillance; and

(k) Description of the time, date, and cause of any equipment or camera malfunction that occurred during the conduct of surveillance;

d. A surveillance room entry log:

(1) To be signed by an individual entering the surveillance monitor room who is not a surveillance department employee assigned to the monitor room's work shift at the time of entry;

(2) Maintained by monitor room employees in:

(a) A book with bound numbered pages that cannot be readily removed; or

(b) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and

(3) Documenting the:

(a) Date and time of entering the monitor room;

(b) Entering individual's name and department or affiliation;

(c) Reason for entering the monitor room;

(d) Name of the individual authorizing the individual's entry into the monitor room; and

(e) Date and time of exiting the monitor room;

e. That surveillance monitor room employees notify:

(1) Security department supervisory personnel within five minutes of an incident of equipment failure affecting coverage of the facility; and

(2) The department within 30 minutes of an incident of equipment failure affecting coverage of the facility citing:

(a) Date and time;

(b) Cause of the malfunction; and

(c) Time the facility operator's security department was notified of the malfunction;

f. That the facility operator confirms in writing a notice given verbally to the department under subdivision 3 e of this subsection; and

g. That, on a daily basis, the facility operator synchronizes the date and time on the surveillance system to the date and time on the central monitor and control system and the facility operator's slot machine management system.

4. A facility operator may not implement a change or amendment in its surveillance system or surveillance department operating procedures approved by the department without the prior written approval of the department.

5. Surveillance department employees shall be reasonably segregated and independent of all other departments at the facility.

6. A surveillance department employee may not transfer to any other department in the facility without the prior written approval of the department.

L. Surveillance department minimum staffing.

1. At least 60 days before casino gaming operations are to commence, a facility operator shall submit its surveillance department minimum staffing plan to the department for review and written approval.

2. A facility operator may not commence operations until its surveillance department minimum staffing plan is approved in writing by the department.

3. A surveillance department minimum staffing plan shall assess, on a per-shift basis, the minimum number of on duty surveillance department employees necessary to:

a. Provide adequate and effective surveillance of all activities in and outside the facility;

b. Ensure the physical safety of employees of and invitees to the facility;

c. Comply with all applicable laws, regulations, and directives of the department and director, including department-approved internal controls and operating procedures;

d. Monitor the facility to ensure that the following individuals are identified, prohibited from entering the facility, and, if necessary, immediately removed from the facility:

(1) An intoxicated individual;

(2) An individual who is mandatorily excluded; and

(3) An individual who is voluntarily excluded;

e. Monitor the gaming floor to ensure that an individual younger than 21 years of age is identified, prohibited from accessing the gaming floor, and, if necessary, immediately removed from the gaming floor; and

f. Monitor the facility to identify potential victims of human trafficking and respond appropriately.

4. A facility operator's proposed surveillance department minimum staffing plan shall consider:

a. Square footage and layout of the facility;

b. Number and configuration of casino gaming machines and other casino gaming activities;

c. Use of fixed and roving security posts;

d. Activity level on a per-shift basis and identify it as slow, normal, or peak;

e. Department supervisory needs; and

f. A limit of one employee per monitor station.

5. A facility operator may not implement a change or amendment in the surveillance department minimum staffing plan approved by the department under subdivision 2 of this subsection without the prior written approval of the department.

M. Security department operating procedures.

1. At least 60 days before casino gaming operations are to commence, a facility operator shall submit to the department for review and written approval its security department operating procedures.

2. A facility operator may not commence operations until its security department operating procedures are approved in writing by the department.

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3. A facility operator's security department operating procedures shall, at a minimum, include:

a. A security zone plan for the facility, employing fixed security posts and roving security officers designed to ensure:

(1) The physical safety of employees of and invitees to the facility;

(2) The safeguarding of assets;

(3) Compliance with all applicable laws, regulations, and directives of the department, including department-approved internal controls and operating procedures;

(4) That the following individuals are identified, prohibited from entering the facility, and, if necessary, immediately removed from the facility:

(a) An intoxicated individual;

(b) An individual who is mandatorily excluded; and

(c) An individual who is voluntarily excluded;

(5) That an individual younger than 21 years of age is identified, prohibited from accessing the gaming floor, and, if necessary, immediately removed from the gaming floor; and

(6) That potential victims of human trafficking are identified and an appropriate response is made.

b. Procedures and controls addressing:

(1) Facility access controls, including:

(a) An access badge system;

(b) If utilized, specifications pertaining to a computerized access control system; and

(c) Administrative responsibility over a manual or computerized access control system;

(2) A temporary access credential;

(3) Key controls;

(4) Emergency alarm and fire command responsibilities, including communication protocols with the surveillance department;

(5) Evacuation of the facility in the event of fire or other emergency;

(6) The identification and immediate removal of an intoxicated individual, an individual younger than 21 years of age, an individual who is mandatorily excluded, and an individual who is voluntarily excluded;

(7) Player disputes; and

(8) The notice requirements of subdivision 3 d of this subsection;

c. A security department incident log:

(1) Maintained by security department employees in:

(a) A book with bound numbered pages that cannot be readily removed; or

(b) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and

(2) Documenting the following:

(a) Assignment number of the incident;

(b) Date and time;

(c) Name and department identification license of the individual covering the incident;

(d) Nature of the incident; and

(e) Resolution of the incident; and

d. A requirement that a facility operator notify in the department upon detection of:

(1) An individual engaged in, attempting to engage in, or suspected of cheating, theft, embezzlement, or other illegal activities;

(2) An individual possessing a firearm, electronic control device, dangerous weapon, or other device or object prohibited under this chapter; or

(3) An individual who is:

(a) Younger than 21 years of age;

(b) Intoxicated;

(c) Mandatorily excluded;

(d) Voluntarily excluded; or

(e) A victim of human trafficking.

N. Security department minimum staffing.

1. At least 60 days before casino gaming operations are to commence, a facility operator shall submit its security department minimum staffing plan to the department for review and written approval.

2. A facility operator may not commence operations until its security department minimum staffing plan is approved in writing by the department.

3. A security department minimum staffing plan shall assess, on a per-shift basis, the minimum number of on-duty security department employees necessary to:

a. Ensure the physical safety of employees of and invitees to the facility;

b. Effectively safeguard assets;

c. Comply with all applicable laws and regulations, including department-approved internal controls and operating procedures;

d. Monitor the facility to ensure that the following individuals are identified, prohibited from entering the facility, and, if necessary, immediately removed from the facility:

(1) An intoxicated individual;

(2) An individual who is mandatorily excluded; and

(3) An individual who is voluntarily excluded; and

e. Monitor the gaming floor to ensure that an individual younger than 21 years of age is identified, prohibited from accessing the gaming floor, and, if necessary, immediately removed from the gaming floor.

4. A facility operator's proposed security department minimum staffing plan shall consider the:

- a. Square footage and layout of the facility;
- b. Number and configuration of casino gaming activity;
- c. Use of fixed and roving security posts;
- d. Activity level on a per-shift basis and identify it as slow, normal, or peak; and
- e. Department's supervisory needs.

5. A facility operator may not implement a change or amendment in the security department minimum staffing plan approved by the department without the prior written approval of the department.

O. Internal audit department standards.

1. At least 60 days before casino gaming operations are set to commence, a facility operator shall submit to the department for review and approval internal audit department operating standards and procedures that:

- a. Meet the requirements of the Casino Gaming Law, this chapter, and any directives of the department or the director;
- b. Conform to this section; and
- c. Ensure that an internal audit is conducted in accordance with generally accepted auditing standards in the United States.

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

- a. Work independently of the departments of the facility that are subject to audit;
- b. Assess whether the facility's internal controls comply with applicable law and department directives;
- c. Test the facility's compliance with its internal controls;
- d. Immediately report a deficiency in, or noncompliance with, the facility's internal controls to:

- (1) The audit committee;
- (2) The chief executive officer;
- (3) Management; and
- (4) The department;

e. Recommend resolution for eliminating a deficiency in, or noncompliance with, the facility's internal control system;

f. Meet periodically with the audit committee or director of internal audit;

g. Perform audits of:

(1) Unless an alternate risk assessment and audit plan is submitted in writing and approved in writing by the department, all departments of the facility that are designated under subdivisions 3 and 4 of this subsection; and

(2) Any component of the facility designated by the department;

h. Prepare an audit report for each audit conducted;

i. Accurately document the audit process and results in an audit report that, at a minimum, shall include:

(1) Audit objectives;

(2) Audit procedures and scope;

(3) Findings and conclusions;

(4) A recommendation for addressing a deficiency in, or noncompliance with, the facility's internal controls;

(5) Resolution of all exceptions; and

(6) Management's response;

j. Submit audit reports to the department on a schedule specified by the department; and

k. Within 90 days of the issuance of an audit report, verify that:

(1) A deficiency or noncompliance revealed during an audit has been corrected; and

(2) An exception disclosed during an audit has been resolved.

3. The audit department shall audit at least semiannually the functions and operations of the facility's:

a. Cashiers' cage;

b. Main bank;

c. Collection of cash storage boxes;

d. Cash count;

e. Revenue audit;

f. Operations department;

g. Player tracking system;

h. Key control; and

i. Table game operations.

4. The audit department shall audit at least annually:

a. Responsible gaming program;

b. Security department;

c. Currency transaction reporting;

d. Suspicious activity reporting;

e. Information technology controls;

f. Accounts payable;

g. Purchasing; and

h. Surveillance department.

Regulations

5. The internal audit department shall conduct an audit on an unannounced basis when possible.

P. Access to central monitor and control system equipment.

1. Central monitor and control system equipment shall reside in an area physically segregated from other systems and equipment utilized by the facility operator and shall conform to the requirements of the department.

2. At least 10 days before casino gaming operations are to commence, the department shall issue to the facility operator a list of individuals that it has approved to have access to the central monitor and control system equipment.

3. A facility operator may not implement a change or amendment in its approved access list without the prior written approval of the department.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department under subsection E of this section procedures that address physical access to central monitor and control system equipment located in the facility.

5. Central monitor and control system equipment may be accessed by:

- a. An individual on the list described in subdivision 2 of this subsection;
- b. A compliance agent of the department; and
- c. Department staff authorized by the director.

6. The facility operator's internal controls shall require:

a. All keys that access the segregated area where the central monitor and control system equipment resides to be maintained by representatives of the:

- (1) Department; and
- (2) Central monitor and control system operator; and

b. An individual requiring access to the segregated area where the central monitor and control system equipment resides who is not included on the department-approved access list maintained under subdivision 2 of this subsection to be:

- (1) Authorized by the department; and
- (2) At all times, escorted by a department compliance agent, or department staff authorized by the director; and
- (3) Reported in the entry log maintained in accordance with subdivision 7 of this subsection.

7. The department shall maintain an entry log for the segregated area where the central monitor and control system equipment resides that is:

- a. Kept inside the segregated area in a book with bound numbered pages that cannot be readily removed; and
- b. Utilized by an individual entering the segregated area to record:

(1) Date and time of entering;

(2) Entering individual's name and department or affiliation;

(3) Reason for entering;

(4) Name of the individual authorizing the individual's entry into the segregated area; and

(5) Date and time of exiting.

Q. Cashiers' cage design standards.

1. A facility operator shall have on, adjacent, or proximate to the gaming floor a physical structure known as a cashiers' cage to house the cashiers and to serve as the central location in the facility for:

- a. The custody of the cash, accounting records, and forms and documents required under this chapter to conduct casino gaming operations;
- b. The initial financial consolidation of all transactions pertaining to casino gaming activity; and
- c. Other functions normally associated with the operation of a cashiers' cage.

2. A cashiers' cage shall include the following design features:

a. A manually triggered silent alarm system connected:

- (1) Directly to the security department; or
- (2) Directly, or through a documented communication protocol, to the monitor room of the surveillance department;

b. A double door entry and exit system that will not permit an individual to pass through the second door until the first door is securely locked, as follows:

(1) The first door leading from the gaming floor shall be controlled by the security department, the surveillance department, or a department-approved computerized access control system;

(2) The second door leading into the cashiers' cage shall be controlled by the cashiers' cage or a department-approved computerized access control system;

(3) The double door entry and exit system shall be equipped with surveillance capability sufficient to allow monitoring of:

- (a) All ingress and egress; and
- (b) The interior compartment; and

(4) Both doors of the double door entry and exit system shall be equipped with:

(a) Separate locks with a key or release mechanism that is different on each door; and

(b) Locks that are operational in the event of a power failure; and

c. Any entrance to the cashiers' cage that is not a double door entry and exit system shall be equipped as an alarmed emergency exit door.

3. As approved by the department, a facility may have one or more satellite cages physically separate from the cashiers' cage that:

- a. May perform all of the functions of a cashiers' cage; and
- b. Shall be equipped with an alarm system.

4. A facility operator shall make readily available to the department:

- a. An access control matrix indicating which employee job descriptions are authorized to have access to the cashiers' cage and any satellite cage; and
- b. A list of employees, with department identification number, who are authorized:

(1) To have access to the:

- (a) Cashiers' cage and any satellite cage;
- (b) Keys to the manual locks securing the double door entry and exit system; and
- (c) Release button on magnetic locks securing the double door entry and exit system;

(2) To activate or deactivate alarm systems for the cashiers' cage and any satellite cage; and

(3) To grant access to the cashiers' cage and any satellite cage through the access control matrix or a computerized access control system.

R. Accounting controls for a cashiers' cage.

1. A facility operator may only conduct transactions with individuals at its cashiers' cage and any satellite cage during the hours of operation approved by the department for the facility.

2. A facility operator shall at all times maintain in its cashiers' cage a reserve cash bankroll sufficient to pay all winning wagers.

3. A facility operator shall:

- a. Compute its reserve cash bankroll requirement based on a calendar year; and
- b. Submit its computation to the department:

(1) At least 30 days prior to the commencement of casino gaming operations; and

(2) On or before January 30 of each year subsequent to the year in which operations are commenced.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures that address the segregation of the cashiers' cage and the general conduct of cashiers' cage transactions.

5. A facility operator's internal controls shall require:

a. The cashiers' cage and any satellite cage to be physically segregated by personnel and function as follows:

(1) General cashiers shall be responsible for:

(a) An individual imprest inventory of cash;

(b) Receipt and payout of cash, negotiable instruments, gaming tickets, and other documentation from and to players subject to the limitations imposed under this chapter;

(c) Preparation of jackpot documents; and

(d) Other functions designated by the facility operator that are not incompatible with the functions of a general cashier; and

(2) Main bank cashiers shall be responsible for:

(a) Receipt of cash, negotiable instruments, gaming tickets, jackpot, and other documentation from general cashiers in exchange for cash or documentation;

(b) Replenishment of ticket redemption units and automated jackpot payout machines;

(c) Receipt of unsecured cash and unsecured gaming tickets;

(d) Receipt of cash and documentation from the count room;

(e) Preparation of the overall cashiers' cage reconciliation;

(f) Preparation of bank deposits;

(g) Compliance with reserve cash bankroll requirements; and

(h) Other functions designated by the facility operator that are not incompatible with the functions of a main bank cashier;

b. Each general cashier and main bank cashier to prepare a cashier count sheet on each shift:

(1) Recording the amount of the inventory in the window or bank;

(2) Reconciling the total closing inventory with the total opening inventory; and

(3) Including the signature of the:

(a) Outgoing general or main bank cashier; and

(b) Incoming general or main bank cashier;

c. At the end of the gaming day, the cashiers' cage is to forward a copy of each cashiers' count sheet and related documentation to the accounting department for:

(1) Agreement of opening and closing inventories; and

(2) Comparison of forms or documents; and

d. No more than 48 hours after the discovery of an employee's unresolved cage or count room overage or shortage of \$500 or more, a facility operator shall submit a written report to the department describing:

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(1) The reason for the overage or shortage and corrective action taken or adjustment made; or

(2) That a notice of investigation is ongoing and the written report will be submitted within the following 48 hours.

S. Checks accepted from a player.

1. A facility operator may accept a negotiable instrument in the form of a check meeting the requirements of this regulation from a player to enable the player to take part in gaming.

2. A facility operator may accept a check only during the hours of operation approved by the department for the facility.

3. A facility operator may accept a personal check that is:

- a. Made payable to the facility operator;
- b. Drawn on a bank, savings and loan association, or credit union subject to federal or State banking regulation;
- c. Drawn for a specific amount;
- d. Currently dated, not postdated; and
- e. Payable on demand.

4. Subject to the requirements of subdivision 5 of this subsection, a facility operator may accept a check issued by a:

- a. Facility operator; or
- b. Person that:

- (1) Is an affiliate of the facility operator; and
- (2) Holds a valid gaming license in another jurisdiction.

5. A facility operator shall only accept a check under subdivision 4 of this subsection that has been issued to an individual as:

- a. Employment compensation; or
- b. A payout in connection with casino gaming activity.

6. A facility operator may not:

a. Except as provided under subdivision 3 of this subsection, accept a check that is payable to an individual, including:

- (1) A Social Security check;
- (2) An unemployment insurance check;
- (3) A disability payment check; or
- (4) A public assistance check; or

b. Except for a check issued under subdivision 5 of this subsection, accept from a player a check or multiple checks that in the aggregate exceed \$25,000 during a gaming day.

7. For a personal check equaling or exceeding \$5,000, a facility operator shall confirm the availability of funds by:

a. Directly contacting the bank, savings and loan association, or credit union upon which the check is drawn;

b. Obtaining an authorization and guarantee of the check from a check verification and warranty service holding a service permit as a contractor under this chapter; or

c. Alternate procedures addressing acceptance and verification of personal checks submitted in writing and approved by the department.

8. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the acceptance and verification of checks meeting the requirements of this subsection.

9. A facility operator's internal controls shall require a check accepted from a player by a general cashier to be:

a. If a personal check other than an electronic check, restrictively endorsed "for deposit only" to the bank account designated for this purpose by the facility operator and:

(1) Initialed by the accepting general cashier;

(2) Date and time stamped;

(3) Documented on the face of the check the number on the player's government-issued photographic identification; and

(4) If a personal check equaling or exceeding \$5,000, confirmed for availability of funds under subdivision 7 of this subsection;

b. Verified for signature authenticity by a general cashier who shall:

(1) Obtain from the player one form of identification that is a valid, unexpired government-issued photographic identification; and

(2) Satisfactorily compare the:

(a) Signature of the player on the personal check or endorsing the payroll or payout check with the signature on an identification credential; and

(b) Player's physical appearance with the photograph contained on the valid, unexpired government-issued photographic identification presented by the player;

c. If presented by a player as a payroll or payout check under subdivision 5 of this subsection, confirmed to have been issued as employment compensation or as a payout in connection with casino gaming activity; and

d. Immediately exchanged for:

(1) Cash;

(2) If the facility operator has the capability, a gaming ticket;

(3) A chip or plaque;

(4) A customer deposit account in accordance with this chapter; or

(5) At the request of the individual, a combination of subdivisions 9 d (1), 9 d (2), and 9 d (3) of this subsection.

T. Wire transfers.

1. A facility operator may accept a negotiable instrument in the form of a wire transfer from a player to enable the player to take part in gaming.

2. A facility operator shall record in its cashiers' cage accountability any funds accepted by wire transfer with no documented business purpose other than to enable a player to take part in gaming within 24 hours of receipt of the wire transfer.

3. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the acceptance, verification, and sending of wire transfers meeting the requirements of this subsection.

4. A facility operator's internal controls shall:

a. 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:

(1) A sequential number assigned by the facility operator to the wire transfer accepted;

(2) Date and time notice of the wire transfer was received;

(3) Name of the financial institution to which the funds were sent;

(4) Amount transferred;

(5) Name of the player for whose benefit the funds were accepted;

(6) The name of the financial institution from which the funds were transferred;

(7) The method by which the facility operator was notified of the receipt of the wire transfer;

(8) If noticed by telephone, the name and title of the individual providing notice;

(9) The signature of the cashiers' cage employee receiving and recording the information required by this section; and

(10) If applicable, a notation that the wire transfer has been returned under subdivision 5 of this subsection;

b. Require that a cashiers' cage supervisor other than the cashiers' cage employee who initially documented acceptance of the wire transfer:

(1) Independently confirm:

(a) Date, time, and method by which the facility operator was notified of the wire transfer; and

(b) If noticed by telephone, the name and title of the individual providing notice;

(2) Record the date and time of confirmation in the wire transfer log; and

(3) Sign the wire transfer log as completing the confirmation process;

c. Document the procedures used to:

(1) Establish, verify, and document the identity of a player sending a wire transfer;

(2) Make the wire transfer proceeds available to a player at the cashiers' cage; and

(3) Adjust the cashiers' cage accountability;

d. Require preparation of a cashiers' cage wire transfer log to record the following information pertaining to a wire transfer sent by a facility operator on behalf of a player:

(1) A sequential number assigned by the facility operator to the wire transfer sent;

(2) Name of the player;

(3) Date of the transaction;

(4) Amount wired;

(5) Source of funds;

(6) The name and address of the financial institution to which the funds were wired;

(7) Account number to which the funds are credited;

(8) If the request to send a wire transfer is made in person at the cashiers' cage, the signature of the player;

(9) If the request to send a wire transfer is not made in person at the cashiers' cage, documentation supporting the receipt of a request by the facility operator to send a wire transfer on behalf of a player;

(10) The signature of the cashiers' cage employee receiving and recording the information required by this regulation; and

(11) The signature of the cashiers' cage supervisor or accounting department supervisor authorizing the wire transfer; and

e. Document the procedures used to:

(1) Establish, verify, and document the identity of a player requesting that a wire transfer be sent;

(2) Send the wire transfer; and

(3) Adjust the cashiers' cage accountability.

5. A facility operator shall take immediate action to return to a player by wire transfer funds initially accepted by wire transfer under the following circumstances:

a. The wired funds received by the facility operator have no documented business purpose other than to enable a player to take part in gaming;

b. All or a substantial portion of the wired funds remain in the facility operator's cashiers' cage accountability more than 14 days following transfer to that accountability; and

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c. The player has engaged in minimal or no casino gaming play since receipt of the wire transfer.

6. A wire transfer returned in accordance with subdivision 5 of this subsection shall be sent to the same individual, financial institution, and account number from which the funds were debited.

7. Return of a wire transfer shall be recorded in the wire transfer log maintained under subdivision 4 of this subsection.

U. Cash equivalents.

1. A facility operator may accept a negotiable instrument in the form of a cash equivalent from a player to enable the player to take part in gaming.

2. A facility operator may accept a cash equivalent only during the hours of operation approved by the department for the facility.

3. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the acceptance and verification of cash equivalents meeting the requirements of this chapter.

4. A facility operator's internal controls shall:

a. Enumerate the type of cash equivalents complying with this chapter to be accepted;

b. Detail the specific verification procedures required by each issuer;

c. Require that a general cashier:

(1) Perform the specific verification procedures required by each issuer;

(2) Prepare and maintain documentation evidencing the verification of a cash equivalent accepted; and

(3) Examine a cash equivalent for counterfeiting, forgery, or alteration;

d. Detail the criteria for cashiers' cage supervisor involvement in the verification process; and

e. Include procedures for verifying the authenticity of a player's signature on a cash equivalent in conformance with the signature authentication procedures in subsection S of this section.

V. Customer deposits.

1. A facility operator may establish a customer deposit account for a player to enable the player to take part in gaming.

2. A facility operator shall perform all procedures required by this section before depositing funds accepted by means of check, wire transfer, cash equivalent, or other negotiable instrument into a customer deposit account.

3. A facility operator may accept a customer deposit only during the hours of operation approved by the department for the facility.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the acceptance of customer deposits meeting the requirements of this chapter.

5. A facility operator's internal controls shall:

a. Require acceptance of customer deposits at:

(1) The cashiers' cage; or

(2) An off-site customer service location;

b. Require preparation of a receipt documenting:

(1) Amount deposited;

(2) Date of the deposit; and

(3) The signature of the general cashier accepting the customer deposit;

c. Provide for full or partial withdrawal of a customer deposit:

(1) By a player at the cashiers' cage; or

(2) Upon receipt by the facility operator of a written request for withdrawal for which validity has been established; and

d. Include procedures for documenting acceptance and withdrawal of customer deposits including a verification of the authenticity of a player's signature on a customer deposit withdrawal document in conformance with the signature authentication procedures in subdivision S 9 of this section.

W. Returned checks.

1. All checks returned after deposit shall be:

a. Returned directly to an accounting department employee with no incompatible functions; and

b. Maintained by a check bank cashier with no incompatible functions.

2. A facility operator shall:

a. Limit collection efforts pertaining to a returned check to the following persons:

(1) A gaming employee or key manager of the accounting department with no incompatible functions; or

(2) An attorney representing the facility operator;

b. Inform the employee or attorney authorized to conduct collection efforts of any verbal or written communication with a player regarding collection efforts;

c. Document all collection efforts in the player's account file; and

d. Send a statement to a player at reasonable intervals.

3. After reasonable collection efforts, returned checks may be considered uncollectible for accounting purposes if the write off is authorized by the:

- a. Chief executive officer; and
- b. Director of finance or other designated key manager approved by the department.

X. Accounting controls in a check bank.

1. A facility operator shall record in a player's account file all transactions related to the player, including:

- a. Transactions recorded in chronological order;
- b. Documentation of:
 - (1) For counter checks, the date, amount, and series number;
 - (2) For each substitution check:
 - (a) The date, amount, and check number of the substitute check; and
 - (b) The series number of the counter check or check number of the replacement check returned to the player;
 - (3) For each consolidation check:
 - (a) The date, amount, and check number of the consolidation check; and
 - (b) The series numbers of the counter check or check number of the replacement check returned to the player;
 - (4) For each redemption check:
 - (a) The date, amount, and check number of the redemption check;
 - (b) An indication as to whether the redemption was partial or full; and
 - (c) The series number of the counter check or check number of the replacement check returned to the player;
 - (5) Date, amount, and series or check number of each check:
 - (a) Deposited; and
 - (b) Returned;
 - (6) If a check has been returned, the reason for its return;
 - (7) Player's account balance after each transaction;
 - (8) Date, amount, and series or check number of a check that has been partially or completely written off by the facility operator; and
 - (9) If a write off, the reason for the write off.

2. A facility operator shall maintain original copies of counter checks and replacement checks accepted in substitution, consolidation, and redemption transactions in its check bank.

3. A facility operator's check bank shall prepare and maintain for each shift, manually or by computer, a log of all counter checks exchanged and of all replacement checks

received in substitution, consolidation, and redemption transactions that includes the following:

- a. The balance of the checks on hand in the check bank at the beginning of each shift;
- b. For counter checks accepted and for replacement checks received in substitution, consolidation, or redemption on the shift:
 - (1) Date of the check;
 - (2) Name of the drawer of the check;
 - (3) Amount of the check;
 - (4) If a counter check, the series number;
 - (5) If a replacement check, the check number; and
 - (6) If applicable, an indication that the check was accepted in a substitution, consolidation, or redemption transaction;
- c. For checks deposited, substituted, consolidated, or redeemed by a player on the shift:
 - (1) Date on which the check was deposited, substituted, consolidated, or redeemed;
 - (2) Name of the drawer of the check;
 - (3) Amount of the check;
 - (4) If a counter check, the series number;
 - (5) If a replacement check, the check number; and
 - (6) An indication as to whether the check was deposited, substituted, consolidated, or redeemed; and
- d. The balance of the checks on hand in the check bank at the end of each shift.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the facility operator's accounting controls over the check bank, including end of shift and end of gaming day deposits and reconciliations.

Y. Prohibition on the use of cash, credit cards, and debit cards.

1. A casino game may not be played or activated in any way by insertion, directly or indirectly, or use of:

- a. Cash;
- b. Credit card;
- c. Debit card; or
- d. Electronic transfer of funds from a credit card or debit card.

2. A casino game may be played only with tokens, chips, or electronic cards purchased from the facility operator.

Z. Player tracking system.

1. For the purposes of this subsection, a "player tracking system" means the collective hardware, software, communications technology, and other ancillary equipment owned or leased by a facility operator to collect, monitor,

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interpret, analyze, authorize, report, and audit data pertaining to:

- a. Player activity generally at casino games; and
- b. Individual player activity at casino games where the player has registered with the facility operator for inclusion in the player tracking system.

2. A facility operator shall utilize a player tracking system meeting the requirements of this subsection.

3. A facility operator may not collect or monitor the activity of an individual who it knows, suspects, or has reason to know or suspect is:

- a. Younger than 21 years of age;
- b. Mandatorily excluded; or
- c. Voluntarily excluded.

4. A facility operator shall provide a player with a record of casino game spending levels if:

a. The player:

- (1) Has registered with the facility for inclusion in the player tracking system; and
- (2) Submits a signed request for the spending level documentation at:

(a) The cashiers' cage; or

(b) Other location at the facility approved by the department; and

b. The identification of the player and the authenticity of the player's signature on the request is established by an employee satisfactorily comparing the:

- (1) Player's information recorded on the spending level request documentation with the information contained on the valid, unexpired government-issued photographic identification presented by the player; and
- (2) Player's physical appearance with the photograph contained on the valid, unexpired government-issued photographic identification presented by the player.

AA. Gaming ticket.

1. A facility operator may issue a gaming ticket and utilize a gaming ticket system meeting the requirements of this subsection.

2. A facility operator shall:

a. Issue a gaming ticket that does not expire for 180 days after the date of issuance;

b. Configure its gaming ticket system to:

- (1) Prevent issuance of a gaming ticket exceeding \$10,000; and
- (2) Require gaming tickets of \$5,000 or more to be redeemed only at the cashiers' cage;

c. Configure a ticket redemption unit under subsection CC of this section to:

- (1) Redeem only a gaming ticket of less than \$5,000; and
- (2) Direct a player attempting to redeem a gaming ticket of \$5,000 or more to the cashiers' cage; and

d. Redeem at its cashiers' cage a gaming ticket of \$5,000 or more by:

(1) Cash or check; or

(2) Check on the request of a player.

3. A facility operator shall immediately report to the department evidence that a gaming ticket has been counterfeited, tampered with, or altered in any way that would affect the integrity, fairness, or reliability of the gaming ticket.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the issuance and redemption of a gaming ticket.

5. A facility operator's internal controls shall:

a. Require a gaming ticket to include:

(1) Name or trade name of the facility operator;

(2) Date and time of issuance;

(3) Amount of the gaming ticket;

(4) Unique series number automatically generated by the gaming ticket system;

(5) Asset number of the casino gaming machine dispensing the gaming ticket;

(6) At least one anticounterfeiting measure, which shall appear on one or both sides of the gaming ticket;

(7) Locations where the gaming ticket may be redeemed and any restrictions applicable to redemption;

(8) A bar code or magnetic strip that enables the gaming ticket system to identify the numeric information required by this section; and

(9) Notice to the player of the terms of expiration; and

b. Include procedures and controls that:

(1) Require a gaming ticket system to perform the following prior to payment:

(a) Verify the validity of the series number and amount of the gaming ticket; and

(b) Electronically cancel the gaming ticket;

(2) Require the gaming ticket system to be configured:

(a) To permit access to the complete series number of an unredeemed gaming ticket only to gaming ticket system administrative employees and accounting department employees not assigned to the cashiers' cage; and

(b) To maintain a record of all unredeemed gaming tickets for a minimum of two years from the date of issuance of the gaming ticket unless a request to remove or relocate

system records is submitted in writing and approved in writing by the department;

(3) Address the following events:

(a) Calculation and transmittal by the facility operator of its outstanding expired unredeemed gaming ticket balance to the Commonwealth of Virginia;

(b) An election by a facility operator to pay a gaming ticket when the gaming ticket system is inoperable or otherwise unable to verify the validity of the gaming ticket at the time of payment; and

(c) An election by a facility operator to pay a gaming ticket where the gaming ticket system fails to verify and electronically cancel the gaming ticket when it is presented by the player and scanned for verification; and

(4) Require generation, at the conclusion of each gaming day, of reports detailing:

(a) Gaming tickets issued;

(b) Gaming tickets redeemed and cancelled by redemption location;

(c) Unredeemed liability for gaming tickets;

(d) Readings on gaming ticket related casino gaming machine meters;

(e) Meter readings compared to number and amount of issued and redeemed gaming tickets; and

(f) Any exceptions.

BB. Promotional play.

1. A facility operator may:

a. Issue promotional play if it is not awarded as cashable credit; and

b. Utilize a promotional play system meeting the requirements of this subsection.

2. A facility operator may not issue to a player promotional play equaling or exceeding \$5,000 per gaming day without specific approval from the chief executive or the chief executive's designee.

3. A facility operator shall immediately report to the department evidence that a promotional play instrument has been counterfeited, tampered with, or altered in any way that would affect the integrity, fairness, or reliability of the promotional play instrument.

4. A facility operator shall submit to the department in a form and in accordance with a timeframe specified by the department a quarterly report summarizing:

a. Promotional play awarded for the period, including:

(1) Total amount in promotional play awarded in noncashable credits; and

(2) Other forms of promotional play; and

b. Promotional play redeemed by players for the period, including:

(1) Total amount in promotional play redeemed in noncashable credits; and

(2) Other forms of promotional play redeemed.

5. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing:

a. Methods utilized to:

(1) Issue promotional play; and

(2) Redeem promotional play; and

b. A promotion play instrument, including a requirement that it document:

(1) Name or trade name of the facility operator;

(2) Amount in noncashable credits;

(3) Unique series number automatically generated by the promotional play system;

(4) Locations where a promotional instrument may be redeemed and any restrictions applicable to redemption;

(5) A bar code or magnetic strip that enables the promotional play system to identify the numeric information required by this section; and

(6) Notice to the player of the terms of expiration.

CC. Ticket redemption unit.

1. A facility operator may utilize a ticket redemption unit meeting the requirements of this section.

2. A facility operator shall locate a ticket redemption unit on the gaming floor subject to the surveillance coverage requirements of this section.

3. A ticket redemption unit:

a. Shall be configured to:

(1) Redeem a gaming ticket of less than \$5,000; and

(2) Direct a player attempting to redeem a gaming ticket of \$5,000 or more to the cashiers' cage; and

b. May be configured to function as a bill breaker changing bills of one denomination into bills of a smaller denomination.

4. A facility operator shall develop and include in the internal controls submitted and approved by the department procedures addressing a ticket redemption unit.

5. A facility operator's internal controls shall address:

a. Distribution of cash to a ticket redemption unit;

b. Removal of gaming tickets and cash accepted by a ticket redemption unit;

c. Reconciliations associated with the replenishment process;

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d. Generation of the following reports by a ticket redemption unit or ancillary system or application for the reconciliation period, which may be by gaming day, shift, or drop cycle:

(1) A gaming ticket transaction report that details:

(a) Disposition, as paid, partially paid, or unpaid, of gaming tickets accepted by a ticket redemption unit;

(b) Gaming ticket validation number;

(c) Date and time of redemption;

(d) Amount requested; and

(e) Amount dispensed;

(2) A reconciliation report that details:

(a) Date and time;

(b) Unique asset identification number of the ticket redemption unit;

(c) Total amount of cash in the currency and coin cassettes;

(d) Total number of bills accepted by denomination; and

(e) Total amount of gaming tickets accepted; and

(3) A gaming ticket and currency storage box report that details the following data whenever a storage box is removed from the ticket redemption unit:

(a) Date and time;

(b) Unique asset identification number of the ticket redemption unit;

(c) Unique identification number for each storage box in the ticket redemption unit;

(d) Total amount of currency dispensed;

(e) Total number of bills dispensed by denomination;

(f) Total amount of gaming tickets accepted;

(g) Total count of gaming tickets accepted; and

(h) Details required to be included in the gaming ticket transaction report required by subdivision CC 5 d; and

e. A transaction history report that details all critical player transaction history, including the date, time, amount, and disposition of each complete and incomplete transaction.

DD. Jackpot payout.

1. A facility operator shall utilize a multipurpose jackpot or credit meter payout document meeting the requirements of this subsection to pay:

a. A jackpot not totally and automatically paid by a casino gaming machine; or

b. Credits accumulated by a player on a casino gaming machine if:

(1) The number of accumulated credits exceeds the amount that may be paid utilizing a gaming ticket under this section;

(2) Due to malfunction, the credits cannot be paid by the casino gaming machine; or

(3) A single jackpot event requires the filing of IRS Form W-2G, Certain Gambling Winnings.

2. A facility operator shall:

a. Prepare and timely file IRS Form W-2G, Certain Gambling Winnings, in accordance with IRS rules and regulations; and

b. Immediately report to the department any incident in which a casino gaming machine fails to lock up and preclude play following a single jackpot event of \$1,200 or more.

3. A facility operator shall pay a jackpot or credit meter payout of:

a. \$50,000 or more by check; and

b. Less than \$50,000 by:

(1) Cash or check; or

(2) On the request of a player, any combination of cash, gaming ticket, check, or other method of payment approved by the department.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the payment of a jackpot or credit meter payout not totally and automatically paid by a casino gaming machine.

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

a. The use of a two-part computer-generated jackpot or credit meter payout document initiated on the request of a gaming operations department attendant or gaming operations department supervisor or above after verifying the:

(1) Winning combination of characters on the casino game and the amount of the jackpot; or

(2) Number of accumulated credits;

b. Unless a request for an alternate verification procedure is submitted in writing and approved by the department, a requirement that if a jackpot or credit meter payout is \$1,200 or more but less than \$15,000, a security department employee or a gaming operations department attendant or gaming operations department supervisor or above other than the preparer of the document sign the jackpot or credit meter payout document after verifying the payment of the jackpot or credit meter payout to the player and:

(1) Winning combination of characters on the casino gaming machine and the amount of the jackpot; or

(2) Number of accumulated credits;

c. A provision that only the preparer is required to sign the jackpot or credit meter payout document if:

(1) A jackpot or credit meter payout is less than \$5,000;

(2) A facility operator's slot machine or casino management system can independently verify a jackpot or credit meter payout;

(3) The facility operator's slot machine or casino management system and the central monitor and control system are fully operational; and

(4) Overrides or adjustments are not required;

d. A requirement that, if a jackpot or credit meter payout is \$15,000 or more but less than \$35,000, a security department employee or a gaming operations department supervisor or above other than the preparer of the document sign the jackpot or credit meter payout document after verifying the payment of the jackpot or credit meter payout to the player and;

(1) Winning combination of characters on the casino gaming machine and the amount of the jackpot; or

(2) Number of accumulated credits;

e. A provision that if a jackpot or credit meter payout document generated incompliance with this subsection is requested by a gaming operations department supervisor or above, the verification required by this subsection may be completed by a gaming operations department attendant, a gaming operations department supervisor or above, or a security department employee;

f. A requirement that if a jackpot or credit meter payout is \$35,000 or more, an operations department shift manager or higher level operations department employee other than the preparer of the document sign the jackpot or credit meter payout document after verifying the payment of the jackpot or credit meter payout to the player and;

(1) Winning combination of characters on the casino gaming machine and amount of the jackpot; or

(2) Number of accumulated credits;

g. A provision that if a jackpot or credit meter payout document required in compliance with this subsection is requested by a gaming operations department shift manager or higher level gaming operations department employee, the verification required by this subsection may be completed by a gaming operations department attendant, a gaming operations department supervisor or above, or a security department employee;

h. A requirement that the following information be on a two-part computer-generated jackpot or credit meter payout document:

(1) Date and time;

(2) Asset number of the casino gaming machine or table game on which the jackpot was registered or credits accumulated;

(3) Winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot or an indication that a credit meter payout is to be made;

(4) Amount to be paid;

(5) Unique transaction number generated by the facility operator's slot management system;

(6) Signature or identification code of the preparer of the document;

(7) If the payout is \$1,200 or more, the signature or identification code of a verifying witness in accordance with this regulation; and

(8) Unless an automated jackpot payout machine or a cash wallet is utilized to affect the payment, the signature or identification code of the cashier issuing the funds;

i. If utilized, procedures and controls applicable to a jackpot or credit meter payout:

(1) Using an automated jackpot payout machine meeting the requirements of subsection EE of this section; and

(2) By a gaming operations department attendant from a cash wallet impressed with \$10,000 or less;

j. If utilized, procedures and controls to be implemented if the facility operator resets the casino gaming machine or credit meter before the player is paid;

k. A requirement that the surveillance department:

(1) Be notified of a jackpot or credit meter payout of \$25,000 or more;

(2) Log all notices regarding a jackpot or credit meter payout in the surveillance log required under this section; and

(3) Obtain and retain a photograph of the face of the player receiving the payout;

l. Details pertaining to:

(1) Payment of a jackpot or credit meter payout at the:

(a) Cashiers' cage;

(b) Casino gaming machine; and

(c) Table game;

(2) The use of an accounting drop box; and

(3) Audit procedures to be performed by the facility operator's accounting department at the conclusion of each gaming day;

m. Procedures addressing unclaimed jackpots or accumulated credits abandoned on a casino game;

n. Details that establish the ability of the facility operator's slot machine or casino management system to:

(1) Ensure that a two-part computer-generated jackpot or credit meter payout document is not susceptible to change or deletion from the system after preparation;

(2) Process and document system overrides or adjustments to jackpot or credit meter payouts, including:

(a) Overrides or adjustments where the payout requested does not match the payout amount sent from the casino

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gaming machine to the facility operator's slot machine or casino management system; and

(b) Identification of the level of employee having override authority; and

(3) Process voided jackpot or credit meter payout documents; and

o. Procedures utilized to issue a manual jackpot or credit meter payout document that:

(1) Are to be used only when the facility operator's slot machine or casino management system is unable to generate a jackpot or credit meter payout document;

(2) Conform to the jackpot payout or credit meter payout verification and signature requirements of this regulation;

(3) Involve use of a three-part serially prenumbered manual jackpot or credit meter payout document residing in a book, wiz machine, or functional equivalent;

(4) Require manual jackpot or credit meter payout books or their functional equivalent to be maintained in a secured locked cabinet in the cashiers' cage; and

(5) Require the key to the cabinet to be:

(a) Controlled by the security department or the accounting department; and

(b) Limited to sign out by a gaming operations department supervisor or above.

EE. Annuity jackpot.

1. In this subsection, the following terms shall have the meanings indicated unless the context clearly indicates otherwise:

"Annuity jackpot" means a casino game jackpot in which a player wins the right to receive fixed cash payments at specified intervals.

"Discount rate" means a discount rate equal to the United States Treasury constant maturity rate for 20-year United States government securities for the week ending prior to the date of the jackpot, as identified in the applicable H.15 Statistical Release issued by the Federal Reserve Board plus 0.5%.

2. A facility operator may not offer an annuity jackpot without the prior written approval of the department.

3. A facility operator submitting a request for approval of an annuity jackpot to the department shall submit details pertaining to the annuity jackpot, including:

a. The specific terms of:

(1) The annuity; and

(2) Any cash payout option;

b. The written trust agreement supporting the trust fund used to make future cash payments on the annuity jackpot, including details pertaining to:

(1) Administration and funding of the trust agreement;

(2) Liability for payments owed to a player; and

(3) Designation of a trustee;

c. Internal controls addressing the offer and award of an annuity jackpot; and

d. Documentation supporting that the average payout percentage on the casino gaming machine offering the annuity jackpot will comply with this subsection.

4. A facility operator that offers an annuity jackpot payable over 10 years or more may offer a player the option to be paid in a single cash payout provided that payout is equal to the present value of the annuity jackpot as calculated in subdivision 5 of this subsection.

5. The present value of a cash payout option on an annuity jackpot shall be determined by:

a. Applying the discount rate to each of the future annuity jackpot payments;

b. Multiplying the number of years until each jackpot payment would otherwise have been received; and

c. Adding to that amount the amount of the first cash payment that would otherwise have been received.

6. A facility operator shall pay a cash payout requested by a player in lieu of an annuity jackpot in accordance with subsection DD of this section.

7. A facility operator shall develop and include in the internal controls submitted to and approved procedures addressing the offer and award of an annuity jackpot.

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

a. Procedures to be followed by a player to exercise a cash payout option; and

b. Procedures utilized to document payment of an annuity jackpot.

FF. Merchandise jackpot.

1. In this subsection, the following terms have the meanings indicated unless the context clearly indicates otherwise:

"Merchandise" means goods, commodities, or other things of value.

"Merchandise jackpot" means a casino game jackpot in which a player wins:

a. Merchandise;

b. A combination of a cash payout and merchandise; or

c. An option to choose between a cash payout and merchandise.

2. A facility operator may not offer a merchandise jackpot without the prior written approval of the department.

3. A facility operator submitting a request for approval of a merchandise jackpot to the department shall submit details pertaining to the merchandise jackpot, including:

a. The specific terms of:

(1) The merchandise offer; and

(2) Any cash payout option;

b. Documentation supporting the acquisition of the merchandise and its cash equivalent value under subdivision 4 of this subsection;

c. Internal controls addressing the offer and award of a merchandise jackpot; and

d. Documentation supporting that the average payout percentage on the casino gaming machine offering the merchandise jackpot will comply with this subsection.

4. If a facility operator offers a merchandise jackpot consisting of merchandise or an optional cash payout, the optional cash payout shall equal the cash equivalent value of the merchandise determined in accordance with subdivision 5 of this subsection.

5. The cash equivalent value of merchandise shall be determined as follows:

a. Merchandise that the facility operator sells directly to the public in the normal course of business shall be valued at an amount equal to the full retail price normally charged for the merchandise;

b. Merchandise that the facility operator does not sell directly to the public in the normal course of business, but which is provided directly to a player by the facility operator, shall be valued at an amount equal to the actual cost to the facility operator of the merchandise;

c. Merchandise that is provided directly or indirectly to a player on behalf of a facility operator by a third party not related to the facility operator shall be valued at an amount equal to the actual cost to the facility operator of having the third party provide the merchandise; and

d. Merchandise that is provided directly or indirectly to a player on behalf of a facility operator by a third party who is related to the facility operator shall be valued as if the related party were the facility operator under subdivisions 5 a and 5 b of this subsection.

6. For the purpose of determining adjusted gross receipts, the cash equivalent value of any merchandise paid as, or as a portion of, a jackpot shall be included in total winnings paid.

7. A facility operator shall pay a cash payout portion of a merchandise jackpot and a cash payout requested by a player in lieu of a merchandise jackpot in accordance with subsection DD of this section.

8. A facility operator shall develop and include in the internal controls submitted to and approved by the

department procedures addressing the offer and award of a merchandise jackpot.

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

a. Procedures to be followed by a player to exercise a cash payout option; and

b. Procedures utilized to document payment of a merchandise jackpot.

GG. Automated jackpot payout machine.

1. A facility operator may utilize an automated jackpot payout machine meeting the requirements of this subsection.

2. A facility operator may locate an automated jackpot payout machine on the gaming floor subject to the surveillance coverage requirements of this section.

3. A facility operator shall configure an automated jackpot payout machine to process only a jackpot or credit meter payout of less than \$50,000.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the payment of a jackpot or credit meter payout utilizing an automated jackpot payout machine.

5. A facility operator's internal controls shall include procedures and controls documenting:

a. A jackpot or credit meter payout transaction at an automated jackpot payout machine; and

b. Reconciliation and replenishment of an automated jackpot payout machine.

HH. Access to bill validators, cash storage, and table game drop boxes.

1. Access.

a. A facility operator shall control access to a bill validator, a cash storage box housed in a slot machine, table game, or other casino game drop box in accordance with this subsection.

b. Access to a bill validator shall be controlled by:

(1) At least one lock; and

(2) A key to the lock that is required to be maintained by the security department.

c. 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 casino gaming machine:

(1) The key shall be controlled by the casino gaming machine department in:

(a) A manual key box; or

(b) An automated key tracking system;

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(2) Immediately prior to the commencement of the drop, the casino gaming machine department may issue its belly door or main door key to the accounting department;

(3) A key transferred from the casino gaming machine department to the accounting department shall be returned immediately following the conclusion of the drop;

(4) The facility operator shall establish sign in and sign out procedures in its internal controls documenting the transfers; and

(5) If an automated key tracking system is used, a facility operator shall require dual access from the security department and accounting department to obtain keys.

d. The lock on the release mechanism securing the cash storage box to the bill validator shall be controlled by the security department.

e. Access to the contents of a cash storage box shall be controlled by:

(1) At least one lock; and

(2) A key to the lock that is required to be maintained by the accounting department.

2. Control. A facility operator shall either:

a. Assign to a cash storage box an asset number that:

(1) Is permanently imprinted or affixed to the outside of the cash storage box; and

(2) Corresponds to the asset number of the casino gaming machine in which the cash storage box is installed; or

b. With the written approval of the department, utilize a computerized system for:

(1) Assigning a unique identification number to a cash storage box; and

(2) Attributing it to the casino gaming machine in which the cash storage box is installed.

3. A facility operator shall ensure that an asset number or unique identification number on a cash storage box is clearly visible to:

a. An employee involved in removing or replacing a cash storage box; and

b. The surveillance department.

4. A facility operator may maintain an emergency cash storage box without an asset number or a unique identification number if:

a. The word "emergency" is permanently imprinted or affixed on the box; and

b. When put into use, the cash storage box is temporarily marked with the asset number of the casino gaming machine in which it is installed.

5. Table game drop box.

a. A table game shall have a secure tamper-resistant table game drop box attached to it in which the following shall be deposited:

(1) Copies of fill request slips, fill slips, and table inventory slips; and

(2) Other table game wagering instruments approved by the department.

b. A table game drop box shall have:

(1) One lock securing the contents deposited into it;

(2) A separate lock securing the table game drop box to the gaming table, the key to which must be different from the keys to the locks securing the contents of the table game drop box;

(3) A slot opening through which currency, value chips, or poker rake chips for nonbanking games, other table game wagering instruments approved by the department, and required instruments can be inserted into it;

(4) A mechanical device that automatically closes and locks the slot opening upon removal of the table game drop box from the gaming table; and

(5) Permanently imprinted or impressed thereon, and clearly visible to surveillance, either:

(a) A number corresponding to a unique permanent number on the gaming table to which the table game drop box is attached and at least one letter indicating the type of game; and

(b) The word "emergency".

c. In addition to the requirements of subdivision 5 b (5) of this subsection, a table game drop box may also be identified by a bar code label that is securely affixed to the table game drop box and shall be:

(1) At a minimum, encoded with the information required by subdivision 5 b (5) of this subsection; and

(2) Prepared in accordance with the facility operator's approved internal controls.

d. The security department shall control the key used to release a table game drop box from a table game in a manual key box or an automated key tracking system.

(1) Immediately prior to the commencement of the table game count process, the security department may issue its release key to the count room supervisor for the purpose of resetting the release mechanism on empty table game drop boxes;

(2) A key transferred by the security department shall be immediately returned after the conclusion of the table game drop box count;

(3) In its internal controls, a facility operator shall establish sign-in and sign-out procedures governing key transfers and control of a key during breaks taken by count room personnel; and

(4) If an automated key tracking system is used, a facility operator shall require dual access from the security department and accounting department to obtain keys.

e. The keys to the table game drop box locks required under subdivision 5 b (1) of this subsection shall be controlled by the accounting department.

f. Before using a table game drop box labeled "Emergency" for a table game, a facility manager shall:

(1) Obtain verbal approval of department compliance personnel; and

(2) Temporarily mark the emergency table game drop box with the number of the gaming table and at least one letter indicating the game type.

II. Collection of cash storage and table game drop boxes.

1. At least 30 days before casino gaming operations are to commence, a facility operator shall submit to the department in writing a drop schedule setting forth:

a. Specific pick-up days and times for collection of cash storage and table game drop boxes and requirements that:

(1) Cash storage boxes may not be commingled with table game drop boxes;

(2) Unless a drop box is from a table game pit that was never opened for gaming on that gaming day, table game drop boxes shall be collected once each gaming day; and

(3) The facility operator shall notify the department by telephone and in writing one hour in advance of changes to the table game drop box collection schedule.

b. Specifications as to what areas of the gaming floor will be covered on each pick-up day; and

c. Specific transportation routes to be utilized from the gaming floor to the count room on each pick-up day.

2. A facility operator shall notify the department:

a. 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

b. Prior to any temporary deviation from the drop schedule.

3. A facility operator shall make readily available to the department:

a. An access control matrix indicating which employee job descriptions are authorized to participate in the cash storage and table game drop box collection process; and

b. A list of employees, with license numbers, who are authorized to participate in the cash storage and table game drop box collection process.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures addressing the collection of cash storage and table game drop boxes.

5. A facility operator's internal controls shall:

a. Detail the actual procedures to be performed and documentation to be generated by drop team employees collecting cash storage and table game drop boxes:

(1) In accordance with the drop schedule; and

(2) On an emergency basis; and

b. Require:

(1) Cash storage and table game drop boxes to be transported directly to, and secured in:

(a) The count room; or

(b) A trolley storage area approved by the department;

(2) The cash storage and table game drop box collection process to involve the participation of at least three employees, at least one of whom is an employee of the:

(a) Security department; and

(b) Accounting department;

(3) Prior to the movement of a trolley containing cash storage boxes from the gaming floor into the count room, an accounting department supervisor to verify that the number of cash storage boxes being transported from the gaming floor equals the number of cash storage boxes scheduled for collection that day;

(4) Prior to the movement of a trolley containing table game drop boxes from the gaming floor into the count room, an accounting department supervisor or floorperson or above to verify that the number of table game drop boxes being transported from the gaming floor equals the number of table game drop boxes scheduled for collection; and

(5) Prior to changing the type of table game offered or removing a casino gaming machine or table game from the gaming floor, that an emergency drop shall be conducted.

6. A facility operator shall transport cash storage and table game drop boxes in an enclosed trolley secured by one lock that has a key that is controlled by the security department.

7. 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:

a. In the count room in an area approved by the department;

b. In a trolley storage area approved by the department; or

c. In another location at the facility approved by the department.

8. The cabinet or trolley used for storage under subdivision 7 of this subsection shall be secured by one lock that has a key which is controlled by the security department in:

a. A manual key box; or

b. An automated key tracking system.

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9. Immediately prior to the commencement of the count process, the security department may issue its key to the storage cabinet or trolley required under subdivision 7 of this subsection to a count room supervisor for the purpose of allowing count room personnel to gain access to the cash storage or table game drop boxes to be counted.

10. A trolley storage area utilized to store cash storage or table game drop boxes prior to the count process shall meet the design standards for a count room under subsection JJ of this section.

JJ. Count room design standards.

1. A facility operator shall have a count room designated, designed, and used for counting the contents of cash storage and table game drop boxes at a location approved by the department.

2. A count room shall:

a. Be constructed of materials and have an interior design that provides maximum security over the assets stored, and the activities conducted in, the room;

b. Meet the surveillance requirements of subsection J of this section, including audio coverage of the count process; and

c. Be constructed with doors equipped with:

(1) An alarm system that tracks all ingress to and egress from the room and that:

(a) Directly alerts the security department; or

(b) Directly, or through a documented communications protocol, alerts the surveillance department; and

(2) A locking mechanism with key backup, or a key that is:

(a) Different from the key to any other door to the count room;

(b) Different from the keys to the locks securing each cash storage and table game drop box; and

(c) Controlled by the security department or the accounting department.

3. A facility operator shall install in its count room a table constructed of clear glass or similar transparent material to be used for the emptying, counting, and recording of the contents of cash storage and table game drop boxes.

KK. Accounting controls for a count room.

1. At least 30 days before casino gaming operations are to commence, a facility operator shall submit to the department a count schedule setting forth the specific times during which cash storage and table game drop boxes are to be counted and recorded.

2. A facility operator shall notify the department in writing of any:

a. Permanent change in the count schedule; and

b. Temporary deviation from the count schedule.

3. Count frequency.

a. A facility operator shall count the contents of each cash storage box at least once every seven days unless an alternative count schedule is submitted in writing to and approved in writing by the department.

b. A facility operator shall count the contents of each table game drop box at least once each gaming day unless an alternative count schedule is submitted to, and approved in writing by, the department.

c. Unless no gaming is conducted or otherwise offered at the casino gaming facility, a facility operator shall count the contents of each table game drop box at least once each gaming day.

d. The following shall be counted and recorded separately:

(1) Table game drop boxes from banking games; and

(2) Table game drop boxes from nonbanking games.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures to address the counting and recording of cash storage and table game drop boxes.

5. A facility operator's internal controls shall:

a. Detail all hardware, software, and related equipment utilized by the facility operator to conduct the count;

b. Detail the actual procedures to be performed and documentation to be generated by:

(1) Count team employees conducting the counting process; and

(2) The main bank cashier in verifying and accepting the count;

c. Require computerized equipment utilized to count and strap currency, gaming tickets, and promotional play instruments to:

(1) Conduct two separate counts;

(2) If the separate counts are not in agreement, document the discrepancy;

(3) Be capable of determining the amount of a gaming ticket or promotional play instrument by independently examining information printed on the gaming ticket or promotional play instrument and:

(a) Calculating the amount internally; or

(b) Obtaining the amount directly from a gaming ticket system or promotional play system in a secure manner; and

(4) If a gaming ticket system or promotional play system is utilized to obtain the amount of a gaming ticket or promotional play instrument, require the system to perform a calculation or integrity check to ensure that the

amount of the gaming ticket or promotional play instrument has not been altered in the system in any manner since the time of issuance;

d. Require a count room employee to:

(1) Wear a one-piece, pocketless garment;

(2) Carry only a handbag or other container constructed of transparent material; and

(3) Remove the count room employee's hands from, or return them to, a position on or above the count table or counting equipment only after holding the backs and palms of the hands straight out and exposing them to the view of other employees of the count team and a surveillance camera; and

e. Prior to the commencement of the count, require a count room employee to notify the surveillance department and receive confirmation that recording of the count process has commenced.

6. Table game drop box count requirements.

a. The department may require that the table game drop box be conducted in the presence of a department compliance representative.

b. After the contents of each table game drop box from a banking table game are counted, a member of the count team shall record on a three-part Daily Banking Table Game Count Report or electronic equivalent prepared on a computer system, the:

(1) Value of each denomination of currency counted;

(2) Total value of all denominations of currency counted;

(3) Gaming date of the items being recorded;

(4) Total number of banking table game drop boxes opened and counted; and

(5) Current date.

c. After the contents of each table game drop box from a nonbanking table game are counted, a member of the count team shall record on a three-part Daily Nonbanking Table Game Count Report or electronic equivalent prepared on a computer system the:

(1) Value of poker rake chips counted;

(2) Value of value chips counted;

(3) Total value of poker rake chips and value chips counted;

(4) Gaming date of the items being recorded;

(5) Total number of nonbanking table game drop boxes opened and counted; and

(6) Current date.

d. After the preparation of the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report, the count team members and the count room supervisor shall sign the reports attesting to the accuracy of the information recorded thereon.

e. After the contents of all table game drop boxes have been counted, all cash, value chips, and poker rake chips shall be presented in the count room by a count team member to a main bank cashier or cage supervisor who, prior to having access to the information recorded on the Daily Banking Table Game Count Report and Daily Nonbanking Table Game Count Report, and in the presence of the count team members and, if required, a department compliance representative, shall recount the currency, value chips, and poker rake chips as follows:

(1) The main bank cashier or cage supervisor may bulk count all strapped currency;

(2) The department compliance representative may direct that currency straps be recounted by the main bank cashier or cage supervisor if a discrepancy is discovered during the initial bulk recount; and

(3) All partial straps, loose currency, mutilated or torn currency, value chips, and poker rake chips shall be recounted by the main bank cashier or cage supervisor.

f. Upon completion of the recount, the main bank cashier or cage supervisor shall attest to the accuracy of the count by signature on the Daily Banking Table Game Count Report and Daily Nonbanking Table Game Count Report.

g. The Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report shall be distributed as follows:

(1) Immediately after leaving the count room, the count room supervisor shall deliver the original to revenue audit or place it in a secure locked box controlled by revenue audit;

(2) The department compliance representative who observed the count shall retain the second copy; and

(3) The cage supervisor or main bank cashier shall retain the third copy.

h. Immediately after leaving the count room, the count room supervisor shall deliver any additional documents contained in the table game drop boxes to revenue audit or place the documents in a secured locked box controlled by revenue audit, including:

(1) Requests for fills;

(2) Fill slips; and

(3) Table inventory slips.

i. A count room employee shall conduct a thorough inspection of the count room and all counting equipment in the count room to verify that no currency, chips, checks, vouchers, coupons, or other documentation remains in the room.

7. A gaming ticket or promotional play instrument accepted by a cash storage or table game drop box shall be counted and included in the calculation of proceeds without regard to the validity of the gaming ticket or promotional play instrument.

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8. A promotional play instrument that is not cancelled upon acceptance or during the count process shall be cancelled prior to the conclusion of the count.

9. A facility operator shall report in writing to the department within 72 hours of the count:

a. Any variance between the actual count of cash, gaming tickets, and promotional play instruments in a cash storage box as determined in the count room and the amount for that particular cash storage box recorded on the:

(1) Facility operator's casino gaming machine; and

(2) If the data has been made available to the facility operator, the central monitor and control system;

b. The reason for the variance; and

c. Corrective action taken or adjustments made.

LL. Player complaints.

1. A facility operator shall attempt to timely resolve a dispute with a player concerning operation of a casino game, or payment of alleged winnings.

2. A facility operator that is unable to satisfactorily resolve a dispute with a player within three days of notice of the dispute shall notify the department of the dispute.

3. On receipt of notice by the facility operator of the dispute, the department shall provide the player with a department player complaint form together with instructions for completing and submitting the form.

4. The department shall investigate a complaint submitted to the department and notify the player and facility operator of its determination.

5. The department may provide a player with a complaint form at any time upon request.

MM. Possession of a weapon in a facility.

1. Except as otherwise provided in this subsection, an individual may not possess in a facility a firearm, stun weapon as defined in § 18.2-308.1 of the Code of Virginia; other dangerous weapon, including any defined in § 18.2-308 of the Code of Virginia; or other device or object designed to be used to inflict pain or cause injury.

2. The prohibition in subdivision 1 of this subsection:

a. Applies to all employees and contractors of the facility operator including security department employees; and

b. Does not apply to:

(1) An on-duty officer or agent of a local, state, or federal law-enforcement agency having proper jurisdiction over the facility when the officer or agent is acting in an official capacity;

(2) An individual who is employed by an armored car company or other entity that is under contract with the facility to transport cash or a cash equivalent; or

(3) An individual authorized by the department to possess a weapon or device identified in subdivision 1 of this subsection.

3. An individual requesting department authorization to possess a weapon identified in subdivision 1 of this subsection in a facility shall submit to the department in writing a request documenting:

a. A compelling need to possess a weapon in the facility;

b. That the individual is lawfully in possession of the weapon under applicable federal and state law; and

c. That the individual has received training in the possession and use of the weapon.

NN. Signs.

1. A facility operator shall construct all signs required under this chapter using a color scheme and font size reasonably expected to produce a sign that is readily visible to and readable by an individual entering the facility.

2. A facility operator shall post signs containing the following messages in a conspicuous location not more than 20 feet from each customer entrance to the facility: "An individual, including an off-duty officer or agent of a local, state or federal law enforcement agency, may not possess a weapon or other device designed to be used to inflict pain or cause injury in (name of facility) without the prior written approval of the Virginia Lottery."

OO. Acceptance of tips or gratuities.

1. Except as otherwise provided in this subsection:

a. A supervisory gaming employee of a facility is prohibited from soliciting or accepting a tip or gratuity directly from a player;

b. A gaming employee is prohibited from soliciting a tip or gratuity from a player; and

c. A facility operator may permit an employee who is authorized to accept a gratuity from a player to accept a gaming ticket if the gaming ticket is redeemed:

(1) At the cashiers' cage; and

(2) With approval of the employee's department supervisor, if the amount of the gaming ticket exceeds \$100.

2. At least 30 days before table game operations are to commence, a facility operator shall submit to the department for approval internal controls relating to the acceptance of tips or gratuities by dealers at banking and nonbanking table games.

3. Except as provided in subdivision 7 of this subsection, a dealer shall immediately deposit all tips and gratuities into a transparent locked box reserved for tips and gratuities, and:

a. If roulette chips are received as a tips or gratuity, the marker button indicating the specific value of the roulette

chips may not be removed until after the dealer, in the presence of a floorperson or above, has converted the roulette chips into value chips that shall then be immediately deposited in the transparent locked box reserved for tips and gratuities;

b. Tip and gratuities shall be:

(1) Collected and accounted for at least once each gaming day; and

(2) Placed in a common pool for distribution pro rata among all dealers in accordance with subdivision 5 of this subsection; and

c. A facility operator may include dealer supervisors in the common pool.

4. Upon receipt of a tip or gratuity from a player, the dealer shall extend the dealer's arm in an overt motion and deposit the tip or gratuity in the locked box reserved for tips and gratuities.

5. Tips and gratuities placed in a common pool shall be distributed pro rata among the dealers in the pool based on the number of hours worked and based on any standards for distribution established by a facility operator, which may include:

a. Hours of vacation time, personal leave time, or any other authorized leave of absence in the number of hours worked by each employee; and

b. Different full-time or part-time employees.

6. A distribution of tips and gratuities from a common pool shall occur no more than once every seven calendar days.

7. Notwithstanding the requirements of subdivision 3 of this subsection, a facility operator that offers the game of poker:

a. May establish a separate common pool for tips and gratuities received by its poker dealers; or

b. If it allows a poker dealer to retain the poker dealer's own tips and gratuities, shall require:

(1) Tips and gratuities received by a poker dealer to be deposited in a transparent locked box assigned to the particular dealer; and

(2) That the transparent locked box be moved from table to table with the dealer.

8. If a facility operator elects to follow the requirements of subdivision 7 b of this subsection, at the end of the poker dealer's shift:

a. The dealer shall take the transparent locked box assigned to the dealer to a cage cashier; and

b. The cage cashier shall open the container and count the tips and gratuities in the presence of the poker dealer, and record the total amount of the tips and gratuities received by the dealer, and:

(1) Return the tips and gratuities to the dealer; or

(2) Retain all or a portion of the tips and gratuities for inclusion in the dealer's paycheck.

9. If a facility operator elects to follow the requirements of subdivision 7 b of this subsection and has established a gaming industry tip and compliance agreement, subdivision 8 of this subsection does not apply.

10. A facility operator shall specify in its internal controls how dealer tips and gratuities will be reported to the Internal Revenue Service.

PP. Off-site customer service location.

1. A facility operator may establish an off-site customer service location for a player to create a customer deposit account and make a deposit under subsection V of this section.

2. A facility operator that uses an off-site customer service location shall have internal controls that require:

a. Establishment of a compliance program that is updated to include the off-site customer service location operation;

b. Identification of the:

(1) Address of the off-site customer service location;

(2) Date the off-site customer service location is expected to open;

(3) Name and contact information of the off-site customer service location manager;

(4) Off-site customer service location telephone numbers;

(5) Off-site customer service location normal hours of operation; and

(6) An organization chart listing all positions that will have responsibility over Virginia operations related to the off-site customer service location;

c. Commencement of operations at an off-site customer service location operation only after receiving department approval;

d. An Off-Site Customer Service Location Report to be maintained by the licensee and updated quarterly to include the following for each off-site customer service location:

(1) Address and telephone numbers;

(2) If applicable, opening and closing date;

(3) Name of the off-site customer service location manager;

(4) Off-site customer service location normal hours of operation; and

(5) Year-to-date and previous calendar year dollar amounts of the following Virginia-specific transactions received or disbursed and controlled by the off-site customer service location:

(a) Cash deposits, noncash deposits, and total deposits; and

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(b) Cash withdrawals, noncash withdrawals, and total withdrawals;

e. An Off-Site Customer Service Location Report to be submitted to the department no later than 30 days after the end of the calendar year;

f. An off-site customer service location to maintain the following records for Virginia casino gaming operations:

(1) A separate monthly log, by day, of all funds deposited and withdrawn that includes:

(a) Player's name on an account to which the funds are being applied;

(b) Name of the individual making the payment;

(c) Date of deposit or withdrawal;

(d) Amount of deposit or withdrawal;

(e) Whether the transfer of funds was made by cash, check, or other financial instrument; and

(f) New ending account balance; and

(2) Monthly record of currency exchange rate gains and losses and money changer fees in conjunction with a player's transactions that includes:

(a) Player's name;

(b) Date of receipt; and

(c) Amount of payment; and

g. Any costs associated with the department's audit or review of an off-site customer service location operation to be reimbursed by the facility operator to the department.

3. An off-site customer service location may not open until the department approves:

a. The internal controls required by this subsection; and

b. An activation request submitted by the facility to the department.

11VAC5-90-120. Casino gaming facility standards.

A. Hours of operation.

1. A facility operator may not offer fewer hours of operation than provided for by law without the prior written approval of the director.

2. A facility operator that has received approval to offer fewer hours of operation may, upon written notice to the director, extend its hours of operation up to and including those allowable by law.

B. Facility design standards.

1. A facility operator shall, at its own expense, construct its facility in accordance with specifications established by the director, including:

a. Computer space for the central monitor and control system contractor that is:

(1) Equipped with heating, ventilation, and air conditioning;

(2) Supplied with power including an uninterruptible backup power supply;

(3) Secured with a key or alternative locking mechanism maintained and controlled by representatives of the department and the central monitor and control system operator in accordance with this chapter;

(4) Equipped with a door that, when opened, audibly signals the facility operator's surveillance monitoring room; and

(5) Covered by a surveillance system enabled to record all entry and exit to the computer space and activity in the area;

b. Equipment storage space for the central monitor and control system contractor;

c. Cable infrastructure access to the gaming floor;

d. All necessary wiring for the gaming floor, unless the department requires its central monitor and control system contractor to install its wiring;

e. A base and high-backed seat for each slot machine;

f. At least 1,000 square feet of office space for use by department staff that is located immediately adjacent to the gaming floor and is equipped with:

(1) Partitioned work space, computers, telephones, copy capability, and supplies sufficient to meet the department's data processing and related needs;

(2) Computer terminals permitting read only access by authorized department staff to any computerized slot monitoring system, casino management system, or player tracking system used by the facility operator; and

(3) Keys or alternative locking mechanisms which are under the exclusive control of the department;

g. A surveillance system approved in writing by the department that is:

(1) Configured to provide surveillance of all slot machine and table game related activities within the facility in accordance with standards established by the department;

(2) Enabled with a digital video recording format in accordance with standards established by the department; and

(3) Equipped with a monitoring station for the exclusive use of the department which is configured with full camera control capability over the surveillance system and is capable of overriding the camera control capability of the facility operator;

h. An alarm system connected to all emergency exits from the gaming floor that:

(1) Produces a distinguishable warning sound that is discernible in the vicinity of an exit when the emergency door is opened; and

(2) Requires deactivation and reset by means of a key or alternative locking mechanism maintained and controlled by the security department;

i. An area for the detention of individuals taken into custody by any law-enforcement agency that has jurisdiction over the facility;

j. Adequate space for use by the department in connection with conducting background investigations of applicants or licensees;

k. Any signage required by the department;

l. Communication systems capable of effecting timely communication between the facility and the department, law enforcement exercising proper jurisdiction over the facility, and emergency first responders; and

m. Any other equipment or design feature required by the department.

2. Virginia Lottery games.

a. A facility operator shall provide at least two locations in the facility for the sale of Virginia Lottery games that are offered by or through the department.

b. Virginia Lottery game sales locations shall be situated as near as practicable to a cashiers' cage.

C. Table games surveillance requirements.

1. In addition to the general surveillance system required by subsection B of this section and 11VAC5-90-110, a facility operator that offers table games shall have a surveillance system that includes:

a. Light sensitive cameras with lenses of sufficient magnification to allow the operator to clandestinely monitor in detail:

(1) The gaming conducted at each gaming table in the facility with sufficient clarity and coverage to simultaneously:

(a) Identify patrons and dealers; and

(b) View the table and determine the configuration of wagers, card, dice and tile values, and game outcomes;

(2) The movement of cash, gaming chips, and plaques, tip boxes, and drop boxes within the facility; and

(3) Any other activity or areas designated by the department; and

b. Stationary cameras dedicated to table games, including:

(1) Except for craps, baccarat, roulette and big six wheel, at least one stationary camera for each table game offered by the facility;

(2) At least two stationary cameras for each craps table, with one camera covering each end of the table;

(3) At least two stationary cameras for each baccarat table, with one camera covering each end of the table;

(4) At least two stationary cameras for each roulette table, with one camera covering the Roulette wheel and one camera covering the Roulette table layout;

(5) At least two stationary cameras for each big six wheel, with one camera covering the big six wheel and one camera covering the big six wheel table layout;

(6) Additional cameras as required by the department, which may include cameras with 360-degree pan, tilt, and zoom capabilities; and

(7) Single stationary cameras that:

(a) Are capable of clearly identifying the entire table layout, conduct, and outcome of the game; and

(b) May be used by a facility operator with the approval of the department in lieu of cameras identified in subdivisions 1 b (2) through 1 b (5) of this subsection.

2. A facility's surveillance system must continuously record transmissions from cameras used to observe the:

a. Gaming conducted at table games;

b. Collection of drop boxes and tip boxes;

c. Distribution of cards, dice, and tiles to gaming pits;

d. Inspection of cards, dice, and tiles in the gaming pits and at the gaming tables;

e. Retrieval of cards, dice, and tiles from the gaming pits at the end of the gaming day; and

f. Delivery of cards, dice, and tiles to the location designated and approved by the department for inspection, cancellation, destruction, or, if applicable, packaging for reuse.

3. Retention of recordings.

a. The surveillance recordings required under subdivision 2 of this subsection shall be retained for a minimum of 14 days.

b. A surveillance recording of suspicious activity, suspected or alleged regulatory violations, or suspected or alleged criminal activity shall be retained for a minimum of 30 days.

c. A surveillance recording shall be made available for review upon request by law enforcement.

4. Department approval of monitoring rooms.

a. Prior to the commencement of table game operations, a facility shall submit to the department a minimum staffing submission for the facility operator's surveillance monitor rooms.

b. The minimum staffing submission must consider the size and layout of the licensed facility as well as the number of table games and must at all times provide for surveillance of activities inside and outside the licensed facility.

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c. A facility operator may not implement a surveillance plan, or an amendment to a surveillance plan or minimum staffing submission, without prior department approval.

D. Gaming floor plan.

1. At least 60 days before gaming operations are to commence, a facility operator shall submit a floor plan depicting its gaming floor and all restricted areas to the department for review and written approval.

2. A facility operator may not commence operations until its gaming floor plan is approved in writing by the department.

3. A gaming floor plan that a facility operator submits to the department shall:

a. Be drawn to 1/8-inch scale, unless another scale is approved by the department;

b. Be certified by an architect licensed to practice in the Commonwealth of Virginia;

c. Depict the gaming floor with a notation as to:

(1) Total square feet;

(2) Total square feet utilized for the placement of slot machines, table games and any other types of casino games;

(3) Total square feet reserved for future placement of casino games;

(4) Each casino game location, identified by number and notation as to whether it is proposed for present use or reserved for future use;

(5) Number of casino game locations proposed for use on the gaming floor;

(6) Number of casino game locations reserved for future use;

(7) Each seat on the gaming floor;

(8) Perimeter of the gaming floor;

(9) A clearly delineated route for and individual who is not allowed to play casino games to bypass the gaming floor;

(10) Each automated bill breaker, gaming ticket redemption, coupon redemption, and jackpot payout machine; and

(11) Each security department zone, including a notation as to whether it is a fixed or roving post;

d. Depict all restricted areas within the facility with a notation as to:

(1) Cashiers' cage, any satellite cashiers' cage, and ancillary offices, inclusive of each cashiers' cage window location and location number;

(2) Computer space allocated to the central monitor and control system;

(3) Count rooms and any trolley storage areas;

(4) An area designated for the storage or repair of equipment or slot machines or table game equipment;

(5) Information technology department operations centers;

(6) Progressive controller locations;

(7) Surveillance monitoring room;

(8) Vault and armored car bay locations; and

(9) Any area designated as restricted by the facility operator in its department-approved internal controls;

e. Depict each surveillance camera with a notation as to camera type and location number; and

f. Depict each automated teller machine.

4. If a gaming floor includes an outdoor area, in addition to the requirements of subdivision 3 of this subsection, an operator shall submit to the department a gaming floor plan that includes:

a. The amenities that the operator intends to offer in the outdoor area;

b. An affidavit from the chief executive officer attesting that the outdoor area and its intended use meet all applicable local and state requirements; and

c. A plan for player and equipment safety during inclement weather.

5. A facility operator may not implement any change to its approved gaming floor plan without the prior written approval of the department.

11VAC5-90-130. On-premises mobile casino gaming.

A. A facility operator may offer to its players at the facility on-premises mobile casino gaming.

B. The on-premises mobile casino gaming permitted by under this section shall be subject to the provisions of and may be preempted and superseded by any applicable federal law.

C. A facility operator shall locate its primary on-premises mobile casino gaming operation, including facilities, equipment, and personnel who are directly engaged in the conduct of the gaming, within a restricted area of the facility.

D. Backup equipment used on a temporary basis may be located off-site with the approval of the department.

E. The area in a facility used to conduct and support on-premises mobile casino gaming shall:

1. Be arranged in a manner promoting optimum security;

2. Be incorporated into the surveillance system installed in the rest of the facility;

3. Meet the standards set by 11VAC5-90-120, with department staff allowed access to both the system and the signal of the operation;

4. Be designed to permit the department to monitor the mobile gaming operations; and

5. Comply in all respects with the Casino Gaming Law, this chapter, and any directives of the department or the director.

F. A facility operator may offer on-premises mobile casino gaming only to an individual who has established an on-premises mobile casino gaming account and uses such account to place wagers as follows:

1. Any wager shall be placed directly with the facility operator by the account holder;

2. The facility operator shall verify the account holder's physical presence on-site at the facility at the time of wagering; and

3. The account holder shall provide the facility operator with the correct authentication information for access to the wagering account.

G. A facility operator may not accept a wager in an amount more than the funds on deposit in the player's account.

H. If an on-premises mobile casino gaming player account is inactive or dormant for five years:

1. The facility operator shall attempt to contact the account holder by mail, phone, and electronic mail;

2. And if the account holder does not respond to the facility operator, the facility operator shall close the account; and

3. Any funds remaining in the account at the time of closing shall be paid 50% to the facility operator and 50% to the Commonwealth's general fund.

A facility operator shall ensure that account holders are made aware of the provisions of this subsection prior to opening a mobile gaming player account.

I. Responsible gaming.

1. In addition to the requirements for responsible casino gaming established in 11VAC5-90-100, a facility operator that offers onsite mobile casino gaming shall:

a. Cause the words "If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER," or other comparable language approved by the department, to be displayed prominently at log-on and log-off times to any person visiting or logged onto the on-premises mobile casino gaming; and

b. Provide a mechanism by which an account holder may establish the following controls on wagering activity through the player's wagering account:

(1) A limit on the amount of money deposited within a specified period of time and the length of time the account holder will be unable to participate in gaming if the holder reaches the established deposit limit; and

(2) A temporary suspension of gaming through the account for any number of hours or days.

2. A facility operator shall not send gaming-related electronic mail to an account holder when the player has suspended the account for at least 72 hours.

3. A facility operator shall provide a mechanism by which an account holder may change these controls, but when the player's account is suspended, the account holder may not change gaming controls.

4. During a period of suspension, an account holder shall have access to the account and be permitted to withdraw funds from the account.

J. At least 60 days before onsite mobile casino gaming operations are to commence, a facility operator shall submit its internal controls for those operations to the department for review and written approval. The internal controls shall be integrated into the internal controls required by 11VAC5-90-110 and shall address, at a minimum:

1. Administrative controls;

2. Recordkeeping and record retention;

3. Accounting controls;

4. Segregation of functions, duties, and responsibilities;

5. Security;

6. Surveillance;

7. Reports; and

8. Such other subject matters that the department may require.

K. Gross receipts from on-premises mobile casino gaming shall be included in a facility operator's adjusted gross receipts and subject to taxation pursuant to the provisions of §§ 58.1-4124 and 58.1-4125 of the Code of Virginia.

L. Prohibited conduct.

1. The provisions of this subsection are in addition to any criminal proceeding that may be brought against a person for a violation of the prohibited conduct described in this subsection.

2. A person may not offer on-premises mobile casino gaming in violation of the Casino Gaming Law, this chapter, or a directive of the department or the director.

3. A person may not knowingly tamper with software, computers, or other equipment used to conduct on-premises mobile casino gaming to alter the odds or the payout of a game or disable the game from operating according to the rules of the game as approved by the department.

4. The permit of an employee of a facility operator who violates subdivision 3 of this subsection shall be revoked and the employee shall be subject to such further penalty as the department deems appropriate.

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5. The license of a facility operator that violates subdivision 3 of this subsection shall be suspended for a period determined by the department and the facility operator shall be subject to such further penalty as the department deems appropriate.

6. A person may not knowingly offer or allow to be offered any on-premises mobile casino game that has been tampered with in a way that affects the odds or the payout of a game or disables the game from operating according to the rules of the game as approved by the department.

7. The permit of an employee of the facility operator who violates subdivision 6 of this subsection shall be suspended for a period of at least 30 days.

8. The license of a facility operator that violates subdivision 6 of this subsection shall be suspended for a period of at least 30 days.

11VAC5-90-140. Transportation and testing of casino gaming machines and equipment.

A. Compliance with federal law. A person who transports a slot machine, mechanical casino gaming device, or table game equipment shall comply with applicable provisions of 15 USC §§ 1171-1178, commonly known as the Johnson Act.

B. Transportation.

1. Unless otherwise directed by the director, a person shall submit written notice to the department prior to transporting a slot machine, mechanical casino gaming device, or table game equipment.

2. A person proposing to transport a slot machine, mechanical casino gaming device, or table game equipment shall submit to the director a written notice containing:

- a. Name and address of person initiating transportation;
- b. Reason for transportation;
- c. Method of transportation;
- d. Name of and address of carrier;
- e. Anticipated beginning and end dates of transportation;
- f. Name and address of destination;
- g. Name and address of manufacturer;
- h. Manufacturer's serial number;
- i. Model number;
- j. Description; and
- k. Any other information requested by the department.

3. The person proposing to transport or transporting a slot machine, mechanical casino gaming device, or table game equipment shall promptly provide the department with written notice of any changes to the information already submitted as required under subdivision 2 of this subsection.

4. A person transporting a slot machine, mechanical casino gaming device, or table game equipment shall plainly and clearly label the package so that the name and address of the shipper and recipient and the contents of the package may be readily ascertained during an inspection of the outside of the package.

5. After delivery of a slot machine, mechanical casino gaming device, or table game equipment, the facility to which the terminal is delivered shall promptly provide the department with written notice that includes:

- a. Date the slot machine, mechanical casino gaming device, or table game equipment was received;
- b. Date the slot machine, mechanical casino gaming device, or table game equipment will be placed into operation; and
- c. Any other information requested by the department.

C. Storage.

1. If a slot machine, mechanical casino gaming device, or table game equipment will not be placed into operation upon delivery to a casino gaming facility, the facility shall provide the department with written notice that includes:

- a. Identification of the slot machine, mechanical casino gaming device, or table game equipment;
- b. Reason for storage;
- c. Storage facility location; and
- d. Any other information requested by the department.

2. A facility operator shall store a slot machine, mechanical casino gaming device, or table game equipment only in a manner that the department has approved.

D. Registration.

1. The department shall maintain a register of each slot machine, mechanical casino gaming device, and specified table game equipment placed in operation in the Commonwealth.

2. The table game equipment for which the board shall maintain a register under subdivision 1 of this subsection is:

- a. Table games that contain an approved table layout;
- b. Automated table game shuffling devices;
- c. Table game progressive controllers; and
- d. Any other table game equipment specified by the department.

3. For each slot machine placed into operation, the department shall incorporate the slot machine into the department's central monitor and control system.

4. For each slot machine, mechanical casino gaming device, or table gaming equipment specified in subdivision 2 of this subsection that is placed into operation, the department shall:

- a. Assign a registration control number; and

b. Affix a department registration tag.

E. A slot machine, mechanical casino gaming device, or gaming table may not be transported out of the Commonwealth unless the director:

1. Approves the action; and
2. If the slot machine, mechanical casino gaming device, or table gaming equipment is being permanently removed from Virginia, removes the registration tag.

F. Testing.

1. The department may test slot machines and associated equipment for:

- a. Accuracy;
- b. Compatibility with the central monitor and control system; and
- c. Any other function that the director determines may be necessary to validate the proper functionality and performance of the slot machines and equipment.

2. The director may test mechanical casino gaming devices, table game rules, and table game equipment for:

- a. Accuracy; and
- b. Any other function the department determines is necessary to validate the proper functionality and performance of the mechanical casino gaming device or table game equipment.

G. Request for authorization.

1. A facility operator shall obtain prior written authorization from the department before taking any of the following actions with respect to a slot machine, mechanical casino gaming device, or table game equipment in its facility:

- a. Placing the slot machine, mechanical casino gaming device, or table game into operation;
- b. Relocating the slot machine, mechanical casino gaming device, or table game within the facility;
- c. Converting a game theme or table layout;
- d. Converting a play denomination on a slot machine or mechanical casino gaming device;
- e. Changing percentage payout;
- f. Changing an erasable programmable read only memory chip;
- g. Changing a jackpot lockup amount;
- h. Changing a configuration;
- i. Performing a substantial replacement of parts;
- j. Implementing any variation, composite, or new feature of a table game; or
- k. Performing any other action that materially alters or interrupts the operation of a slot machine, mechanical casino gaming device, or table game.

2. Before the director authorizes an action described in subdivision 1 of this subsection, a facility shall submit to the department written notice of the request that includes:

- a. Description of proposed action;
- b. Location of action;
- c. Start and end dates and times;
- d. Estimated "go live" date for the slot machine, mechanical casino gaming device, or table game;
- e. Approval of the manufacturer of the affected slot machine, mechanical casino gaming device, or table game equipment;
- f. Approval of the operator of the central monitor and control system; and
- g. Any other information requested by the department.

3. A facility operator shall promptly provide the director with written notice of any changes to the information already submitted under subdivisions 1 and 2 of this subsection.

4. Response to request for authorization.

- a. The director may impose additional requirements on the facility operator or the manufacturer before authorizing the action.
- b. The director may deny approval of the action.
- c. A facility operator shall notify the director if the action is not completed as approved.

11VAC5-90-150. Slot machines.

A. Definitions. In addition to the terms defined in 11VAC5-90-10, the following terms have the meanings indicated.

"Double-up" means an optional wager on a slot machine, the availability of which is triggered by a preceding winning event, in which the player has a mathematically equal probability of doubling the amount wagered or losing the entire amount placed at risk.

"Linked" means to be connected with.

"Modification" means a change or alteration that:

1. Affects the conduct of play or operation of equipment, a system, or software including a change or alteration to a:
 - a. Control program;
 - b. Graphics program; or
 - c. Payout percentage; and
2. Does not include the replacement of one approved component with an identical component.

"Progressive controller" means a device independent of the operating system of a slot machine that calculates and transmits to a slot machine the amount of an available progressive jackpot based on:

1. A preestablished rate of progression; and

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2. Denomination of the slot machine.

"Progressive jackpot" means a jackpot offered by a slot machine that may increase uniformly in value based on wagers as the slot machine is played.

"Random number generator" means a computational or physical functionality within the operating system of an electronic device that ensures the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

"RAM" means random access memory.

"RAM clear" means a process that results in the zeroing out of any:

1. Meter information;
2. Configuration information; or
3. Data stored in the random access memory of a slot machine.

"Skill" means the application of intelligence and specific knowledge to achieve the best result when a slot machine offers a choice of options during game play.

"Theme" means a concept, subject matter, and methodology of design of a slot machine.

"Version" means a sequence number or designation assigned to equipment, a system, or software to identify the initial release of the equipment, system, or software and to track changes or revisions to the initial release.

"Wide area progressive system" means a system independent of the operating system of a slot machine that calculates and transmits to slot machines linked in two or more facilities in or outside the Commonwealth of Virginia the amount of an available progressive jackpot based on:

1. A preestablished rate of progression; and
2. Denomination of the slot machine.

B. Testing, certification, and approval of equipment, a system, or software.

1. A manufacturer may not offer the equipment, systems, or software enumerated in subdivision 5 of this subsection, or a modification to a department-approved version of that equipment, system or software, for sale, lease, distribution, or use in a facility without it having been:

- a. Tested and certified by an independent certified testing laboratory; and
- b. Approved in writing by the department.

2. A facility operator may not purchase, lease, or otherwise acquire the right to install, utilize, or make available for use the equipment, systems, or software enumerated in subdivision 5 c of this subsection, or a modification to a

department-approved version of that equipment, system, or software, without it having been:

- a. Tested and certified by an independent certified testing laboratory; and
- b. Approved in writing by the department.

3. A facility operator may not modify, alter, or tamper with the central monitor and control system or a slot machine.

4. Modification, alteration, or tampering with the central monitor and control system or a slot machine may result in the immediate suspension of an operation license by the department.

5. The testing, certification, and approval requirements of this subsection shall, at a minimum, apply to:

- a. The central monitor and control system;
- b. A slot machine;
- c. The interoperability between a slot machine and:
 - (1) A slot machine data system;
 - (2) A facility operator's slot machine management system;
 - (3) A gaming ticket system;
 - (4) A promotional play system;
 - (5) A player tracking system;
 - (6) A ticket redemption unit;
 - (7) An automated jackpot payout machine;
 - (8) An external bonusing system;
 - (9) A cashless funds transfer system; and
 - (10) A progressive controller; and
- d. Other equipment, systems, or software designated for testing and certification by the department.

6. A prototype of equipment, a system, or software required to be tested, certified, and approved under subdivision 5 of this subsection, or a modification to a department-approved version of that equipment, system, or software shall, at a minimum, be tested for:

- a. Overall operational integrity;
- b. Conformance with the casino gaming law and this chapter; and
- c. If applicable, compatibility and compliance with the central monitor and control system communication protocol designated by the department, including the ability to communicate with the central monitor and control system on a real-time basis for:
 - (1) Meter retrieval; and
 - (2) Slot machine status, activation, and deactivation.

7. Until such time as the department determines it has assembled a list of approved equipment, systems, and software sufficient to meet the needs of facility operators under the casino gaming law, notwithstanding the

requirements of subsections C and D of this section, the department may permit an abbreviated testing and approval process in accordance with the requirements of subsection E of this section.

8. If a facility operator develops any equipment, system, or software that is functionally equivalent to that enumerated in subdivision 5 c of this subsection, or modifies a department-approved version of that equipment, system, or software, the facility operator shall be subject to the testing, certification, and approval requirements of this section to the same extent as if the equipment, system, or software were developed or modified by a manufacturer.

9. A manufacturer shall pay all costs of testing, certification, and approval under this section including all costs associated with:

- a. Transportation;
- b. Equipment and technical services required by an independent certified testing laboratory to conduct the testing and certification process; and
- c. Implementation testing.

C. Submission of equipment, a system, or software for testing and certification.

1. A manufacturer seeking department approval for equipment, a system, or software other than a slot machine shall submit the equipment, system, or software to an independent certified testing laboratory.

2. The submission required by subdivision 1 of this subsection shall include the following:

- a. A request for testing and certification under subdivision B 6 of this section;
- b. A prototype of the equipment, system, or software identical in all mechanical, electrical, electronic, and other respects to that for which department approval is sought;
- c. Technical and operator manuals;
- d. A description of all security methodologies incorporated into the design of the equipment, system, or software including, if applicable:
 - (1) Password protection;
 - (2) Encryption methodology for all alterable media;
 - (3) Auto-authentication of software;
 - (4) Network redundancy; and
 - (5) Back-up and recovery procedures;
- e. A schematic or network diagram of the major components of the equipment, system, or software with a:
 - (1) Description of each component's functionality; and
 - (2) Software object report;
- f. A description of the data flow, in narrative and in schematic form, including:

(1) Data cabling; and

(2) If applicable, communications methodology for multi-site applications;

g. A list of:

- (1) Computer operating systems;
- (2) Third-party software; and
- (3) Available system reports;

h. System software and hardware installation procedures;

i. A description of the method used to authenticate software;

j. All source code;

k. If applicable, a description of the features offered by the equipment, system, or software with regard to:

- (1) Player and employee card functions; and
- (2) Reconciliation procedures;

l. If applicable, a description of any interoperability testing conducted by the manufacturer, including test results identified by manufacturer, model, and software identification and version number, for the submitted equipment, system, or software's connection to any of the following:

- (1) Slot machine;
- (2) Slot machine data system;
- (3) Facility operator's slot machine management system;
- (4) Gaming ticket system;
- (5) Promotional play system;
- (6) Player tracking system;
- (7) Ticket redemption unit;
- (8) Automated jackpot payout machine;
- (9) External bonusing system;
- (10) Cashless funds transfer system; and
- (11) Progressive controller;

m. If applicable, a description, accompanied by diagrams, schematics, and specifications, of the creation of a:

- (1) Gaming ticket and the redemption options available; and
- (2) Promotional play instrument and the redemption options available; and

n. If requested by the department or an independent certified testing laboratory:

- (1) Any specialized hardware, software, or other equipment, inclusive of technical support and maintenance, required to conduct the testing and certification process; and
- (2) Additional documentation pertaining to the equipment, system, or software being tested.

Regulations

3. A manufacturer seeking department approval for a modification to a department-approved version of equipment, a system, or software other than a slot machine shall submit the proposed modification to an independent certified testing laboratory.

4. An independent certified testing laboratory selected by a manufacturer or the department to test a modification may be, but need not be, the testing laboratory that performed the initial prototype testing.

5. The submission required by subdivision 3 of this subsection shall include the following:

a. A request for testing and certification under subdivision B 6 of this section;

b. The equipment, system, or software proposed for modification;

c. A description of the proposed modification, accompanied by applicable diagrams, schematics, and specifications;

d. A narrative disclosing the purpose for the modification;

e. If requested by the department or an independent certified testing laboratory:

(1) Any specialized hardware, software, or other equipment, inclusive of technical support and maintenance, required to conduct the testing and certification process; and

(2) Additional documentation pertaining to the testing of the proposed modification.

6. At the conclusion of testing of a prototype or modification of equipment, a system, or software other than a slot machine, an independent certified testing laboratory shall issue to the department a certification report in an:

a. Electronic form; and

b. Format acceptable to the department.

7. Upon receipt of a certification report from an independent certified testing laboratory, but prior to a decision to approve a prototype or modification of equipment, a system, or software other than a slot machine, the department may require a trial period, as follows:

a. A trial period shall be of a scope and duration the department deems appropriate to assess the operation of the prototype or modification in a live gaming environment;

b. A trial period shall be subject to compliance by the manufacturer and the facility operator with specific terms and conditions required by the department, that may include:

(1) Development and implementation of product specific accounting and internal controls; and

(2) Periodic data reporting to the department;

c. The department may authorize the receipt of compensation by a manufacturer during a trial period; and

d. The department may order termination of a trial period at any time upon a determination by the department that:

(1) A manufacturer or facility operator has not complied with the terms and conditions required by the department; or

(2) Equipment, a system, or software is not performing as expected.

8. Upon receipt of a certification report from an independent certified testing laboratory, the department may:

a. Approve the prototype or modification, with or without specific conditions;

b. Reject the prototype or modification;

c. Require additional testing; or

d. Require a trial period under subdivision 7 of this subsection.

9. Department approval of a prototype or modification does not constitute a guarantee of its safety or reliability.

D. Submission of a slot machine for testing and certification.

1. A manufacturer seeking department approval for a slot machine shall submit the slot machine to an independent certified testing laboratory.

2. The submission required by subdivision 1 of this subsection shall include the following:

a. A request for testing and certification under subdivision B 6 of this section;

b. A prototype of the slot machine identical in all mechanical, electrical, electronic, and other respects to that for which department approval is sought;

c. Technical and operator manuals;

d. A description of the slot machine including:

(1) Diagrams, schematics, and specifications; and

(2) Documentation with regard to the manner in which the slot machine was tested and emulated by the manufacturer prior to submission;

e. A copy, on electronically readable media, of all:

(1) Executable software, including data and graphics information;

(2) Source code for programs that have no commercial use other than as a component of a slot machine; and

(3) Graphical images displayed on a slot machine including, if applicable:

(a) Reel strips or card images;

(b) Rules and instructions; and

(c) Pay tables;

f. A mathematical explanation of the average and theoretical return to the player, listing all:

- (1) Assumptions; and
- (2) Steps in the formula including the treatment of bonus pays;

g. A description of:

(1) Security methodologies incorporated into the design of a slot machine including, if applicable:

- (a) Encryption methodology for all alterable media;
- (b) Auto-authentication of software; and
- (c) Recovery capability of a slot machine on power interruption;
- (2) Tower light functions indicating the corresponding condition;
- (3) Error conditions and the corresponding action required; and
- (4) Use and function of available:

- (a) Dip switch settings; and
- (b) Configurable options;

h. A description, accompanied by supporting test results, of the random number generator or generators used to determine the results of a wager, including a detailed explanation of:

- (1) Operational methodology; and
- (2) The manner by which the random number generator, including the random number selection process is impervious to:
- (a) Outside influences;
- (b) Interference from electro-magnetic, electrostatic, and radio frequencies; and
- (c) Influence from ancillary equipment by means of data communications;

i. If a slot machine requires or permits player skill in the theoretical derivations of the payout return, the source of strategy;

j. If required, a cross-reference between the meters denoted on the slot machine and the meters required by subsection P of this section;

k. Program storage media including:

- (1) Erasable programmable read-only memory (EPROMs);
- (2) Electrically erasable programmable read-only memory (EEPROMs); and
- (3) Any type of alterable media for slot machine software;

l. Proof that a slot machine has been inspected and approved for customer safety by a reputable testing laboratory;

m. If applicable, a description of any interoperability testing conducted by the manufacturer, including test

results identified by manufacturer, model and software identification and version number, for the submitted slot machine's connection to any of the following:

- (1) Slot machine data system;
- (2) Facility operator's slot management system;
- (3) Gaming ticket system;
- (4) Promotional play system;
- (5) Player tracking system;
- (6) Ticket redemption unit;
- (7) Automated jackpot payout machine;
- (8) External bonusing system;
- (9) Cashless funds transfer system; and
- (10) Progressive controller;

n. A description of the manner in which the slot machine was or will be tested for compatibility and compliance with the central monitor and control system communication protocol designated by the department including the ability to communicate with the central monitor and control system on a real time basis for:

- (1) Meter retrieval; and
- (2) Slot machine status, activation, and deactivation;

o. Specialized hardware, software, or testing equipment, inclusive of technical support and maintenance, requested by an independent certified testing laboratory including:

- (1) An emulator for a specified microprocessor;
- (2) Personal computers;
- (3) Extender cables for CPU departments;
- (4) Target reel strips; and
- (5) Door defeats; and

p. If requested by the department or an independent certified testing laboratory, additional documentation pertaining to the slot machine being tested including:

- (1) Hardware block diagrams of the major subsystems;
- (2) A complete set of schematics for all subsystems;
- (3) A wiring harness connection diagram; and
- (4) Technical specifications for any microprocessor or microcontroller.

3. A manufacturer seeking department approval for a modification to a department-approved version of a slot machine, including a change in theme, shall submit the modification to an independent certified testing laboratory.

4. An independent certified testing laboratory selected by a manufacturer or the department to test a modification may, but need not be, the testing laboratory that performed the initial prototype testing.

5. The submission required by subdivision 3 of this subsection shall include the following:

Regulations

a. A request for testing and certification under subdivision B 6 of this section;

b. The slot machine proposed for modification;

c. A description of the proposed modification to the slot machine, accompanied by applicable diagrams, schematics, and specifications;

d. If a change in theme is involved, a copy of the graphical images displayed on the slot machine including, if applicable:

(1) Reel strips and card images;

(2) Rules and instructions; and

(3) Pay tables;

e. If a change in the manner in which the average payout percentage is achieved or a change in the theoretical return to the player is otherwise involved, a mathematical explanation of the return to the player, listing all:

(1) Assumptions; and

(2) Steps in the formula including the treatment of bonus pays;

f. If the proposed modification requires or permits player skill in the theoretical derivations of the payout return, the source of strategy;

g. A description of the manner in which the slot machine was or will be tested for compatibility and compliance with the central monitor and control system communication protocol designated by the department including the ability to communicate with the central monitor and control system on a real time basis for:

(1) Meter retrieval; and

(2) Slot machine status, activation and deactivation; and

h. If requested by the department or an independent certified testing laboratory:

(1) Any specialized hardware, software, or other equipment, inclusive of technical support and maintenance, required to conduct the testing and certification process; and

(2) Additional documentation pertaining to the testing of the proposed modification.

6. At the conclusion of testing of a prototype or modification to a slot machine, an independent certified testing laboratory shall issue to the department a certification report in an:

a. Electronic form; and

b. Format acceptable to the department.

7. Upon receipt of a certification report from an independent certified testing laboratory, but prior to a decision to approve a prototype or modification to a slot machine, the department may require a trial period, as follows:

a. A trial period shall be of a scope and duration the department deems appropriate to assess the operation of the slot machine in a live gaming environment;

b. A trial period shall be subject to compliance by the manufacturer and the facility operator with specific terms and conditions required by the department, which may include:

(1) Development and implementation of product specific accounting and internal controls; and

(2) Periodic data reporting to the department;

c. The department may authorize the receipt of compensation by a manufacturer during a trial period; and

d. The department may order termination of the trial period at any time upon a determination by the department that:

(1) A manufacturer or facility operator has not complied with the terms and conditions required by the department; or

(2) The slot machine is not performing as expected.

8. Upon receipt of a certification report from an independent certified testing laboratory, the department may:

a. Approve the prototype or modification, with or without specific conditions;

b. Reject the prototype or modification;

c. Require additional testing; or

d. Require a trial period under subdivision 7 of this subsection.

9. Department approval of a prototype or modification of a slot machine does not constitute a guarantee of its safety or reliability.

E. Abbreviated testing and certification.

1. Except with regard to the department's central monitor and control system, a manufacturer may, during the period specified in subdivision B 7 of this section, seek department approval of a prototype or proposed modification under an abbreviated testing and certification process for any equipment, system, or software required to be tested and certified under subdivision B 5 of this section.

2. A manufacturer shall submit the equipment, system or software to an independent certified testing laboratory.

3. The submission required by subdivision 2 of this subsection shall include the following:

a. A request for abbreviated testing and certification under this subsection naming the state within the United States on whose regulations and technical standards the manufacturer proposes the department rely;

b. A prototype of the equipment, system, or software identical in all mechanical, electrical, electronic, and other respects to that for which department approval is sought;

c. A certification signed by the chief engineer of the manufacturer, or the engineer in charge of the division of

the manufacturer responsible for producing the equipment or system submitted, representing that:

(1) The prototype or proposed modification is identical in all mechanical, electrical, electronic and other respects to one that has been tested and certified by:

(a) A testing laboratory operated by the named state; or

(b) An independent certified testing laboratory on behalf of the named state;

(2) The manufacturer is licensed in good standing in the named state;

(3) The submitted equipment, system, or software has all regulatory approvals prerequisite to sale, lease, or distribution in the named state;

(4) The testing standards of the named state are comprehensive, thorough and involve substantially similar technical requirements and safeguards as those required by the Casino Gaming Law and this chapter; and

(5) The manufacturer has fully disclosed any conditions or limitations placed by the named state on the operation or placement of the equipment, system, or software:

(a) At the time of approval; or

(b) Subsequent to approval;

d. Copies of the submission package, and any amendments thereto, filed in the named state, including any:

(1) Checklists;

(2) Correspondence, review letters, or certification letters issued by:

(a) The testing laboratory operated by the named state; or

(b) An independent certified testing laboratory on behalf of the named state; and

(3) Final approval letter issued by the named state;

e. If applicable, a description of any interoperability testing conducted by the manufacturer, including test results identified by manufacturer, model and software identification and version number, for the submitted equipment or system's connection to a:

(1) Slot machine;

(2) Slot machine data system;

(3) Facility operator's slot management system;

(4) Gaming ticket system;

(5) Promotional play system;

(6) Player tracking system;

(7) Ticket redemption unit;

(8) Automated jackpot payout machine;

(9) External bonusing system;

(10) Cashless funds transfer system; and

(11) Progressive controller;

f. If the submission involves a slot machine, a description of the manner in which the slot machine was or will be tested for compatibility and compliance with the central monitor and control system communication protocol designated by the department, including the ability to communicate with the central monitor and control system on a real time basis for:

(1) Meter retrieval; and

(2) Slot machine status, activation, and deactivation; and

g. If requested by the department or an independent certified testing laboratory:

(1) Any specialized hardware, software, or other equipment, inclusive of technical support and maintenance, required to conduct the testing and certification process; and

(2) Additional documentation pertaining to the equipment, system, or software being tested.

4. At the conclusion of testing of a prototype or modification, an independent certified testing laboratory conducting abbreviated testing and certification shall issue to the department a certification report in an:

a. Electronic form; and

b. Format acceptable to the department.

5. The certification report issued under subdivision 4 of this subsection shall state:

a. Whether the independent certified testing laboratory concurs with the manufacturer that the testing standards of the named state are comprehensive, thorough and involve substantially similar technical requirements and safeguards as those required by the casino gaming law and this chapter;

b. Whether the documentation required by subdivision 3 c of this subsection is complete;

c. With respect to any deficiency noted relating to subdivision 5 a or 5 b of this subsection, the nature of the noncompliance; and

d. The results of any supplemental testing performed, including interoperability testing with the central monitor and control system.

6. Upon receipt of a certification report from an independent certified testing laboratory, the department may act with regard to:

a. Acceptance of the testing standards of the named state; and

b. The specific equipment, system, or software by:

(1) Approving the prototype or modification, with or without specific conditions;

(2) Rejecting the prototype or modification;

(3) Requiring additional testing; or

(4) Requiring a trial period under this chapter.

Regulations

7. Department approval of a prototype or proposed modification does not constitute a guarantee of its safety or reliability.

F. Concatenated binary files and related documentation. A manufacturer shall deliver each slot machine to the department with:

1. The concatenated binary file signature corresponding to the department-approved version of the slot machine in a form satisfactory to the:

- a. Department; and
- b. Central monitor and control system operator; and

2. A file, in a form satisfactory to the department, describing the slot machine including:

a. The manufacturer's:

- (1) Serial number;
- (2) Model number;
- (3) Software identification number; and
- (4) Version number;

b. Denomination or a designation as multi-denomination;

c. Cabinet style;

d. An indication as to whether the slot machine is a:

- (1) Progressive; or
- (2) Wide area progressive;

e. Configured for use with a:

- (1) Gaming ticket system;
- (2) External bonusing system; and
- (3) Cashless funds transfer system; and

f. Other information required by the department.

G. Emergency modification of equipment, a system, or software.

1. Notwithstanding the requirements of subsections C and D of this section, the department may, on submission of a written request by a manufacturer, authorize installation of a modification to equipment, a system, or software required to be tested, certified, and approved by the department under subdivision B 5 of this section, on an emergency basis.

2. A written request submitted by a manufacturer to the department shall document the:

a. Equipment, system, or software proposed for emergency modification, including:

- (1) Software identification number; and
- (2) Version number;

b. Facility;

c. Reason for the emergency modification; and

d. Proposed date and time of installation.

3. A manufacturer may not install an emergency modification without the written approval of the department.

4. No more than 15 days following receipt of department authorization on an emergency modification, a manufacturer shall submit a modification identical to that receiving emergency authorization for testing, certification and approval under this chapter.

H. Notice of known or suspected defect.

1. A manufacturer shall immediately notify the department of any known or suspected defect or malfunction in equipment, system, or software required to be tested, certified, and approved by the department under subdivision B 5 of this section.

2. A manufacturer shall:

- a. Confirm in writing any notice given to the department verbally pursuant to subdivision 1 of this subsection; and
- b. If required by the department, notify a facility operator of any known or suspected defect or malfunction in equipment, a system, or software installed in its facility.

3. A facility operator shall immediately notify the department of any known or suspected defect or malfunction in equipment, system, or software required to be tested, certified, and approved by the department under subdivision B 5 of this section.

4. A facility operator shall confirm in writing any notice given to the department verbally pursuant to subdivision 3 of this subsection.

I. Revocation.

1. The department may, at any time, revoke an approval granted to equipment, a system, or software under subsection C, D, or E of this section on a determination by the department that the equipment, system, or software does not comply with:

- a. The casino gaming law or this chapter; or
- b. The central monitor and control system communication protocol designated by the department including the ability to communicate with the central monitor and control system on a real time basis for:

(1) Meter retrieval; and

(2) Slot machine status, activation, and deactivation.

2. The department may, at any time, impose additional conditions on the operation or placement of department-approved equipment, systems, or software.

3. A revocation by the department of an approval under subdivision 1 of this subsection does not give rise to an appeal right.

J. Communication requirements. A manufacturer shall enable a slot machine to communicate with the department's central

monitor and control system through a gaming industry communication protocol approved by the department.

K. Average payout percentage.

1. In this subsection, the following terms have the meanings indicated.

"Game cycle" means the finite set of all possible combinations of symbols on a slot machine, including spinning reels or card images or other forms of video display or both.

"Theoretical payout percentage" means the total value of jackpots expected to be paid by a slot machine divided by the total value of slot machine wagers expected to be made on that slot machine during the game cycle.

"Wager level" means all credit combinations available on a slot machine from the minimum bet to the maximum bet.

2. A slot machine shall have an average payout percentage that:

- a. Is 89% or more; and
- b. Does not exceed 94%.

3. Notwithstanding the requirements of subdivision 2 of this subsection, in no event may a slot machine have a theoretical payout percentage of less than 85%.

4. A facility may not make available for play a slot machine with an average payout percentage that exceeds 95% without the written approval of the department.

5. A facility's gaming floor shall be configured to collectively achieve, at all times, an average payout percentage that exceeds 89% and does not exceed 94%.

6. A facility operator shall, in selecting slot machines and configuring a facility's gaming floor, rely on the slot machine's theoretical payout percentage.

7. Once a facility is operational, the department shall:

- a. Conduct periodic reviews to ensure that average payout percentages, on an average annual basis, comply with the requirements of this subsection; and
- b. If necessary, require the modification or replacement of a slot machine to ensure compliance with the average payout percentage requirements of this subsection.

8. A payout percentage that may be affected by reason of skill shall meet the payout percentage requirements of this subsection factoring in a method of play that provides the greatest return to a player.

9. A slot machine:

- a. May not:
 - (1) Offer a winning combination where the odds exceed 50 million to one; and

(2) Alter any function based on an internal computation of payout percentage; and

b. Shall be designed to ensure that all possible combinations in the game cycle are independent of each other.

L. Minimum and maximum bet.

1. A slot machine may accept a minimum bet on a single game event as low as one cent.

2. A slot machine may not accept a maximum bet on a single game event in excess of \$500 without the written approval of the department.

3. The \$500 maximum bet in subdivision 2 of this subsection does not apply to a double-up option on a winning wager.

4. For an electronic table game, each wager on a separate outcome is a single game event.

M. Slot machine lock-up.

1. A slot machine shall be configured to lock-up and preclude further play following a single jackpot that requires the filing of IRS Form W-2G, Certain Gambling Winnings.

2. A single jackpot event shall include the exhaustion of all available double-up and bonus wager options on a winning wager.

3. A slot machine may be configured to permit the transfer, upon lock-up, of a jackpot amount to the credit meter.

N. Random number generator.

1. In this subsection, the following terms have the meanings indicated.

"Chi-squared analysis" means a statistical test for goodness of fit that measures the difference between a theoretical result and an observed result.

"Correlation test" means a statistical test that determines whether each card, number, symbol or stop position is independently chosen without regard to another card, number, symbol, or stop within that game play.

"Runs test" means a statistical test that determines the existence of recurring patterns within a set of data.

"Series correlation test" means a statistical test that determines whether each card, number, symbol or stop position is independently chosen without regard to another card, number, symbol, or stop in the previous game.

2. A slot machine shall determine the occurrence of a specific card, number, symbol, or stop by utilizing:

- a. One random number generator; or
- b. Two or more random number generators working collectively.

Regulations

3. A slot machine's selection process shall be considered random if it meets the following statistical requirements:

- a. A chi-squared analysis meeting a 99% confidence level;
- b. A runs test meeting a 99% confidence level;
- c. A correlation test meeting a 99% confidence level;
- d. A series correlation test meeting a 99% confidence level; and
- e. Any other test of randomness determined appropriate by the department.

4. A random number generator, including its random number selection process shall be designed in a manner that ensures it is impervious to:

- a. Outside influences;
- b. Interference from electro-magnetic, electrostatic, and radio frequencies; and
- c. Influence from ancillary equipment by means of data communication.

5. Once a random selection process has occurred, a slot machine:

- a. Shall display an accurate representation of the randomly selected outcome; and
- b. May not make a secondary decision that affects the result shown to the player at the slot machine.

O. Rules of play.

1. In this subsection the following term has the meaning indicated.

"Strategy choice" means a particular play option on a slot machine that requires the use of skill to consistently achieve the best result.

2. A slot machine shall be equipped to display to a player while idle the:

- a. Schedule of credits awarded with each winning combination;
- b. Applicable rules of play; and
- c. Any maximum bet limit imposed under this chapter.

3. The department may prohibit the display of any rules of play it determines to be:

- a. Incomplete;
- b. Confusing;
- c. Misleading; or
- d. Inconsistent with the rules of play required by the department.

4. For rules of play, the schedule of credits awarded with each winning combination may not include possible aggregate awards achievable from free plays.

5. A slot machine that includes a strategy choice shall include in its rules of play mathematically sufficient information for a player to use optimal skill unless the player:

- a. Is not required to make an additional wager; and
- b. Cannot lose any credits earned prior to the strategy choice.

6. A manufacturer or facility operator may not attach a sticker or other removable device that concerns rules of play to the face, glass, or screen of a slot machine without the prior written approval of the department.

P. Slot machine meters.

1. A slot machine shall be equipped with:

a. The meter functions required by this subsection;

b. Meters that:

(1) Continuously and automatically increment in credits equal to:

(a) The denomination of the slot machine; or

(b) Cents; and

(2) Are accessible and legible without access to the interior of the slot machine; and

c. A device, mechanism, or method for retaining electronically accounting data for all meters required under this subsection for a period of not less than 10 days after a power loss.

2. A slot machine may not be equipped with any device, mechanism, or method that allows or causes the electronic accounting meters required under this subsection to automatically clear or zero out.

3. A slot machine shall be equipped with the following cumulative meters, all of which shall be at least ten digits in length:

a. A coin-in meter that:

(1) Accumulates the total number of credits wagered whether the wager involves:

(a) Currency;

(b) A gaming ticket;

(c) A promotional play instrument;

(d) Downloaded credits; or

(e) Credits won; and

(2) Does not accumulate subsequent double-up wagers or other wagers of intermediate winnings accumulated during a game event;

b. A series of meters that collectively account for the number of credits won, including:

(1) A coin-out meter that accumulates the total number of credits paid out automatically by the slot machine as a result of winning wagers including a payout;

- (a) By gaming ticket; and
- (b) Directly to a credit meter;
- (2) A progressive payout meter that accumulates the total number of credits paid out automatically by the slot machine as a result of a progressive jackpot;
- (3) An external bonus payout meter that accumulates the total number of credits paid out automatically by the slot machine as a result of an external bonusing system award;
- (4) An attendant paid jackpot meter that accumulates the total number of credits hand paid by a facility operator as the result of a single winning combination that exceeds the physical or configured capability of the slot machine;
- (5) An attendant paid canceled credit meter that accumulates the total number of credits hand paid by a facility operator as the result of a player initiated cash-out that exceeds the physical or configured capability of the slot machine;
- (6) An attendant paid progressive jackpot meter that accumulates the total number of credits hand paid by a facility operator as a result of a progressive jackpot that exceeds the physical or configured capability of the slot machine; and
- (7) An attendant paid external bonus payout meter that accumulates the total number of credits hand paid by a facility operator as a result of an external bonusing system award that exceeds the physical or configured capability of the slot machine;
- c. A cashable gaming ticket in count meter that accumulates the number of cashable gaming tickets accepted by a slot machine;
- d. A cashable gaming ticket in value meter that accumulates the total number of cashable credits on gaming tickets accepted by a slot machine;
- e. A cashable gaming ticket out count meter that accumulates the number of cashable gaming tickets issued by a slot machine;
- f. A cashable gaming ticket out value meter that accumulates the total number of cashable credits on gaming tickets issued by a slot machine;
- g. A noncashable gaming ticket in count meter that accumulates the number of noncashable gaming tickets accepted by a slot machine;
- h. A noncashable gaming ticket in value meter that accumulates the total number of noncashable credits on gaming tickets accepted by a slot machine;
- i. A noncashable gaming ticket out count meter that accumulates the number of noncashable gaming tickets issued by a slot machine;
- j. A noncashable gaming ticket out value meter that accumulates the total number of noncashable credits on gaming tickets issued by a slot machine;

k. A cashable promotional play instrument in count meter that accumulates the number of cashable promotional play instruments accepted by a slot machine;

l. A cashable promotional play instrument in value meter that accumulates the total number of cashable credits on promotional play instruments accepted by a slot machine;

m. A noncashable promotional play instrument in count meter that accumulates the number of noncashable promotional play instruments accepted by a slot machine;

n. A noncashable promotional play instrument in value meter that accumulates the total number of noncashable credits on promotional play instruments accepted by a slot machine;

o. A cashable downloadable in count meter that accumulates the total number of electronic transfers involving cashable credits accepted by a slot machine through a cashless funds transfer system;

p. A cashable downloadable in value meter that accumulates the total number of cashable credits accepted by a slot machine through a cashless funds transfer system;

q. A cashable downloadable out count meter that accumulates the total number of electronic transfers involving cashable credits issued by a slot machine to player accounts through a cashless funds transfer system;

r. A cashable downloadable out value meter that accumulates the total number of cashable credits issued by a slot machine to player accounts through a cashless funds transfer system;

s. A noncashable downloadable in count meter that accumulates the total number of electronic transfers involving noncashable credits accepted by a slot machine through a cashless funds transfer system;

t. A noncashable downloadable in value meter that accumulates the total number of noncashable credits accepted by a slot machine through a cashless funds transfer system;

u. A noncashable downloadable out count meter that accumulates the total number of electronic transfers involving noncashable credits issued by a slot machine to player accounts through a cashless funds transfer system;

v. A noncashable downloadable out value meter that accumulates the total number of noncashable credits issued by a slot machine to player accounts through a cashless funds transfer system; and

w. Other meters as required by the department.

4. A slot machine shall be equipped with the following noncumulative meters:

a. A credit meter that advises a player of the total number of credits, cashable and noncashable, available for wagering on the slot machine;

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b. A credits wagered meter that advises a player of the total number of credits wagered in a particular game or round of slot machine play;

c. A win meter that advises a player of the total number of credits won in the immediately concluded game or round of slot machine play; and

d. A credits paid meter that advises a player of the total value of the last:

(1) Cash out initiated by a player;

(2) Hand paid jackpot; and

(3) Hand paid cancelled credit.

5. The noncumulative meters required by subdivision 4 of this subsection shall be:

a. Visible from the exterior of the slot machine; and

b. At least eight digits in length.

6. A slot machine shall be equipped with a meter at least eight digits in length that stores, in a manner and for a duration acceptable to the department, the number of games played after the following events:

a. Power reset;

b. Door close; and

c. RAM clear.

7. The department may approve a slot machine that combines one of more of the meters enumerated in subdivision 3 of this subsection if the department determines that the combined meters do not preclude the capture of all critical transactions occurring on a slot machine.

8. If a slot machine has been enabled for tournament play, the results of tournament play may not increment the cumulative meters required under subdivision 3 of this subsection.

Q. RAM clear. A manufacturer may not perform a RAM clear on a slot machine without:

1. Prior notice to the central monitor and control system operator; and

2. Recordation and transmission to the central monitor and control system operator of accounting meter data immediately prior to the RAM clear.

R. Slot machine tower lights and error conditions.

1. In this subsection, the following terms have the meanings indicated.

"Administrative mode" means a slot machine has been deliberately placed by a manufacturer in an unplayable state to access the set up or recall functions of the slot machine;

"Disabled mode" means a slot machine has been deliberately placed, by a manufacturer or the central monitor and control system, in an unplayable state for any reason other than

access to the set up or recall functions of the slot machine; and

"Tilt mode" means a slot machine has placed itself in an unplayable state due to malfunction or error condition and may not be returned to a playable state without the intervention of a manufacturer.

2. A slot machine shall be equipped with a tower light located at the top of its cabinet used to identify the operational status of the slot machine including:

a. A jackpot payout;

b. A credit meter payout that exceeds the physical or configured capability of the slot machine to pay;

c. Main door open;

d. Player requesting attendant services;

e. Administrative mode;

f. Disabled mode; and

g. Tilt mode.

3. A tower light shall be visible to:

a. A player; and

b. The facility operator's surveillance department.

4. When illuminated, the tower light shall indicate the default denomination of the slot machine.

5. Each denomination shall be indicated by a unique color and be consistent across the facility operator's gaming floor.

6. The department may, on submission of a written request by a manufacturer, approve an alternative means for identifying the operation status enumerated in this subsection.

7. A manufacturer shall deliver a slot machine with documentation that identifies each light or light combination on its tower light and the operational status corresponding to that light or light combination.

8. Nothing in this subsection shall preclude a manufacturer from equipping a slot machine with a light or light combinations not required by this subsection for use by a facility operator for gaming floor communication provided the manufacturer notifies the department in writing of any internal communication protocols involving tower lights developed by a manufacturer for a facility prior to implementation.

9. A slot machine shall be equipped, while idle and in play mode, to do the following with regard to an error condition identified in subdivision 10, 11, 12, or 13 of this subsection:

a. Detect the error condition;

b. Identify the specific error condition by:

(1) Tower light; or

(2) Other department-approved means; and

c. Communicate the specific error condition to the:

- (1) Central monitor and control system; and
- (2) Facility operator's slot machine data system.

10. The following error conditions may be cleared automatically by the slot machine upon completion of a new play sequence:

- a. Power reset;
- b. Door open; and
- c. Door just closed.

11. The following error conditions shall result in placement of the slot machine in disabled mode, shall prevent play and shall only be cleared by a manufacturer:

- a. Low RAM battery;
- b. Printer failure;
- c. Presentation error;
- d. Program error or defective program storage media;
- e. Reel spin error;
- f. Removal of the control storage media; and
- g. RAM defective or corrupted.

12. The following error conditions need not result in placement of the slot machine in disabled mode, may not preclude play if the error condition is determined not to prohibit completion of the transaction and shall be cleared by a manufacturer or facility operator:

- a. Printer mechanism paper level is low; and
- b. Printer mechanism is out of paper.

13. A manufacturer of a slot machine shall affix a description of the error code corresponding to each error condition inside a slot machine.

S. Last game recall.

1. A slot machine shall be capable of recalling and displaying a complete play history for the most recent game event and at least three games immediately preceding the most recent game event.

2. The play history required by subdivision 1 of this subsection shall:

- a. Be presented in the same sequence as the original game play;
- b. Be available when the slot machine is in:
 - (1) Idle mode;
 - (2) Administrative mode;
 - (3) Disabled mode; and
 - (4) Tilt mode; and
- c. Include:
 - (1) Game outcome in graphics or text;
 - (2) The base game and all intermediate play decisions;

(3) Details sufficient to determine the credits available at the start and end of each game event;

(4) Wagers placed per line;

(5) Number of lines on which wagers were placed;

(6) Credits won;

(7) Credits cashed out;

(8) Any progressive jackpot awarded; and

(9) All double-up, bonus, and extended play activity.

3. Notwithstanding the requirements of subdivision 2 c of this subsection, a slot machine offering a variable number of intermediate play steps in a game event shall satisfy the requirements of this subsection if it is capable of recalling and displaying the last 50 intermediate steps in each of the four base game events retained.

4. A slot machine shall be capable of recalling and displaying a complete transaction history for the last 35 transactions with an electronic funds transfer system.

T. Slot machine entry logs.

1. Unless a request for an alternate procedure is submitted in writing and approved by the department, a manufacturer shall equip a slot machine with a maintenance log for use in documenting each time a:

a. Slot machine is entered; or

b. Device connected to a slot machine that may affect the operation of the slot machine is accessed.

2. A maintenance log shall be:

a. Signed by each individual accessing an area enumerated in subdivision 1 of this subsection, including representatives of a manufacturer, a contractor, a facility operator, or the department;

b. Maintained in a book with bound numbered pages that cannot be readily removed, or in a functional equivalent that has been reviewed and approved by the department:

(1) In the main cabinet of the slot machine; and

(2) On the cover of which are fields to record:

(a) The slot machine's manufacturer's serial number;

(b) Department asset number; and

(c) A log book sequence number;

c. Utilized to document the following:

(1) Date and time of entry;

(2) Entering individual's signature;

(3) Reason for entering the slot machine, including the identification of areas inspected or repaired; and

d. Retained by a facility operator for a minimum of three years from the date of the last entry unless a request for destruction is submitted in writing and approved in writing by the department.

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3. A manufacturer shall equip a progressive controller not housed within the cabinet of a slot machine with a maintenance log that documents each time the department-approved compartment in which the progressive controller resides is accessed that is:

a. Signed by each individual accessing the compartment housing the progressive controller including representatives of a manufacturer, a contractor, a facility operator, or the department;

b. Maintained in a book with bound numbered pages that cannot be readily removed:

(1) In the department-approved compartment in which the progressive controller resides; and

(2) On the cover of which are fields to record:

(a) The progressive controller's manufacturer's serial number;

(b) Department asset number; and

(c) A log book sequence number;

c. Utilized to document the following:

(1) Date and time of entry to the compartment housing the progressive controller;

(2) Entering individual's signature;

(3) Reason for entering the compartment housing the progressive controller including the identification of areas inspected or repaired; and

d. Retained by a facility operator for a minimum of three years from the date of the last entry unless a request for destruction is submitted in writing and approved in writing by the department.

U. Slot machine security.

1. If a manufacturer ships a slot machine with software already installed, prior to transporting it the manufacturer shall seal the slot machine with a prenumbered seal.

2. Access to the main door securing the interior of a slot machine shall be controlled by at least one lock:

a. The key to which is:

(1) Different from any other key securing access to a slot machine component including a belly door; and

(2) Limited to access by a manufacturer and facility operator; and

b. Provided and installed by a facility operator except a facility operator may supply a manufacturer with a lock for installation during the manufacturing process.

3. Access to the logic door securing the slot machine's main processing unit shall be controlled by at least one lock:

a. The key to which is:

(1) Different from any other key securing access to a slot machine component including a belly door; and

(2) Limited to access by a manufacturer and facility operator; and

b. Provided and installed by a facility operator, except a facility operator may supply a manufacturer with a lock for installation during the manufacturing process.

4. A slot machine shall be designed with access to hardware switches controlling functions critical to the operation of a slot machine limited to access by a manufacturer and the department including, but not limited to, switches, jumpers, and other mechanisms utilized to alter:

a. Pay tables;

b. Payout percentages; and

c. Meters.

5. A slot machine shall have:

a. Printed or affixed to the top and front of the slot machine, in a size suitable for effective surveillance coverage:

(1) The facility operator's gaming floor location number; and

(2) Department asset number; and

b. An identification plate on its exterior displaying the:

(1) Manufacturer; and

(2) Manufacturer's:

(a) Serial number; and

(b) Model number.

V. Minimum design standards applicable to equipment, a system, or software.

1. Equipment, a system, or software required to be tested, certified, and approved under this subsection shall:

a. Conform to the minimum design standards of this subsection; and

b. If applicable, conform to any specific additional design standards enumerated in this se.

2. Equipment, a system, or software required to be tested, certified, and approved under this subsection shall, at a minimum, control logical access through:

a. Generation of daily monitoring logs documenting:

(1) User access; and

(2) Security incidents;

b. Assignment of rights and privileges to an individual user including specific protocols addressing:

(1) Creation, modification, and termination of a unique system account for each user;

(2) Password parameters that:

(a) Require a minimum length;

(b) Incorporate an expiration interval; and

(c) Result in lockout; and

- (3) Administrator and override capabilities;
- c. Use of access permissions to restrict an unauthorized user from performing any the following with regard to critical files and directories:
 - (1) Reading;
 - (2) Altering; or
 - (3) Deleting; and
- d. Restricted access to critical files and directories through:
 - (1) Encryption; or
 - (2) If approved by the department, internal controls provided the internal controls include:
 - (a) The effective segregation of duties and responsibilities with regard to the system; and
 - (b) The automatic monitoring and recording by the system of access by an individual to its files and directories.
- 3. Equipment, a system, or software required to be tested, certified, and approved under this chapter shall, at a minimum, control system operations through:
 - a. Generation of daily monitoring logs and alert messages documenting:
 - (1) System performance;
 - (2) Hardware problems; and
 - (3) Software errors;
 - b. Authentication of the source of a data transmission;
 - c. Transmission completeness and accuracy checks;
 - d. Detection of corrupt or lost data packets;
 - e. Rejection of a transmission;
 - f. Use of cryptographic controls for critical transmissions of data; and
 - g. Daily synchronization of its real time clock with that of equipment, systems, or software to which it is linked.
- 4. Equipment, a system, or software required to be tested, certified, and approved under this subsection shall, at a minimum, control the integrity of data through:
 - (a) Validation of inputs to critical fields, including data:
 - (1) Type; and
 - (2) Format;
 - (b) Rejection of corrupt data;
 - (c) Automatic and independent recordation of critical data;
 - (d) Independent verification of the accuracy of data; and
 - (e) Segregation of all security critical system programs, files, and directories from other programs, files, and directories.
- 5. Equipment, a system, or software required to be tested, certified, and approved under this subsection shall, at a minimum, ensure continuity through:

- a. Data redundancy to permit a complete and prompt recovery of all information in the event of malfunction or power interruption; and
- b. Environmental protections, including an uninterruptible power supply to protect critical hardware.

W. Slot machines - additional requirements.

- 1. A manufacturer shall configure a slot machine to wager credits available for play in the following order:
 - a. Noncashable credits; and
 - b. Cashable credits.
- 2. A manufacturer may enable a slot machine that has been tested, certified, and approved under this chapter for tournament play with the prior written approval of the department.

X. Gaming ticket system - additional requirements.

- 1. A facility operator shall utilize a gaming ticket system that has been tested, certified, and approved under this chapter.
- 2. A facility operator shall, in a form and in a timeframe specified by the department, submit a report to the department detailing any adjustment made to the amount of a gaming ticket.
- 3. In addition to complying with the minimum design standards of subsection V of this section, a gaming ticket system shall:
 - a. Authenticate the source of a data transmission by identifying whether a transmission originated with a:
 - (1) Slot machine;
 - (2) Ticket redemption unit; or
 - (3) Cashiers' cage redemption location;
 - b. Use cryptographic controls for transmissions that include:
 - (1) A gaming ticket series number;
 - (2) Meter information; and
 - (3) Other information used in the calculation or verification of proceeds;
 - c. Control the integrity of data through generation of a unique series number on a gaming ticket:
 - (1) Comprised of at least 18 numbers, symbols, or characters;
 - (2) Containing at least three numbers, symbols, or characters:
 - (a) Randomly generated in a manner approved by the department; and
 - (b) Designed to prevent an individual from being able to predict the series number of any other gaming ticket;
 - (3) Containing at least one number, symbol, or character unique to a gaming ticket that visually differentiates

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between a gaming ticket and a promotional play instrument; and

(4) Printed in at least two locations on a gaming ticket;

d. Automatically and independently record the critical data required to be printed on a gaming ticket under the facility operator's approved minimum control standards at the time of gaming ticket;

(1) Generation; and

(2) Redemption; and

e. Independently verify, in a manner satisfactory to the department, the accuracy of a gaming ticket series number and amount prior to redemption.

Y. Ticket redemption unit - additional requirements.

1. A facility operator may utilize a ticket redemption unit that has been tested, certified, and approved under this chapter.

2. In addition to complying with the minimum design standards of subsection V of this section, a ticket redemption unit shall, in a manner satisfactory to the department:

a. Establish the validity of a gaming ticket or promotional play instrument by comparing the unique series number on the ticket or instrument with electronic records in a gaming ticket system or promotional play system;

b. Cancel upon acceptance a gaming ticket or promotional play instrument to prevent:

(1) Subsequent redemption at a:

(a) Cashiers' cage; or

(b) Another ticket redemption unit; or

(2) Acceptance by a slot machine; and

c. Evaluate whether sufficient funds are available before accepting the gaming ticket or promotional play instrument and completing the transaction.

3. The following error conditions may be cleared automatically by a ticket redemption unit upon completion of a new transaction.

a. Power reset;

b. Door open;

c. Door closed; and

d. System communication loss.

4. The following error conditions shall result in placement of the ticket redemption unit in disabled mode, shall prevent new transactions, and shall only be cleared by a facility operator:

a. Failure to make payment, meaning that a gaming ticket or promotional play instrument was returned and no receipt for an unpaid amount was issued;

b. Failure to make complete payment, meaning no receipt for an unpaid amount was issued;

c. Bill validator failure; and

d. Printer failure due to printer jam or lack of paper.

5. A ticket redemption unit shall be equipped with:

a. The meters enumerated in subdivision 6 of this subsection;

b. Meters that continuously and automatically increment in credits equal to cents; and

c. An automated transaction log retaining all critical transaction history required under this subsection for a period of not less than 10 days subsequent to a power loss.

6. A ticket redemption unit shall be equipped with electronic meters that function as follows:

a. A cashable gaming ticket in count meter that accumulates the number of cashable gaming tickets accepted by a ticket redemption unit;

b. A cashable gaming ticket in value meter that accumulates the total number of credits on cashable gaming tickets accepted by a ticket redemption unit;

c. A cashable promotional play instrument in count meter that accumulates the number of cashable promotional play instruments accepted by a ticket redemption unit;

d. A cashable promotional play instrument in value meter that accumulates the total number of credits on cashable promotional play instruments accepted by a ticket redemption unit;

e. Bill denomination in count meters that accumulate, by denomination, the total number of bills accepted by a ticket redemption unit;

f. Bill denomination in value meters that accumulate, by denomination, the total dollar amount of currency accepted by a ticket redemption unit;

g. Bill denomination out count meters that accumulate, by denomination, the total number of bills dispensed by a ticket redemption unit;

h. Bill denomination out value meters that accumulate, by denomination, the total dollar amount of currency dispensed by a ticket redemption unit; and

i. Other meters required by the department.

7. The automated transaction log required under subdivision 5 of this subsection shall include for each transaction, whether complete or incomplete, the following:

a. Date and time;

b. Amount;

c. Disposition as complete or incomplete;

d. Error conditions, including failed access attempts;

e. User access data; and

f. If equipped to redeem multiple cashable gaming tickets and cashable promotional play instruments in a single transaction, a breakdown of the transaction by individual

cashable gaming ticket and cashable promotional play instrument.

Z. External bonusing system - additional requirements.

1. A facility operator may utilize an external bonusing system that has been tested, certified, and approved under this section.

2. In addition to complying with the minimum design standards of subdivision V of this section, a slot machine connected to an external bonusing system may not equal or exceed an average payout percentage of 100% when the contribution of any bonus awards available on a slot machine is added to the slot machine's average payout percentage.

AA. Cashless funds transfer system - additional requirements.

1. A facility operator may utilize a cashless funds transfer system that has been tested, certified, and approved under this chapter.

2. A facility operator shall, in a form and in a timeframe specified by the department, submit a report to the department detailing any adjustment made to the amount of a credit transferred to or from a slot machine by means of a cashless funds transfer system.

3. A facility operator utilizing a cashless funds transfer system shall develop and include in the internal controls submitted to and approved by the department procedures addressing the integrity, security, and control of a cashless funds transfer system.

4. A facility operator's internal controls shall address:

a. Set-up and administration of a player account, including:

(1) The procedures utilized to create a unique access code to, and a unique player identification number for, a player account; and

(2) The controls employed to secure a player's access code;

b. The intended scope of use of a cashless funds transfer system, including whether it will be used to:

(1) Transfer credits to a slot machine; and

(2) Transfer credits from a slot machine to a player account; and

c. Documentation of individual player transactions, including a requirement that:

(1) Each transaction is identified, at a minimum, by:

(a) Date and time;

(b) Slot machine manufacturer serial number or department asset number; and

(c) The player's account identification number;

(2) A statement of player account activity is available to a player on:

(a) Submission of a signed request for the statement at the cashiers' cage; and

(b) Establishing the identification of the player, including the authenticity of the player's signature on the request for the statement in accordance with the signature authentication procedures in the internal controls submitted to and approved by the department;

5. The statement of player account activity required under this subsection summarize, at a minimum, a player's activity during the month prior to the date of the request for a statement and include:

(a) Player's beginning credit balance;

(b) Credits earned during the month;

(c) Credits transferred to a slot machine;

(d) Credits transferred from a slot machine to a player account; and

(e) Player's ending credit balance; and

6. The statement of player account activity required under this subsection need not include promotional play credits transferred to a player without regard to the identity of the player.

BB. Progressive slot machines.

1. A slot machine offering a progressive jackpot may:

a. Stand alone; or

b. Be linked to:

(1) Other slot machines in a facility; or

(2) Slot machines in two or more facilities in or outside the Commonwealth of Virginia through a wide area progressive system under subsection CC of this section.

2. A manufacturer may not install in a facility, and a facility operator may not make available for play, a slot machine offering a progressive jackpot without department approval in writing of:

a. A progressive proposal under subsection DD of this section; and

b. Internal controls submitted to and approved by the department addressing the payment of a progressive jackpot.

3. A manufacturer may not modify the terms of a progressive jackpot, and a facility operator may not make available for play, a slot machine that offers a progressive jackpot that differs from its approved progressive proposal without the approval in writing of the department under subsection DD of this section.

4. A slot machine may offer multiple progressive jackpots.

5. A progressive jackpot amount may be calculated and transmitted to a slot machine by:

a. The operating system of a slot machine; or

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- b. A separate progressive controller interfaced to a slot machine.
6. A progressive controller shall be:
- a. Located in a restricted area;
- b. Secured:
- (1) In a dual key controlled compartment with:
- (a) One key controlled by the operations department; and
- (b) One key controlled by the security department; or
- (2) By alternative means approved by the department; and
- c. Capable of:
- (1) Displaying an available progressive jackpot amount on a slot machine's:
- (a) Progressive meter; or
- (b) Common progressive meter;
- (2) Transmitting to a slot machine for metering purposes the amount of a progressive jackpot;
- (3) If linked to a common progressive meter in accordance with subdivision 8 of this subsection, displaying the department asset number of the slot machine on which a progressive jackpot is won;
- (4) If a progressive controller is servicing multiple slot machines, automatically resetting all slot machines connected to it to a preestablished reset amount; and
- (5) If the progressive offers multiple jackpot levels, maintaining and displaying for each progressive level the:
- (a) Number of progressive jackpots won;
- (b) Cumulative amount paid;
- (c) Maximum progressive payout;
- (d) Minimum amount or reset amount; and
- (e) Rate of progression.
7. A slot machine offering a progressive jackpot shall be equipped, for each progressive jackpot offered, with the following mechanical, electrical, or electronic meters:
- a. A progressive meter that:
- (1) May increase in value based upon wagers;
- (2) Advises the player of the amount that may be won if the slot machine characters that result in the award of a progressive jackpot appear as a result of activation of play; and
- (3) Is visible from the front of the slot machine through:
- (a) A meter display housed in the slot machine; or
- (b) A common progressive meter display unit;
- b. A progressive payout meter under subsection P of this section;
- c. An attendant paid progressive jackpot meter under subsection P of this section; and
- d. A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid whether paid:
- (1) Directly by the slot machine; or
- (2) Hand paid by a facility operator as a result of a progressive jackpot that exceeds the physical or configured capability of a slot machine.
8. A slot machine linked to a common progressive meter for the purpose of offering the same progressive jackpot on two or more slot machines shall:
- a. Have the same probability of hitting the combination of characters that will award the progressive jackpot as every other slot machine linked to that common progressive meter; and
- b. Require each:
- (1) Player to wager the same amount to receive a chance at winning the progressive jackpot; and
- (2) Wager to increment the progressive meter by the same rate of progression on every slot machine connected to the common progressive meter.
9. Notwithstanding the requirements of subsection 8 of this subsection, slot machines linked to a common progressive meter for the purpose of offering the same progressive jackpot on two or more slot machines may be of different denominations or require different wagers, or both, if:
- a. The probability of winning the progressive jackpot is directly proportional to the wager required to win a jackpot; and
- b. A notice indicating the proportional probability of hitting the progressive jackpot on the common progressive meter is conspicuously displayed in a manner specified by the department on each linked slot machine.
10. A manufacturer may not:
- a. Set a limit for a progressive jackpot that exceeds the display capability of the progressive meter; or
- b. Adjust a progressive meter without the prior approval of the department unless the adjustment is:
- (1) Required as a direct result of slot machine or meter malfunction; and
- (2) Reported by the manufacturer in a form and in a time frame specified by the department to the department and the facility operator.
- CC. Wide area progressive system.
1. A manufacturer may not install, and a facility operator may not make available for play, a wide area progressive system without department approval in writing of:
- a. A wide area progressive agreement under subdivision 3 of this subsection;

- b. A progressive proposal under subsection DD of this section; and
 - c. Internal controls submitted to and approved by the department addressing the payment of a progressive jackpot on a slot machine participating in a wide area progressive system.
 - 2. A manufacturer may not modify the terms of a progressive jackpot offered through a wide area progressive system, and a facility operator may not make available for play, a slot machine that offers a progressive jackpot that differs from its approved progressive proposal without the approval in writing of the department under subsection DD of this section.
 - 3. A wide area progressive system shall operate under the terms and conditions of a wide area progressive agreement between:
 - a. The department;
 - b. A manufacturer; and
 - c. Participating facility operators in or outside the Commonwealth of Virginia.
 - 4. A wide area progressive agreement shall assign responsibility for the operation and administration of a wide area progressive system to a designated system operator who may be:
 - a. Participating facility operators in or outside the Commonwealth of Virginia; or
 - b. A manufacturer.
 - 5. A wide area progressive agreement shall address:
 - a. The duties and responsibilities of the:
 - (1) Participating:
 - (a) Manufacturer; and
 - (b) Facility operators in or outside the Commonwealth of Virginia; and
 - (2) System operator;
 - b. The terms of compensation for a system operator including to what extent the system operator is to receive compensation based, directly or indirectly, on an interest, percentage, or share of the proceeds of a wide area progressive system;
 - c. Responsibility for progressive jackpots, proceeds, and expenses associated with the operation of a wide area progressive system;
 - d. Control and operation of a system monitor room under subdivision 6 of this subsection;
 - e. Service and maintenance of a wide area progressive system;
 - f. Responsibility for generating, filing and maintaining the records and reports required under this chapter;
 - g. If applicable, terms with regard to establishing and servicing any trust agreement associated with an annuity jackpot offered by a wide area progressive system in accordance with the internal controls submitted to and approved by the department; and
 - h. If requested by the department, additional documentation with regard to a wide area progressive agreement.
 - 6. A wide area progressive system shall be controlled and operated from a system monitor room:
 - a. Under the sole possession of, and maintained and operated by, the system operator designated in a wide area progressive agreement;
 - b. In a location approved by the department;
 - c. If required by the department, staffed by individuals licensed as gaming employees; and
 - d. Subject to:
 - (1) Surveillance coverage satisfactory to the department; and
 - (2) Access controls satisfactory to the department including a monitor room access log in accordance with subdivision 7 of this subsection.
 - 7. A system operator shall maintain a monitor room access log:
 - a. Signed by each individual entering the system monitor room except an employee of a system operator assigned to the system monitor room on the individual's assigned shift;
 - b. Maintained in a book with bound numbered pages that cannot be readily removed;
 - c. Utilized to document the following:
 - (1) Date and time of entry;
 - (2) Entering individual's signature; and
 - (3) Reason for entering the system monitor room including the identification of areas inspected or repaired; and
 - d. Retained by a system operator for a minimum of three years from the date of the last entry unless a request for destruction is submitted in writing and approved in writing by the department.
- DD. Progressive proposal.
- 1. A progressive proposal:
 - a. Shall be jointly prepared, executed, and submitted to the department by a facility operator and a manufacturer;
 - b. Shall include the following:
 - (1) Manufacturer's:
 - (a) Serial number;
 - (b) Model number;
 - (c) Software identification number; and

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- (d) Version number;
 - (2) Denomination or a designation as multi-denomination;
 - (3) Cabinet style;
 - (4) An indication as to whether the slot machine is to be:
 - (a) Stand alone;
 - (b) Linked to other slot machines in a facility; or
 - (c) Linked to a wide area progressive system;
 - (5) The initial and reset amounts at which the progressive meter or meters will be set;
 - (6) For each progressive jackpot the:
 - (a) Rate of progression;
 - (b) Limit; and
 - (c) Probability of winning; and
 - (7) If requested by the department, additional documentation; and
 - c. May be approved in writing by the department.
2. A manufacturer may not modify the terms of a progressive jackpot, and a facility operator may not make available for play, a slot machine that offers a progressive jackpot that differs from its approved progressive proposal without:
- a. Submission to the department, in a timeframe specified by the department, of a request for modification of an approved progressive proposal identifying any proposed change to the terms and conditions of the progressive proposal to be modified; and
 - b. The approval in writing of the department.
3. The department may consider the following modifications to an approved progressive proposal:
- a. A revision to the payout limit on an available progressive jackpot, provided the revised payout limit is greater than the then current payout amount on the progressive jackpot meter;
 - b. Transfer of an available progressive jackpot amount in accordance with subdivision 4 of this subsection;
 - c. Removal from the gaming floor of a slot machine offering a progressive jackpot in accordance with subdivision 5 of this subsection; and
 - d. Other modifications deemed consistent with this subsection by the department.
4. A transfer of an available deemed progressive jackpot amount shall involve:
- a. The entire amount;
 - b. Transfer to the:
 - (1) Progressive meter of a slot machine with the same:
 - (a) Or greater probability of winning the progressive jackpot;
 - (b) Or lower wager requirement to be eligible to win the progressive jackpot; and

- (c) Type of progressive jackpot award; or
 - (2) Progressive meters of two separate slot machines provided each terminal to which a jackpot amount is transferred individually satisfies the requirements of this subdivision; and
 - c. Disclosure of the intent to transfer an available progressive jackpot amount on the front of a slot machine in a manner specified by the department for at least 10 days prior to the intended date of transfer.
5. Removal from the gaming floor of a slot machine offering a progressive jackpot shall require:
- a. If the removal involves one or more linked slot machines offered in:
 - (1) A single facility, that at least two linked slot machines offering the same progressive jackpot remain on the gaming floor; and
 - (2) More than one facility, that the facility operator retain at least one linked slot machine offering the same progressive jackpot on its gaming floor; and
 - b. In every case, disclosure of the intent to transfer an available progressive jackpot on the front of a slot machine in a manner specified by the department for at least 14 days prior to the intended date of transfer.
6. Nothing in this subsection shall preclude the department from imposing additional terms and conditions on a modification of a progressive proposal.

EE. Remote access.

1. A manufacturer may not perform from a remote location analysis of, or technical support with regard to, a slot machine without:
- a. Submission of a written request to the department; and
 - b. The written approval of the department.
2. A manufacturer may perform from a remote location analysis of, or technical support with regard to, a facility operator's slot machine management systems including a:
- a. Gaming ticket system;
 - b. Promotional play system;
 - c. Player tracking system;
 - d. External bonusing system;
 - e. Cashless funds transfer system; and
 - f. Wide area progressive system.
3. A facility operator intending to authorize remote access to a slot machine management system under this subsection shall include in its internal controls submitted to and approved by the department a written system of access protocols that require:
- a. A unique system account for each employee of a manufacturer identified by the manufacturer as potentially

required to perform technical support from a remote location;

b. Use of a dedicated and secure communication facility;

c. The facility operator to provide the department with notice of access within four hours after a person remotely accesses a system;

d. The facility operator to take affirmative steps, on a per access basis, to activate a manufacturer's access privileges;

e. Imposition of limits on the ability of any individual authorized under this subsection to deliberately or inadvertently interfere with:

(1) The normal operation of the system; and

(2) Its data; and

f. An access log:

(1) Maintained by both the:

(a) Manufacturer; and

(b) Facility operator's information technology department;

(2) Maintained in:

(a) A book with bound numbered pages that cannot be readily removed; or

(b) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and

(3) Documenting the:

(a) Manufacturer version number of the system accessed;

(b) Type of connection as leased line, dial in modem, or private WAN;

(c) Name of the manufacturer employee remotely accessing the system;

(d) Name of the information technology department employee activating the manufacturer's access to the system;

(e) Date and time of the connection;

(f) Duration of the connection;

(g) Reason for the remote access including a description of the symptoms or malfunction prompting the need for remote access to the system; and

(h) Any action taken or further action required.

4. A facility operator may not authorize a manufacturer to remotely access a slot machine management system until its system access protocols are approved in writing by the department.

5. Any modification to a system required to be tested, certified, and approved by the department under this subdivision shall be processed as:

a. An emergency modification under subsection G of this section; or

b. A standard modification under subsection C or D of this section.

6. If an employee of a manufacturer is no longer employed or authorized by a manufacturer to remotely access a system pursuant to this subsection, the manufacturer shall:

a. Immediately notify in writing:

(1) Any facility operator that has established a unique system account for that employee of the change in authorization; and

(2) The department; and

b. Verify with each facility operator notified of the change in authorization that the access privileges of the individual have been revoked.

FF. Manufacturer storage of equipment, systems, and software outside a facility.

1. A manufacturer may not utilize a location outside of a facility to store or repair equipment, systems, software, or related parts and inventory for use in a facility without the storage facility being:

a. Inspected by the department; and

b. Approved in writing by the department.

2. A manufacturer shall locate a storage facility in Virginia in locations that reasonably permit the delivery of the support and technical services to which the manufacturer is obligated.

3. A manufacturer shall submit to the department a written request to utilize a storage facility under this subsection that includes, at a minimum:

a. The address;

b. A physical description of the storage facility;

c. Specifications for the surveillance system that has been or will be installed at the proposed storage facility including:

(1) If digital:

(a) Recording frames per second; and

(b) Common image rate; and

(2) Proposed recording retention schedule; and

d. Security procedures for the storage facility.

11VAC5-90-160. Mechanical casino games.

A. A facility operator may offer a mechanical casino game pursuant to this subsection.

B. Testing, certification, and approval of a mechanical casino game and equipment.

1. A manufacturer may not offer a mechanical casino game for sale, lease, distribution, or use in a facility, or a modification to a department-approved version of such a game, without it having been:

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a. Tested and certified by an independent certified testing laboratory; and

b. Approved in writing by the department.

2. A facility operator may not purchase, lease, develop, or otherwise acquire the right to install, utilize, or make available for use a mechanical casino game, or a modification to a department-approved version of such a game or equipment, without it having been:

a. Tested and certified by an independent certified testing laboratory; and

b. Approved in writing by the department.

3. A facility operator may not modify, alter, or tamper with a mechanical casino game.

4. Modification, alteration, or tampering with a mechanical casino game may result in the immediate suspension of an operation license by the department.

5. A prototype of a mechanical casino game or equipment required to be tested, certified, and approved under this subsection, or a modification to a department-approved version of such a game, shall at a minimum be tested for:

a. Overall operational integrity; and

b. Conformance with the casino gaming law and this chapter.

6. Procedures for submission, testing, certification, and approval of mechanical casino games and equipment shall:

a. Vary depending on the type of game; and

b. Be determined by the director.

7. Until such time as the department determines it has assembled a list of approved mechanical casino games and equipment sufficient to meet the needs of facility operators under the casino gaming law, notwithstanding the requirements of subsection C of this section, the department may permit an abbreviated testing and approval process in accordance with the requirements of subsection D of this section.

8. A manufacturer shall pay all costs of testing, certification, and approval under this section including all costs associated with:

a. Transportation;

b. Equipment and technical services required by an independent certified testing laboratory to conduct the testing and certification process; and

c. Implementation testing.

C. Submission of a mechanical casino game and equipment for testing and certification.

1. A manufacturer seeking department approval for a mechanical casino game shall submit the machine to an independent certified testing laboratory.

2. The submission required by subdivision 1 of this subsection shall include the following:

a. A request for testing and certification under subdivision B 6 of this section;

b. A prototype of the mechanical casino game identical in all respects to that for which department approval is sought;

c. Technical and operator manuals;

d. A description of the mechanical casino game, including:

(1) Diagrams, schematics, and specifications; and

(2) Documentation with regard to the manner in which the mechanical casino game and equipment was tested and emulated by the manufacturer prior to submission;

e. Where applicable, a copy, on electronically readable media, of all:

(1) Executable software, including data and graphics information;

(2) Source code for programs that have no commercial use other than as a component of a mechanical casino game; and

(3) Graphical images displayed on a mechanical casino game, including if applicable:

(a) Reel strips or card images;

(b) Rules and instructions; and

(c) Pay tables;

f. A mathematical explanation of the average and theoretical return to the player, listing all:

(1) Assumptions; and

(2) Steps in the formula including the treatment of bonus pays;

g. A description of the security methodologies incorporated into the design of a mechanical casino game;

h. A description accompanied by supporting test results of the random number generator or generators used to determine the results of a wager, including a detailed explanation of:

(1) Operational methodology; and

(2) Where applicable, the manner by which the random number generator, including the random number selection process, is impervious to:

(a) Outside influences;

(b) Interference from electro-magnetic, electrostatic, and radio frequencies; and

(c) Influence from ancillary equipment by means of data communications;

i. If a mechanical casino game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy;

j. Proof that a mechanical casino game has been inspected and approved for customer safety by a reputable testing laboratory;

k. If applicable, a description of any interoperability testing conducted by the manufacturer, including test results identified by manufacturer, model and software identification, and version number, for the submitted mechanical casino game's connection to any of the following:

- (1) Mechanical casino game data system;
- (2) Facility operator's slot management system;
- (3) Gaming ticket system;
- (4) Promotional play system;
- (5) Player tracking system;
- (6) Ticket redemption unit;
- (7) Automated jackpot payout machine;
- (8) External bonusing system;
- (9) Cashless funds transfer system; and
- (10) Progressive controller;

l. Specialized hardware, software, or testing equipment, inclusive of technical support and maintenance, requested by an independent certified testing laboratory including:

- (1) An emulator for a specified microprocessor;
- (2) Personal computers;
- (3) Extender cables for CPU departments;
- (4) Target reel strips; and
- (5) Door defeats; and

m. If requested by the department or an independent certified testing laboratory, additional documentation pertaining to the mechanical casino game or equipment being tested.

3. A manufacturer seeking department approval for a modification to a department-approved version of a mechanical casino game, including a change in theme, shall submit the modification to an independent certified testing laboratory.

4. An independent certified testing laboratory selected by a manufacturer or the department to test a modification may, but need not be, the testing laboratory that performed the initial prototype testing.

5. The submission required by subdivision 3 of this subsection shall include the following:

- a. A request for testing and certification under subdivision B 6 of this section;
- b. The mechanical casino game proposed for modification;
- c. A description of the proposed modification to the mechanical casino game, accompanied by applicable diagrams, schematics, and specifications;

d. If a change in theme is involved, a copy of the graphical images displayed on the mechanical casino game, including if applicable:

- (1) Reel strips and card images;
- (2) Rules and instructions; and
- (3) Pay tables;

e. If a change in the manner in which the average payout percentage is achieved or a change in the theoretical return to the player is otherwise involved, a mathematical explanation of the return to the player listing all:

- (1) Assumptions; and
- (2) Steps in the formula including the treatment of bonus pays;

f. If the proposed modification requires or permits player skill in the theoretical derivations of the payout return, the source of strategy; and

g. If requested by the department or an independent certified testing laboratory:

- (1) Any specialized hardware, software, or other equipment, inclusive of technical support and maintenance, required to conduct the testing and certification process; and
- (2) Additional documentation pertaining to the testing of the proposed modification.

6. At the conclusion of testing of a prototype or modification to a mechanical casino game, an independent certified testing laboratory shall issue to the department a certification report in an:

- a. Electronic form; and
- b. Format acceptable to the department.

7. Upon receipt of a certification report from an independent certified testing laboratory, but prior to a decision to approve a prototype or modification to a mechanical casino game, the department may require a trial period, as follows:

- a. A trial period shall be of a scope and duration the department deems appropriate to assess the operation of the mechanical casino game in a live gaming environment;
- b. A trial period shall be subject to compliance by the manufacturer and the facility operator with specific terms and conditions required by the department, which may include:

- (1) Development and implementation of product specific accounting and internal controls; and
- (2) Periodic data reporting to the department;

c. The department may authorize the receipt of compensation by a manufacturer during a trial period; and

d. The department may order termination of the trial period at any time upon a determination by the department that:

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- (1) A manufacturer or facility operator has not complied with the terms and conditions required by the department; or
- (2) The mechanical casino game is not performing as expected.

8. Upon receipt of a certification report from an independent certified testing laboratory, the department may:

- a. Approve the prototype or modification, with or without specific conditions;
- b. Reject the prototype or modification;
- c. Require additional testing; or
- d. Require a trial period under subdivision C 7.

9. Department approval of a prototype or modification of a mechanical casino game does not constitute a guarantee of its safety or reliability.

D. Abbreviated testing and certification.

1. A manufacturer may, during the period specified in subdivision B 7 of this section, seek department approval of a prototype or proposed modification under an abbreviated testing and certification process for a mechanical casino game required to be tested and certified under subdivision B 5 of this section.

2. A manufacturer shall submit the mechanical casino game to an independent certified testing laboratory.

3. The submission required by subdivision 2 of this subsection shall include the following:

- a. A request for abbreviated testing and certification under this subsection naming the state within the United States on whose regulations and technical standards the manufacturer proposes the department rely;
- b. A prototype of the mechanical casino game identical in all respects to that for which department approval is sought;
- c. A certification signed by the chief engineer of the manufacturer, or the engineer in charge of the division of the manufacturer responsible for producing the equipment or system submitted, representing that:

(1) The prototype or proposed modification is identical in all respects to one that has been tested and certified by:

- (a) A testing laboratory operated by the named state; or
- (b) An independent certified testing laboratory on behalf of the named state;

(2) The manufacturer is licensed in good standing in the named state;

(3) The submitted mechanical casino game has all regulatory approvals prerequisite to sale, lease, or distribution in the named state;

(4) The testing standards of the named state are comprehensive and thorough and involve substantially

similar technical requirements and safeguards as those required by the Casino Gaming Law and this chapter; and

(5) The manufacturer has fully disclosed any conditions or limitations placed by the named state on the operation or placement of the mechanical casino game:

(a) At the time of approval; or

(b) Subsequent to approval;

d. Copies of the submission package, and any amendments thereto, filed in the named state, including any:

(1) Checklists;

(2) Correspondence, review letters, or certification letters issued by:

(a) The testing laboratory operated by the named state; or

(b) An independent certified testing laboratory on behalf of the named state; and

(3) Final approval letter issued by the named state;

e. If applicable, a description of any interoperability testing conducted by the manufacturer, including test results identified by manufacturer, model and software identification, and version number, for the submitted mechanical casino game's connection to a:

(1) Separate mechanical casino game;

(2) Mechanical casino game or mechanical casino game data system;

(3) Facility operator's slot management system;

(4) Gaming ticket system;

(5) Promotional play system;

(6) Player tracking system;

(7) Ticket redemption unit;

(8) Automated jackpot payout machine;

(9) External bonusing system;

(10) Cashless funds transfer system; and

(11) Progressive controller;

4. At the conclusion of testing of a prototype or modification, an independent certified testing laboratory conducting abbreviated testing and certification shall issue to the department a certification report in an:

a. Electronic form; and

b. Format acceptable to the department.

5. The certification report issued under subdivision 4 of this subsection shall state:

a. Whether the independent certified testing laboratory concurs with the manufacturer that the testing standards of the named state are comprehensive, thorough and involve substantially similar technical requirements and safeguards as those required by the Casino Gaming Law and this chapter;

b. Whether the documentation required by subdivision 3 c of this subsection is complete;

c. With respect to any deficiency noted relating to subdivision 5 a or 5 b of this subsection, the nature of the noncompliance; and

d. The results of any supplemental testing performed.

6. Upon receipt of a certification report from an independent certified testing laboratory, the department may act with regard to:

a. Acceptance of the testing standards of the named state; and

b. The specific mechanical casino game by:

(1) Approving the prototype or modification, with or without specific conditions;

(2) Rejecting the prototype or modification;

(3) Requiring additional testing; or

(4) Requiring a trial period under this chapter.

7. Department approval of a prototype or proposed modification does not constitute a guarantee of its safety or reliability.

E. Emergency modification of mechanical casino game.

1. Notwithstanding the requirements of subsections C and D of this section, the department may, on submission of a written request by a manufacturer, authorize installation of a modification to equipment, a system, or software required to be tested, certified, and approved by the department under subdivision B 5 of this section, on an emergency basis.

2. A written request submitted by a manufacturer to the department shall document the:

a. Equipment proposed for emergency modification, including:

(1) Software identification number; and

(2) Version number;

b. Facility;

c. Reason for the emergency modification; and

d. Proposed date and time of installation.

3. A manufacturer may not install an emergency modification without the written approval of the department.

4. No more than 15 days following receipt of department authorization on an emergency modification, a manufacturer shall submit a modification identical to that receiving emergency authorization for testing, certification, and approval under this chapter.

F. Notice of known or suspected defect.

1. A manufacturer shall immediately notify the department of any known or suspected defect or malfunction in a mechanical casino game required to be tested, certified, and

approved by the department under subdivision B 5 of this section.

2. A manufacturer shall:

a. Confirm in writing any notice given to the department verbally pursuant to subdivision 1 of this subsection; and

b. If required by the department, notify a facility operator of any known or suspected defect or malfunction in the mechanical casino game installed in its facility.

3. A facility operator shall immediately notify the department of any known or suspected defect or malfunction in a mechanical casino game required to be tested, certified, and approved by the department under subdivision B 5 of this section.

4. A facility operator shall confirm in writing any notice given to the department verbally pursuant to subdivision 3 of this subsection.

G. Revocation.

1. The department may, at any time, revoke an approval granted to a mechanical casino game or equipment under this subsection on a determination by the department that the mechanical casino game or equipment does not comply with:

a. The Casino Gaming Law or this chapter; or

b. Any other requirement established by the department.

2. The department may at any time impose additional conditions on the operation or placement of department-approved equipment, systems, or software.

3. A revocation by the department of an approval under subdivision 1 of this subsection does not give rise to an appeal right.

H. Minimum and maximum bet.

1. A mechanical casino game may accept a minimum bet on a single game event as low as one cent.

2. A mechanical casino game may not accept a maximum bet on a single game event in excess of \$50 without the written approval of the department.

I. Rules of play.

1. In this subsection the following term has the meaning indicated.

"Strategy choice" means a particular play option on a mechanical casino game that requires the use of skill to consistently achieve the best result.

2. A mechanical casino game shall be equipped to display to a player while idle the:

a. Schedule of credits awarded with each winning combination;

b. Applicable rules of play; and

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c. Any maximum bet limit imposed under this chapter.

3. The department may prohibit the display of any rules of play it determines to be:

a. Incomplete;

b. Confusing;

c. Misleading; or

d. Inconsistent with the rules of play required by the department.

4. For rules of play, the schedule of credits awarded with each winning combination may not include possible aggregate awards achievable from free plays.

5. A mechanical casino game that includes a strategy choice shall include in its rules of play mathematically sufficient information for a player to use optimal skill unless the player:

a. Is not required to make an additional wager; and

b. Cannot lose any credits earned prior to the strategy choice.

6. A manufacturer or facility operator may not attach a sticker or other removable device that concerns rules of play to the face, glass, or screen of a mechanical casino game without the prior written approval of the department.

J. Manufacturer storage of mechanical casino games and equipment outside a facility.

1. A manufacturer may not utilize a location outside of a facility to store or repair a mechanical casino game or equipment, or related parts and inventory for use in a facility without the storage facility being:

a. Inspected by the department; and

b. Approved in writing by the department.

2. A manufacturer shall locate a storage facility in Virginia in locations that reasonably permit the delivery of the support and technical services to which the manufacturer is obligated.

3. A manufacturer shall submit to the department a written request to utilize a storage facility under this subsection that includes, at a minimum:

a. The address;

b. A physical description of the storage facility;

c. Specifications for the surveillance system that has been or will be installed at the proposed storage facility including:

(1) If digital:

(a) Recording frames per second; and

(b) Common image rate; and

(2) Proposed recording retention schedule; and

d. Security procedures for the storage facility.

11VAC5-90-170. Table games definitions and equipment.

A. Definitions. In addition to the terms defined in the Casino Gaming Law and 11VAC5-90-10, the following terms have the meanings indicated unless the context clearly requires otherwise.

"Ante" means the wager that a player may be required to make prior to any cards being dealt to participate in the round of play.

"Assistant table games shift manager" means an employee of a facility operator whose primary function is to supervise all of the table games in a licensed facility and who may be authorized to act as the table games shift manager in his absence.

"Automated card shuffling device" means a software compatible mechanical or electronic contrivance that automatically randomizes playing cards, either continuously or on command, to be utilized for table gaming activity.

"Bad Beat" means one or more predesignated high value poker hands that, when held by a player as a losing hand in a round of play, results in a bad beat payout.

"Bad Beat payout" means one or more payouts made to a player upon the occurrence of a Bad Beat.

"Banking table game" means a table game in which a player competes against a facility operator rather than against another player.

"Boxperson" means an employee of a facility operator whose primary function is to participate in and supervise the conduct of gaming at a single craps table.

"Chip runner" means an employee of a facility operator whose job duties include transporting cash to the poker room cage or the poker cashier window at the main cage for dealers or players of the poker room to be exchanged for value chips.

"Cover card" means an opaque card that is a solid color readily distinguishable from the color of the backs and edges of the playing cards.

"Dealer controlled electronic table game" means

1. A table game or table game equipment that:

a. Requires a live dealer to operate it;

b. Utilizes electronics as part of the games operation to collect and store game outcome, accounting and other significant event data; and

c. Permits wagering to be conducted electronically at a table game that is operated by a dealer.

2. A table game that may not randomly determine the game of chance.

"Dealing shoe" means a device that holds multiple decks of playing cards that the dealer deals during the operation of a table game.

"Direct bet coupon" means an approved wagering instrument with a stated denomination that, when presented at a banking game, the patron may use for wagering.

"Edge" means the surface of a gaming chip across which its thickness can be measured in a perpendicular line from one face to the other.

"Edge spot" means an identifying characteristic used on the edge of each value chip issued by a facility operator.

"Face" means each of the two surfaces of a gaming chip across which the diameter of the gaming chip can be measured.

"Fill" means the distribution of gaming chips, coins, and plaques to a gaming table to replenish the table inventory.

"Game account" means the funds that are available to a player for use at a dealer controlled electronic table game.

"Impress" means the roulette chips, which are used for gaming, that remain at each roulette table.

"Impressment" means an inventory conducted on each impress.

"Match play coupon" means an approved wagering instrument with a stated denomination that when presented with gaming chips at a banking game is included in the amount of the patron's wager.

"Nonbanking table game" means a table game in which a player competes against another player and in which the facility operator collects a rake.

"Pit clerk" means an employee of a facility operator whose primary function is to prepare documentation required for the operation of table games, including requests for fills, requests for credits, counter checks or other documents that evidence the exchange of gaming chips.

"Pit manager" means an employee of a facility operator whose primary function is to supervise all of the table games in one or more gaming pits.

"Poker rake chip" means a chip used by dealers to facilitate the collection of the rake in the poker room.

"Poker shift manager" means an employee of a facility operator whose primary function is to supervise all of the poker tables in a poker room.

"Primary color" means the predominant color used on a gaming chip.

"Rake" means a set fee or percentage assessed by a facility operator for providing the services of a dealer, gaming table, or location to allow the play or operation of any nonbanking game.

"RFID card" means a card that contains a radio-frequency identification tag which can be used to determine the value on the face of the card.

"RFID chip" means a value or roulette chip that contains a radio-frequency identification tag which can be used to determine the authenticity of the chip.

"Roulette chip" means a nonvalue chip that does not contain a denomination on either face that is used for wagering at the game of roulette.

"Round of play" means one complete cycle of play during which all wagers have been placed, all cards have been dealt and all wagers have been settled in accordance with the rules of the game.

"Secondary color" means any color on the face or edge of the gaming chip that is used as a contrast to the gaming chip's primary color.

"Standard rules" means the basic requirements that govern the play of a table game approved by the department.

"Stickperson" means an employee of a facility operator whose primary function is to control the selection and use of the dice at a craps table.

"Stub" means the remaining portion of a deck or decks after all cards in a round of play have been dealt.

"Suit" means one of the four categories of cards:

1. Clubs;
2. Diamonds;
3. Hearts; or
4. Spades.

"Table games shift manager" means an employee of a facility operator whose primary function is to supervise all of the table game operations in a licensed facility during a shift.

"Table inventory" means the chips, coins, or plaques used for the operation of a table game.

"Table inventory container" means the area of a gaming table where a boxman or dealer keeps gaming chips, coins or plaques used for the operation of a table game.

"Tournament chip" means a chip used for wagering in a table game tournament or poker tournament.

"Washing" means mixing of a deck or decks of cards or tiles by placing the cards or tiles face down on a table and mixing them around with both hands so that they are in no particular order.

"Vigorish" means a percentage commission that is taken by a facility operator from a wager placed by a player or the winnings of a player.

B. Gaming chips and promotional chips.

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1. A gaming chip issued by a facility operator shall be in the form of a disk.

2. A gaming chip may not be issued by a facility operator or utilized in a facility until:

a. The facility operator submits to the department for approval the design specifications of the proposed gaming chip, including a detailed schematic depicting the actual size and location of:

- (1) Each face, including any indentations or impressions;
- (2) The edge; and
- (3) Any colors, words, designs, graphics, or security measures contained on the gaming chip;

b. The facility operator submits to the department, a sample of each gaming chip, manufactured in accordance with its approved design specifications; and

c. The department approves the gaming chip design.

3. To prevent the counterfeiting of the gaming chip, a gaming chip issued by a facility operator shall be designed and manufactured with graphics and security measures required to appear on the face or edge of a value chip under this subsection.

4. Prohibitions.

a. A facility operator may not issue, use, or allow a player to use in its facility, a gaming chip that it knows, or reasonably should know, is materially different from the sample of a gaming chip approved in accordance with subdivision 2 of this subsection.

b. A facility operator or other person licensed by the department may not manufacture, sell or distribute to, or use in, a licensed facility outside of Virginia a gaming chip that has the same edge spot or design specifications as a chip approved for use in a facility in Virginia.

5. Promotional nongaming chips.

a. A facility operator may issue a promotional nongaming chip that:

- (1) Is unique from an approved gaming chip and promotional chip in size or color;
- (2) Has no edge designs; and
- (3) On both faces, bears:

(a) The name of the facility issuing the promotional nongaming chip; and

(b) Language that the promotional nongaming chip has no redeemable value.

b. A promotional nongaming chip may not be used for table game play in a facility.

c. To prevent confusion with approved gaming chips in use in Virginia facilities, the physical characteristics of promotional nongaming chips must be sufficiently distinguishable from approved gaming chips.

d. A facility operator shall submit to the department for approval a detailed schematic depicting the actual size, face, and any colors, words, designs, or graphics on the promotional nongaming chip.

6. A facility operator may issue a promotional chip with value that is permitted to be used for gaming purposes in a licensed facility, provided:

a. The physical characteristics of promotional chips with value must be sufficiently distinguishable from approved gaming chips issued by any facility operator in Virginia to reasonably ensure that the promotional chips with value will not to be confused with approved gaming chips and promotional nongaming chips;

b. A facility operator shall submit to the department for approval a detailed schematic depicting the actual size, face and any colors, words, designs or graphics on the promotional gaming chip;

c. At a minimum, a promotional gaming chip shall:

- (1) Be unique in terms of size or color;
- (2) Have no edge designs;
- (3) Bear the name of the facility operator issuing the promotional gaming chip; and
- (4) Contain language on both faces stating value of the promotional chip.

d. A promotional chip with value may be redeemed only at a gaming table in which a player wagers against the house;

e. The dealer shall deposit the promotional chip with value into the drop box attached to the gaming table at the time the winning wager is paid or the losing wager is collected; and

f. If the wager wins, it shall be paid in accordance with the terms and conditions of the promotional chip.

C. Value chips.

1. A facility operator may issue and use value chips in denominations of \$1, \$2, \$2.50, \$5, \$20, \$25, \$100, \$500, \$1,000, \$5,000, \$10,000, \$25,000, and other denominations approved in advance by the department.

2. A primary color may not be used as a secondary color on a value chip of another denomination if its use on the edge is reasonably likely to cause confusion as to the chip's denomination when the edge alone is visible.

3. A manufacturer shall submit sample color disks to the department that identify all primary and secondary colors to be used for the manufacture of value chips for facility operators in Virginia.

4. The department may not approve a primary color for use in a value chip unless it visually appears, when viewed in daylight or incandescent light, as the following colors for these denominations:

- a. \$1, white;
- b. \$2, blue;
- c. \$2.50, pink;
- d. \$5, red;
- e. \$20, yellow;
- f. \$25, green;
- g. \$100, black;
- h. \$500, purple;
- i. \$1,000, fire orange;
- j. \$5,000, brown;
- k. \$10,000, silver; and
- l. \$25,000, gold.

5. After the department has approved a manufacturer's primary or secondary color for a gaming chip, the color shall be consistently manufactured in accordance with the approved sample color disk.

6. At least once on any location of each face of a value chip, a value chip issued by a facility operator must contain identifying characteristics that are applied in a manner ensuring that each identifying characteristic is clearly visible and remains a permanent part of the value chip.

7. The identifying characteristics required under subsection F of this section shall be visible to surveillance employees using the licensed facility's surveillance system, and include:

- a. The denomination of the value chip, expressed in numbers;
- b. The name, logo, or other department-approved identification of the facility operator issuing the value chip; and
- c. The letters "VA" and the name of the city in which the licensed facility is located.

8. In addition to the characteristics specified in subdivision 7 of this subsection, a value chip in a denomination of \$100 or more must contain a design or other identifying characteristic that is unique to the gaming chip manufacturer.

9. After the department approves a manufacturer's value chip design or characteristic:

- a. The manufacturer has the exclusive right to use that design or characteristic on any denomination of value chip;
- b. The approved unique design or characteristic:
 - (1) May be used on all value chips manufactured for use in Virginia; and
 - (2) May be changed only after receiving the department's written approval of a new unique design or other identifying characteristic.

10. Each value chip issued by a facility operator must contain an edge spot that:

- a. Is applied in a manner that ensures the edge spot:
 - (1) Is clearly visible on the edge and on each face of the value chip; and
 - (2) Remains a permanent part of the value chip; and
- b. Is created using both:
 - (1) The primary color of the chip; and
 - (2) One or more secondary colors; and
- c. Includes a design, pattern, or other feature that an individual may use to identify, through the facility's surveillance system, the denomination of a particular value chip that is in:
 - (1) A stack of gaming chips;
 - (2) The table inventory; or
 - (3) Any other location when only the edge of the value chip is visible.

11. A facility operator shall use as a secondary color to make an edge spot on a particular denomination of value chip only a secondary color that is reasonably likely to differentiate the facility operator's value chip from the same denomination of value chip issued by any other facility operator in the Commonwealth of Virginia.

12. If an approved value chip uses a single secondary color, no other facility operator may use a similar secondary color as the sole secondary color on the same denomination of value chip unless it is used in a different pattern or design approved by the department.

13. A facility operator may not use the identical combination of secondary colors on the same denomination of value chip unless it is used in a different pattern or design approved by the department.

14. A value chip issued by a facility operator is limited to a specific size for each denomination:

- a. Less than \$500 must have a uniform diameter of 1-9/16 inch;
- b. \$500 and \$1,000 must have a uniform diameter of 1-9/16 inch or 1-11/16 inch; and
- c. \$5,000 or more must have a uniform diameter of 1-11/16 inch.

15. In addition to the features that are required under this subsection to appear on the face and edge of a value chip:

- a. Each value chip with a denomination less than \$100 must contain at least one anti-counterfeiting measure; and
- b. Each value chip with a denomination of \$100 or more must contain at least two anti-counterfeiting measures.

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D. Roulette chips.

1. A facility operator shall issue a roulette chip solely for the purpose of gaming at roulette.

2. At least once on any location of each face of a roulette chip, a roulette chip issued by a facility operator must contain identifying characteristics that are applied in a manner ensuring that each identify characteristic is clearly visible and remains a permanent part of the roulette chip.

3. The identifying characteristics required under subdivision 2 of this subsection shall be visible to surveillance employees using the facility's surveillance system and include:

a. The name, logo, or other department-approved identification of the facility operator issuing the roulette chip;

b. A unique design, insert, or symbol that will permit a set of roulette chips being used at a particular roulette table to be distinguished from the roulette chips being used at another roulette table in the facility;

c. The word "Roulette";

d. Color and design combinations distinguish the roulette chips of a player at a particular roulette table from:

(1) The roulette chips of another player at the same roulette table; and

(2) The value chips issued by a facility operator; and

e. An edge spot that:

(1) Is applied in a manner which ensures that the edge spot;

(a) Is clearly visible on the edge and on each face of the roulette chip; and

(b) Remains a permanent part of the roulette chip; and

(2) Is created by using the colors approved for the face of the particular roulette chip in combination with one or more other colors that provides a contrast with the color on the face of the roulette chip and that enables the roulette chip to be distinguished from the roulette chips issued by any other facility operator; and

(3) Includes a design, pattern, or other feature that an individual may use to identify, through the facility's surveillance system, the player to whom the roulette chip has been assigned when the roulette chip is placed in a stack of gaming chips or in any other location where only the edge of the roulette chip is visible.

E. Roulette chips - permitted uses, inventory, and impressment.

1. A roulette chip shall be issued to a particular roulette table and be used for gaming at that table only, and:

a. A roulette chip used at a particular roulette table must have the same design, insert or symbol as required under subdivision D 3 b of this section; and

b. A facility operator or an employee may not knowingly allow a player to remove a roulette chip from the roulette table to which it was issued.

2. A player at a roulette table may not purchase or be permitted to game with roulette chips that are identical in color and design to any roulette chip purchased by another player at the same table. When a player purchases a roulette chip, the dealer shall place a:

a. Roulette chip of the same color and design in a slot or receptacle attached to the outer rim of the roulette wheel, or in another device or location approved by the department; and

b. Marker button denoting the value of a stack of 20 roulette chips of the same color and design in the slot, receptacle or other device.

3. At least once every three months, a floorperson or higher-ranking individual specified in the facility operator's internal controls shall complete an impressment of the roulette chips assigned to a roulette table, and:

a. The facility operator shall record the results of the impressment in the chip inventory ledger required under subsection K of this section;

b. If additional roulette chips are required to restore the impress, the floorperson, or higher-ranking individual specified in the facility operator's internal controls shall complete a Roulette Chip Impressment Form.

4. The completed Roulette Chip Impressment Form required under subdivision 3 of this subsection shall be maintained by the accounting department and contain at least the following:

a. The date and time of preparation;

b. The design schematic of the chip, including its primary color and the applicable table number;

c. The number of roulette chips needed to restore the impress;

d. The signature of the individual who completes the Roulette Chip Impressment Form and the impressment for the table; and

e. The signature of the main bank cashier or chip bank cashier who issued the roulette chips to restore the impress.

5. The accounting department shall immediately report a discrepancy in the impressment to department staff on a written report that includes at least the following for each roulette chip color and design:

a. The balance on hand at the beginning of the three-month period;

b. The number of roulette chips distributed to the roulette table during the three-month period;

c. The number of roulette chips returned to inventory during the three-month period; and

d. The balance on hand at the end of the three-month period.

F. Tournament chip.

1. If a facility operator conducts a table game tournament, the tournament shall be conducted using tournament chips.

2. The identifying characteristics of a tournament chip must include at least:

a. The name, logo, or other approved identification of the facility operator issuing the tournament chip;

b. The word "Tournament";

c. The denomination of the chip;

d. The phrase "No Cash Value";

e. Color or design combinations that distinguish the tournament chips from:

(1) Roulette chips used for the play of roulette at the facility;

(2) Value chips issued by a facility operator in the Commonwealth of Virginia; and

(3) Poker rake chips.

3. A facility operator shall store tournament chips in a secure area approved in advance by the department.

4. A facility operator shall conduct an inventory of all tournament chips prior to the start and after the completion of each tournament.

5. A facility operator shall send a weekly report to department staffs of a discrepancy in the inventory on a report that shall include the balance for each denomination of tournament chip on hand at the beginning of the tournament and the balance on hand at the end of each tournament.

G. Poker rake chips.

1. To facilitate the collection of the rake, a facility operator may use poker rake chips in the poker room.

2. Poker rake chips:

a. Shall only be used by dealers; and

b. May only be substituted for value chips that have been collected as part of the rake prior to the rake being placed in a drop box.

3. A dealer shall keep unused poker rake chips in the table inventory container.

4. The denominations that may be used for poker rake chips are \$2, \$3, or \$4.

5. The identifying characteristics of a poker rake chip must include:

a. The name, logo, or other approved identification of the facility operator;

b. The words "Poker Rake Chip";

c. One of the following denominations:

(1) "\$2,"

(2) "\$3," or

(3) "\$4," and

d. Color or design combinations to distinguish the poker rake chips from:

(1) Roulette chips used for the play of roulette at the facility;

(2) Tournament chips used for tournament play at the facility; and

(3) Value chips issued by any facility operator in the Commonwealth of Virginia.

H. Removing chips from use.

1. Value chips.

a. Within 120 days of the commencement of table games at a facility, the facility operator shall have at least one department-approved set of value chips that may be used as a back-up for \$100 and \$500 value chips in active use.

b. A back-up set of value chips maintained for use by a facility operator shall have secondary colors that are different from the secondary colors of the value chips in active use and may use a different shade of the primary color.

c. A back-up set of value chips shall conform to the color and design requirements in this section.

2. Roulette chips.

a. A facility operator shall have at least one reserve set of roulette chips for each color roulette chip used in the facility with a design insert or symbol different from the roulette chips comprising the primary sets.

b. A back-up set of roulette chips must conform to the color and design requirements in this chapter.

3. RFID chips. If a facility operator uses RFID chips for its value or roulette chips, the facility operator may submit a request to the department for waiver of the requirements in subdivisions 1 and 2 of this subsection that shall include at least:

a. A detailed description of the RFID technology and devices that will be used at the facility;

b. A detailed description of how the RFID chips and related equipment will be used in the facility;

c. A detailed explanation of how the use of the RFID chips and related equipment will reduce or eliminate the potential use of counterfeit value or roulette chips; and

d. The approximate length of time it will take the facility operator to install the necessary devices and related equipment for the RFID technology to be operational in the facility.

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4. The facility operator shall remove a set of gaming chips in use from active play when:

- a. A facility operator reasonably believes that the facility is taking on multiple counterfeit chips valued at \$100 or more so as to call into question the security and integrity of the gaming chip set;
- b. A facility operator determines there is an impropriety or defect in the use of a set of chips makes removal of the chips in active use necessary; or
- c. The department directs a facility operator to remove a set of chips from active use.

5. A facility operator shall place into active play a department-approved back-up set of value chips or a reserve set of roulette chips required under subdivisions 1 and 2 of this subsection when an active set is removed.

6. Before a set of chips in active use is removed from play, the facility operator shall notify the department of the impending removal and the reasons for the removal.

7. A facility operator shall immediately notify department staff of the discovery of counterfeit value chips.

I. Plaques.

1. A plaque issued by a facility operator shall be a solid, one-piece object constructed entirely of plastic or other substance, and a plaque shall:

- a. Be square, rectangular, or elliptical in shape;
- b. Have at least two, but not more than six, smooth, plane surfaces;
- c. Have at least two faces opposite and parallel to each other and identical in shape.

2. A facility operator shall not issue a plaque or allow its use in a facility unless:

- a. The facility operator submitted design specifications of the proposed plaque to the department that included a detailed schematic depicting the actual size and location of:
 - (1) Each face;
 - (2) The edge; and
 - (3) Any colors, words, designs, graphics, or security measures on the plaque including the minimum identifying characteristics listed in subdivision 6 of this subsection;
- b. The facility operator made available for the department's inspection a sample plaque of each denomination to be manufactured and used in accordance with its approved design specifications;
- c. The department approved the facility operator's submissions; and
- d. The facility operator submitted to the department a system of internal procedures and administrative and

accounting controls governing the distribution, redemption, receipt and inventory of plaques, by serial number that the department approved as part of the facility operator's internal controls.

3. Dimensions of a plaque.

- a. The face of a square plaque shall have a surface area of not less than nine square inches.
- b. The face of a rectangular or elliptical plaque may not be less than three inches in length by two inches in width.
- c. The length and width of an elliptical plaque shall be measured by its axes.

4. A plaque issued by a facility operator shall be designed and manufactured with sufficient graphics or other security measures to prevent, to the extent possible, the counterfeiting of the plaque.

5. Denominations.

- a. A facility operator may issue and use plaques in denominations of \$5,000 or \$10,000, and in other denominations approved by the department in advance.
- b. A plaque of a specific denomination used by a facility operator shall be in a shape and of a size that is identical to the shape and size of all other plaques of that denomination issued by the facility operator.
- c. The size and shape of each denomination of plaque issued by a facility operator must be readily distinguishable from the size and shape of every other denomination of plaque issued by the facility operator.

6. A plaque issued by a facility operator must contain identifying characteristics that appear at least once on each face of the plaque and are applied in a manner that ensures each identifying characteristic is clearly visible and remains a permanent part of the plaque.

7. The characteristics required under subdivision 6 of this subsection must be visible to surveillance employees using the licensed facility's surveillance system, and shall include at least:

- a. The denomination of the plaque, expressed in numbers of at least 3/8-inch in height;
- b. The name, logo, or other approved identification of the facility operator issuing the plaque; and
- c. A unique serial number.

8. A facility operator may not issue, use, or allow a player to use in its facility, any plaque that it knows, or reasonably should know, is materially different from the sample of that plaque approved in accordance with subdivision 2 of this subsection.

J. Permissible wagers; exchange and redemption of chips and plaques.

1. Wagering at table games in a facility shall be conducted with gaming chips, plaques, electronic wagering credits, and other wagering instruments approved in advance by the department.

2. A value chip previously issued by a facility operator that is not in active use by that facility operator may not be used for any gaming purpose in a facility, and may be redeemed only at the cage.

3. A facility operator shall issue a gaming chip or plaque to a player only at the request of the player, and may not be given as change in any transaction other than a gaming transaction.

4. A gaming chip or plaque shall be issued to player by:
a. A dealer at a banking or nonbanking table game;
b. The poker room cage, poker room impressed bank or the poker window cashier at the main cage; or
c. A chip runner to a player seated at a poker table at which a game is in progress.

5. A player may redeem a plaque or value chip only at the cage.

6. Except as provided in subdivisions 12 and 13 of this subsection, or as otherwise approved in advance by the department, a facility operator shall redeem a gaming chip or plaque that it issued only from players.

7. Roulette chips.
a. A player may present a roulette chip for redemption only at the roulette table from which it was issued.
b. When a player presents a roulette chip for redemption, a dealer shall accept it in exchange for an equivalent amount of value chips.

8. Value chips at roulette.
a. A facility operator may permit, limit, or prohibit the use of a value chip in gaming at roulette in accordance with its rules as submitted to and approved by the department.
b. If a value chip is use at roulette, the facility operator and its employees shall keep accurate account of the wagers being made with value chips so that wager made by one player are not confused with the wagers made by another player at the table.

9. A gaming chip or plaque is solely evidence of a debt that the issuing facility operator owes to an individual legally in possession of the gaming chip or plaque, and it remains the property of the issuing facility operator.

10. Redemption at the facility.
a. A facility operator shall have the right at any time to demand that an individual possessing a gaming chip or plaque surrender the gaming chip or plaque for redemption in accordance with this subdivision.

b. Unless a gaming chip or plaque was obtained or is being used unlawfully, a facility operator shall promptly redeem its gaming chip or plaque presented by a player.

c. A facility operator shall redeem its value chip or plaque by:
(1) Exchanging the value chip or plaque for an equivalent amount of cash; or
(2) Exchanging the value chip or plaque for a check issued by the facility operator in the amount of the value chip or plaque surrendered and dated the day of the redemption.

11. Redemption by mail
a. Notwithstanding the requirements of subdivision 10 of this subsection, if a player requests by mail to redeem value chips, in any amount, by mail, a facility operator may effectuate the redemption in accordance with its approved internal controls.
b. A facility operator's internal controls for redemption of a value chip by mail shall, at a minimum, include procedures for the:
(1) Facility operator's issuance of a check to the player; and
(2) Transfer of a surrendered value chip to the chip bank in a documented transaction.

12. A facility operator shall accept, exchange, use, or redeem only a gaming chip or plaque that the facility operator has issued and may not knowingly accept, exchange, use, or redeem a gaming chip or plaque, or an object that appears to be a gaming chip or plaque, that has been issued by any other facility operator.

13. Notwithstanding subdivision 12 of this subsection, a facility operator may accept and redeem a value chip issued by another facility operator in the Commonwealth from a player.

14. Employee receiving a value chip as gratuity.
a. An employee of a facility operator may receive a value chip as a gratuity.
b. An employee of a facility operator may receive a value chip in exchange for food or beverage that a player purchases from the employee.
c. An employee of a facility operator who receives a value chip as a gratuity, or in exchange for food or beverage, shall redeem the value chip prior to leaving the facility at the end of the work shift during which the employee received the value chip.
d. A value chip received by a facility employee shall be redeemed at the cage or at another secure location approved in advance by the department.
e. A value chip received by a facility that is redeemed at a noncage employee redemption site shall be exchanged on a daily basis with the cage.

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f. A facility operator shall include in its internal controls a means of ensuring the proper exchange and accounting of a value chip received as a gratuity or for the purchase of food and beverage.

15. Redemption of facility chips from another operator.

a. A facility operator shall promptly redeem its own value chip that is presented to it by another facility operator in the Commonwealth.

b. A facility operator shall include in its internal controls a system for the exchange with other legally operated facility operators of a value chip that:

(1) Is in the facility operator's possession that has been issued by another facility operator in the Commonwealth; and

(2) The facility operator has issued that is presented to it for redemption by another facility operator in the Commonwealth.

16. A facility operator shall post in a prominent place on the front of the main cage, any satellite cage, and the poker room cage, a sign that reads as follows: "Gaming chips or plaques issued by another facility may not be used, exchanged, or redeemed in this facility."

K. Receipt, inventory, security, storage, and destruction of chips and plaques.

1. Receipt.

a. A shipment of gaming chips or plaques that is received from a manufacturer or supplier shall be unloaded and transported to a secure area, which is covered by the facility operator's surveillance system, by at least two employees of the facility operator.

b. The chips or plaques shall then be opened and checked by at least two employees, who shall promptly report to department staff any deviation between the invoice accompanying the shipment of gaming chips or plaques and the actual chips or plaques received or any defects found in the chips or plaques.

c. The functions required under subdivisions 1 a and 1 b of this subsection shall be performed by at least the following employees of the facility operator:

(1) A supervisor from the accounting department; and

(2) An employee from the security department.

2. Inventory.

a. After a shipment of gaming chips or plaques is checked as required under subdivision 1 of this subsection, the employees identified in subdivision 1 c of this subsection shall record in a chip inventory ledger the:

(1) Denomination of the value chips and plaques received;

(2) Number of each denomination;

(3) Serial numbers of the value chips and plaques received;

(4) For any roulette chips received, the number and description of the roulette chips received;

(5) Date of the receipt;

(6) Signatures and license numbers of the employees who checked the chips and plaques.

b. If the value chips or roulette chips are not to be immediately put into active use, the chip inventory ledger must also identify the storage location of the chips.

3. Storage.

a. A gaming chip or plaque not in active use shall be stored in:

(1) A vault located in the main bank;

(2) Locked cabinets in the main cage; or

(3) Another restricted storage area approved in advance by the department.

b. A gaming chip or plaque may not be stored in the same storage area as dice, cards, pai gow tiles, or any other table game equipment.

c. When a gaming chip or plaque is removed from or returned to an approved storage area, at least the two employees identified in subdivision 1 c of this subsection shall be present and ensure that the chip inventory ledger contains the following information:

(1) Date;

(2) Signatures and license numbers of the employees supervising the transaction;

(3) Quantity;

(4) If applicable, the serial numbers and dollar amounts for each denomination of value chip or plaque;

(5) Number and description of the roulette chip;

(6) Specific storage area being entered; and

(7) Reason for the entry into the storage area.

4. At the end of each gaming day, a facility operator shall compute and record the unredeemed liability for each denomination of value chip and plaque according to procedures specified in the facility operator's internal controls.

5. Ongoing inventory.

a. A facility operator shall inventory all sets of value chips, roulette chips, and plaques in its possession and record the result of the inventory in the chip inventory ledger.

b. The inventory required under subdivision 5 a of this subsection shall be conducted at least once every month for value chips and plaques and at least once every three months for roulette chips.

c. If a facility operator's inventory procedures incorporate the sealing of a locked compartment containing the facility's value chips, roulette chips, and plaques not in active use, a physical inventory of value chips, roulette

chips, and plaques not in active use is required to be conducted annually.

d. A facility operator shall include in its internal controls the procedures to be utilized to inventory value chips, roulette chips, and plaques.

6. Destruction.

a. At least five days prior to the destruction of a gaming chip or plaque, a facility operator shall notify department staff of the:

(1) Date and the location at which the destruction will be performed;

(2) Denomination, number, and when applicable, the serial number and amount of value chips or plaques to be destroyed;

(3) Description and number of roulette chips to be destroyed; and

(4) Detailed explanation of the method of destruction.

b. The destruction of a gaming chip or plaque shall be carried out in the presence of at least the two employees identified in subdivision 1 c of this subsection.

c. The facility operator shall record in the chip inventory ledger the names and license numbers of all employees and nonemployees involved in each destruction, and:

(1) The denomination, quantity, total value, and serial number, if applicable, of all value chips or plaques destroyed;

(2) The description and number of roulette chips destroyed;

(3) The signatures and license numbers of the individuals who carried out the destruction; and

d. The date and location where the destruction took place.

7. A facility operator shall ensure that at all times there is adequate security for all gaming chips and plaques in the facility operator's possession.

L. Dice.

1. Except as otherwise provided in subdivisions 2 and 3 of this subsection, each die used in the play of table games shall:

a. Be formed in the shape of a perfect cube and of a size not smaller than 0.750 inch on each side nor any larger than 0.775 inch on each side, with a tolerance of plus or minus 0.005;

b. Be transparent and made exclusively of cellulose except for the spots, name, or logo of the facility operator, and serial number or letters on the die;

c. Be perfectly flat on the surface of each of its sides, with the spots contained in each side flush with the area surrounding them;

d. Have all edges and corners perfectly square and forming 90 degree angles.

e. Have the texture and finish of each side identical to the texture and finish of all other sides;

f. Have its weight equally distributed throughout the cube with no side of the cube heavier or lighter than any other side of the cube;

g. Have the six sides bearing white circular spots from one to six respectively with the diameter of each spot equal to the diameter of every other spot on the die;

h. Have spots arranged so that:

(1) The side containing one spot is directly opposite the side containing six spots;

(2) The side containing two spots is directly opposite the side containing five spots; and

(3) The side containing three spots is directly opposite the side containing four spots;

i. Have each spot placed on the die by drilling into the surface of the cube and filling the drilled out portion with a compound that is equal in weight to the weight of the cellulose drilled out and that forms a permanent bond with the cellulose cube and extends into the cube exactly the same distance as every other spot extends into the cube to an accuracy tolerance of 0.0004 inch;

j. Have imprinted or impressed on the die a serial number or letters and the name or logo of the facility operator using the die.

2. Dice used in the table games of pai gow and pai gow poker must comply with the requirements of subdivision 1 of this subsection, except as follows:

a. Each die must be formed in the shape of a perfect cube and of a size not smaller than 0.637 inch on each side nor any larger than 0.643 inch on each side;

b. With the department's approval, a facility operator may have an identifying mark imprinted or impressed on each die instead of the name or logo of the facility operator; and

c. The spots on each die do not have to be equal in diameter.

3. Dice used in the table game of sic bo must comply with subdivision 1 of this subsection, except each die may be formed in the shape of a cube 0.625 inch on each side with ball edge corners.

4. Dice may not be used in a facility unless a detailed schematic depicting the actual size and color of the dice and the location of serial numbers, letters, or logos on the dice has been submitted to and approved by the department.

M. Receipt, storage, inspection, and removal of dice.

1. Receipt.

a. A shipment of dice that is received from a manufacturer or supplier shall be immediately unloaded and transported

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to a secure area that is covered by the facility operator's surveillance system under the supervision of at least two employees of the facility operator.

b. The boxes of dice 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.

(1) Boxes that do not appear to be intact, unbroken, and free from tampering shall be immediately inspected to ensure that the dice in those boxes conform to the requirements of this subsection, and there is no evidence of tampering with them.

(2) If dice inspected as required under subdivision 1 b (1) of this subsection show no evidence of tampering, they shall be placed along with boxes of dice that are intact, unbroken, and free from tampering for storage.

c. Dice shall be stored in a storage area approved by the department.

d. The functions required under subdivisions 1 a, 1 b, and 1 c of this subsection shall be performed by at least the following employees of the facility operator:

(1) A floor supervisor or above; and

(2) An employee from the security department.

2. Storage. The department-approved storage area must have two separate locks, to which access shall be controlled as follows:

a. The security department shall maintain one key and the gaming operations department shall maintain the other key; and

b. An employee of the gaming operations department below a floorperson in the organizational hierarchy may not have access to the gaming operations department key.

3. Dice that are to be distributed to gaming pits or tables for use in gaming shall be distributed from the approved storage area.

4. Once each gaming day and at other times as may be necessary, a floorperson or above in the presence of a security department employee shall remove the appropriate number of dice for that gaming day from the approved storage area.

5. Envelopes and containers used to hold or transport dice must be:

(a) Transparent;

(b) Designed or constructed with seals so that any tampering is evident; and

(c) Submitted to and approved by the department.

6. Inspection and distribution. Dice shall be inspected and distributed to the gaming tables in accordance with one of the following alternatives:

a. Alternative number 1.

(1) The floorperson or above and the security department employee who removed the dice from the approved storage area shall distribute sufficient dice directly to the pit manager or above in each pit or place them in a locked compartment in the pit stand, the keys to which shall be in the possession of the pit manager or above.

(2) Immediately upon opening a table for gaming, the floorperson or above shall distribute a set of dice to the table.

(a) To ensure that the dice are in a condition to ensure fair play and otherwise conform to the requirements of this section, at the time of receipt of a set of dice, a floorperson at each craps, pai gow, pai gow poker, sic bo, or mini-craps table shall, in the presence of the dealer, inspect the dice with a micrometer or any other instrument approved by the department to perform the function of a micrometer, a balancing caliper, a steel set square, and a magnet.

(b) The instruments described in subdivision 6 a (2) (a) of this subsection shall be kept in a compartment at each craps table or pit stand and shall be at all times readily available for use by department staff.

(c) The inspection required under subdivision 6 a (2) (a) of this subsection shall be performed on a flat surface that allows the dice inspection to be observed through the facility operator's surveillance system and by any persons in the immediate vicinity of the table.

(3). Following the inspection required under subdivision 6 a (2) (a) of this subsection:

(a) For craps, the floorperson shall, in the presence of a dealer, place the dice in a cup on the table for use in gaming;

(b) For mini-craps, the floorperson shall, in the presence of a dealer, place the dice in a cup on the table for use in gaming;

(c) For sic bo, the floorperson shall, in the presence of the dealer, place the required number of dice into the shaker and seal or lock the shaker, and the floorperson shall secure the sic bo shaker to the table in the presence of the dealer who observed the inspection; or

(d) For pai gow and pai gow poker, the floorperson shall, in the presence of the dealer, place the dice in the pai gow shaker.

(4) The floorperson or above shall place extra dice for the dice reserve in the pit stand, where:

(a) Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the floorperson or above; and

(b) No dice taken from the pit stand reserve may be used for actual gaming until the dice have been inspected in accordance with subdivision 6 a (2) (a) of this subsection.

b. Alternative number 2.

(1) The pit manager or above and the security department employee who removed the dice from the approved storage area shall distribute the dice directly to the following facility operator's employees who shall perform an inspection in each pit:

(a) For craps and mini-craps, a floorperson in the presence of another floorperson, both of whom are assigned the responsibility of supervising the operation and conduct of a craps or mini-craps game;

(b) For sic bo, pai gow, and pai gow poker, a floorperson in the presence of another floorperson, both of whom are assigned the responsibility of supervising the operation and conduct of sic bo, pai gow, or pai gow poker games;

(c) For storage of the dice for the dice reserve in the pit stand, to the pit manager or above.

(2) To ensure that the dice are in a condition to ensure fair play and otherwise conform to the requirements of this chapter, at the time of receipt of a set of dice, the dice shall be inspected by one of the individuals listed in subdivision 6 a (2) (a) of this subsection with a micrometer or other instrument approved by the department that performs the same function as a micrometer, a balancing caliper, a steel set square, and a magnet.

(3) The instruments described in subdivision 6 b (2) of this subsection shall be kept at the pit stand and shall be at all times readily available for use by department staff.

(4) The inspection required under subdivision 6 b (2) of this subsection shall be performed on a flat surface that allows the dice inspection to be observed through the facility operator's surveillance system and by any persons in the immediate vicinity of the pit stand.

(5) After completion of the inspection, the dice shall be distributed as follows:

(a) For craps and mini-craps, the floorperson who inspected the dice shall, in the presence of the other floorperson who observed the inspection, distribute the dice to the floorperson assigned at each craps table or to the floorperson assigned at each mini-craps table, and the craps floorperson or the mini-craps floorperson shall, in the presence of the dealer, place the dice in a cup on the table for use in gaming.

(b) For sic bo, the floorperson who inspected the dice shall, in the presence of the other floorperson who observed the inspection, place the required number of dice into the shaker and seal or lock the shaker, and the floorperson shall then secure the sic bo shaker to the table in the presence of the other floorperson who observed the inspection.

(c) For pai gow and pai gow poker, the floorperson who inspected the dice shall, in the presence of the other floorperson who observed the inspection, distribute the dice directly to the dealer at each pai gow table, and the

dealer shall immediately place the dice in the pai gow shaker.

(6) The pit manager or above shall place extra sets of dice for the dice reserve in the pit stand, as follows:

(a) Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the pit manager or above.

(b) Except as otherwise provided in subdivision 6 b (5) of this subsection, dice taken from the reserve in the pit stand shall be reinspected by a floorperson or above in the presence of another floorperson or above in accordance with the inspection procedures set forth in subdivision 6 b (2) of this subsection prior to their use for actual gaming.

(7) Previously inspected reserve dice may be used for gaming without being reinspected if the dice are maintained in a locked compartment in the pit stand in accordance with the following procedures:

(a) For craps and mini-craps, a set of five dice, after being inspected, shall be placed in a sealed envelope or container, to which shall be attached a label that identifies the date of inspection and contains the signatures of those responsible for the inspection shall be attached to the envelope or container.

(b) For sic bo, three dice, after being inspected, shall be placed in a sealed envelope or container or sealed or locked in a sic bo shaker, to which shall be attached a label or seal that identifies the date of inspection and contains the signatures of those responsible for the inspection shall, respectively, be attached to each envelope or container or placed over the area that allows access to open the sic bo shaker.

(c) For pai gow and pai gow poker, a set of three dice, after being inspected, shall be placed in a sealed envelope or container, to which shall be attached a label that identifies the date of inspection and contains the signatures of those responsible for the inspection shall be attached to each envelope or container.

7. Removal. A facility operator shall remove dice at any time of the gaming day and submit a Dice Discrepancy Report as required under subdivision 8 of this subsection:

a. If there is any indication of tampering, flaws, or other defects that might affect the integrity or fairness of the game; or

b. At the request of department staff.

8. Inspection.

a. At the end of each gaming day or at other times as may be necessary, a floorperson or above, other than the individual who originally inspected the dice, shall visually inspect each die that was used for play for evidence of tampering, and immediately report evidence of tampering to the department by:

(1) Completing a two-part Dice Discrepancy Report; and

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(2) Submitting the completed Dice Discrepancy Report and the dice to department staff.

b. Dice showing evidence of tampering shall be placed in a sealed envelope or container with a label attached that:

(1) Identifies the table number, date, and time the dice were removed;

(2) Contains the signatures of the person assigned to directly operate and conduct the game at that table and the floorperson assigned the responsibility for supervising the operation and conduct of the game;

(3) Contains the signatures of a floorperson or above or a security department employee responsible for delivering the dice to department staff; and

(4) The original and duplicate copy of which is signed by the department staff receiving the dice, who shall retain the original copy and return the duplicate copy to the pit, where the duplicate copy shall be maintained in a secure place within the pit until it is collected by a security department employee.

c. Other dice that were used for play shall be put into envelopes or containers when removed from active use at the table in an envelope or container with a label attached that:

(1) Identifies the table number, date and time the dice were removed;

(2) Contains the signatures of the person assigned to directly operate and conduct the game at that table and the floorperson assigned the responsibility for supervising the operation and conduct of the game; and

(3) Is sealed and maintained within the pit until it is collected by a security department employee.

9. Reserve dice in the locked compartment in a pit stand at the end of the gaming day may be:

a. Collected and transported to the security department for cancellation or destruction;

b. Returned to the approved storage area; or

c. Retained in the locked compartment in the pit stand for future use.

10. Reserve dice in the locked compartment in a pit stand at the end of the gaming day that are to be destroyed or cancelled shall be placed in a sealed envelope or container, with a label attached to each envelope or container that:

a. Identifies the pit stand where the reserve dice were being stored;

b. Identifies the date and time the dice were placed in the envelope or container; and

c. Contains the signature of the pit manager or above.

11. At the end of each gaming day or at least once each gaming day, as designated by the facility operator and

approved in advance by the department, and at other times as may be necessary:

a. Except as provided in subdivision 11 b of this subsection, a security department employee shall collect and sign all envelopes or containers of used dice and reserve dice that are to be destroyed or canceled and transport the dice to the security department for cancellation or destruction; and

b. If an alternative procedure for collecting, destroying, or canceling dice described in subdivision 11 b of this subsection has been submitted to and approved by the department, a security department employee:

(1) Shall collect all envelopes or containers and return them to the security department; and

(2) May sign the envelopes or containers; and

c. The security department employee shall also collect any duplicate copies of Dice Discrepancy Reports.

12. An assistant table games shift manager or above may collect all reserve dice in a locked compartment in a pit stand, and if collected:

a. Reserve dice shall be returned to the approved storage area;

b. Reserve dice shall be collected at the end of each gaming day or at least once each gaming day, as designated by the facility operator and approved by the department; and

c. Except for dice maintained in a locked compartment in accordance with subdivision 6 of this subsection, if the reserve dice are not collected, all dice in the dice reserve shall be reinspected in accordance with one of the alternatives listed in subdivision 6 of this subsection prior to their use for gaming.

13. Facility operators shall submit to the department for approval internal control procedures for:

a. A dice inventory system, which includes, at a minimum, records of the:

(1) Number of three and five dice sticks and the corresponding number of single die received from a manufacturer or supplier;

(2) Balance of three and five dice sticks and the corresponding number of single die on hand;

(3) Number of three and five dice sticks removed from storage;

(4) Number of three and five dice sticks returned to storage;

(5) Number of single die destroyed or canceled;

(6) Date of each transaction; and

(7) Signatures of the individuals involved.

b. A daily reconciliation of the:

(1) Number of three or five dice sticks distributed;

- (2) Number of single die destroyed or cancelled;
- (3) Number of three or five dice sticks returned to the approved storage area; and,
- (4) Reserve three or five dice sticks in a locked compartment in a pit stand, if any; and
- c. A physical inventory of all dice at least once every three months:
 - (1) That shall be performed by an individual with no incompatible functions and shall be verified to the balance of dice on hand required under subdivision 13 a of this subsection; and
 - (2) For which discrepancies shall immediately be reported to department staff.

14. Destruction or cancellation of dice.

- a. Other than those retained for department or facility operator inspection, destruction or cancellation of dice shall be completed within seven days of collection.
- b. Cancellation shall be accomplished by drilling a circular hole of at least 1/4-inch in diameter through the center of the die.
- c. Destruction shall be accomplished by shredding or crushing the die.
- d. The destruction or cancellation of dice must take place in a secure location in the facility that is covered by the facility operator's surveillance system.

15. Rotation and replacement of dice.

- a. A set of five dice used at a craps or mini-craps table shall be changed at least once every 24 hours.
- b. A new set of dice shall be used:
 - (1) When a craps or mini-craps table is reopened for gaming;
 - (2) If a die goes off the table during play and is lost;
 - (3) If a die shows signs of tampering or alteration; or
 - (4) A die is otherwise marked, chipped, scratched, or no longer suitable for play.
- c. Dice that have been placed in a shaker for use in gaming may not remain on a table for more than 24 hours in the games of:
 - (1) Pai gow tiles; and
 - (2) Pai gow poker.

N. Sic bo shaker security procedures.

1. Storage.

- a. Manual and automated sic bo shakers that have not been filled with dice may be stored in a locked compartment in a pit stand.
- b. An automated sic bo dice shaker that has been filled with dice shall be secured to the sic bo table at all times.

2. Inspection.

- a. At the end of each gaming day, a pit manager or above shall inspect all sic bo shakers that have been placed in use for gaming for evidence of tampering.
- b. Evidence of tampering shall be immediately reported to department staff on a written report that includes at least:
 - (1) The date and time when the tampering was discovered;
 - (2) The name and signature of the individual discovering the tampering;
 - (3) The table number where the sic bo shaker was used; and
 - (4) The name and signature of the employee who is:
 - (a) Assigned to directly operate and conduct the game at the sic bo table; and
 - (b) The supervisor assigned the responsibility for supervising the operation and conduct of the game at the sic bo table.

O. Cards.

1. Except as otherwise approved by the department, cards used to play table games shall be in decks of 52 cards with each card identical in size and shape to every other card in the deck.

- a. Nothing in this regulation shall be construed to prohibit a manufacturer from manufacturing decks of cards with one or more jokers in each deck.
- b. Jokers may not be used by the facility operator in the play of any game unless authorized by the rules of the game.

2. Except as otherwise approved by the department, each deck shall be composed of cards in four suits: diamonds, spades, clubs and hearts, and:

a. Each suit shall be composed of 13 cards:

- (1) Ace;
- (2) King;
- (3) Queen;
- (4) Jack;
- (5) 10;
- (6) 9;
- (7) 8;
- (8) 7;
- (9) 6;
- (10) 5;
- (11) 4;
- (12) 3; and
- (13) 2; and

b. If approved in advance by the department, the face of the ace, king, queen, jack, and 10 may contain an additional marking that will permit a dealer, prior to exposing the dealer's hole card at the game of blackjack,

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to determine if the value of the hole card gives the dealer a blackjack.

3. The backs of each card in a deck shall:

a. Be identical and may not contain any marking, symbol, or design that may enable an individual to know the identity of any element printed on the face of the card or that will in any way differentiate the back of the card from any other card in the deck;

b. Be designed to diminish the ability of any individual to place concealed markings thereon; and

c. Contain the name or logo of the facility operator using the cards, unless otherwise approved by the department.

4. Each deck of cards shall be packaged separately or in a batch containing the number of decks selected by a facility operator for use in a particular table game, and:

a. Each package of cards shall be sealed in a manner approved by the department to reveal evidence of any tampering with the package; and

b. If multiple decks of cards are packaged and sealed in a batch, the package must have a label that indicates or contains a window that reveals an adequate description of the contents of the package, including the:

(1) Name of the facility operator for which the cards were manufactured;

(2) Colors of the backs of the cards;

(3) Date that the cards were manufactured;

(4) Total number of cards in the batch; and

(5) Total number of decks in the batch.

5. Individual decks of cards that are packaged and sealed in a multideck batch may not be separated from the batch for independent use at a table game.

6. The cards used by a facility operator for poker shall be:

a. Visually distinguishable from the cards used by that facility operator for other banked table game play; and

b. Made of plastic.

7. Each facility operator that offers the game of poker shall have and use on a daily basis at least four decks of cards with visually distinguishable card backings, and:

a. Card backings may be distinguished by different logos, different colors, or different design patterns;

b. The facility operator shall submit, as part of its internal controls, the procedure for distributing and rotating the four visually distinguishable decks of cards required for use in the game of poker.

8. At a minimum, all poker cards that have been in play for three months shall be replaced.

9. Cards may not be utilized in a facility unless a schematic depicting the face and backs of the cards, the colors, words,

designs, and graphics has been submitted to and approved by the department.

10. A facility operator may use RFID cards in table games if the department has reviewed and approved the facility operator's plan for use of RFID cards.

11. A facility operator's request for department approval of the use of RFID cards shall include:

a. A detailed description of the RFID technology and devices that will be used at the facility;

b. A detailed description of the RFID technology security features that will ensure the integrity of the table games where RFID cards are in use;

c. A detailed description of how the RFID cards and related equipment will be used in the facility; and

d. Any other information required by the department.

P. Receipt, storage, inspection, and removal of cards.

1. Receipt.

a. A shipment of decks of cards that is received from a manufacturer or supplier shall be unloaded immediately and transported to a secure area that is covered by the facility operator's surveillance system under the supervision of at least two employees of the facility operator.

b. The boxes of decks of cards shall be opened and inspected to ensure that the seals on each box are intact, unbroken, and free from tampering.

c. Boxes that do not appear to be intact, unbroken, and free from tampering shall be immediately inspected to ensure that the decks of cards in those boxes conform to the requirements of this section and there is no evidence of tampering with them.

d. If the decks of cards inspected show no evidence of tampering, they shall be placed, along with boxes of cards that are intact, unbroken, and free from tampering, for storage in an area approved by the department.

e. The functions required under subdivision 1 a through 1 d of this subsection shall be performed by at least the following employees of the facility operator:

(1) A floor supervisor or above; and

(2) An employee from the security department.

2. Storage. The department-approved storage area shall have two separate locks, to which access shall be controlled as follows:

a. The security department shall maintain one key and the gaming operations department shall maintain the other key.

b. An employee of the gaming operations department below a floorperson in the organizational hierarchy may not have access to the gaming operations department key.

c. If the facility operator has a separate poker storage area, an employee below a poker supervisor in the organizational hierarchy may not have access to the gaming operations department key to the poker storage area.

3. Distribution.

a. Except as provided under subdivision 5 of this subsection, as may be necessary, a floorperson or above, in the presence of a security department employee, shall remove the appropriate number of decks of cards from the approved storage area.

b. The floorperson or above and the security department employee who removed the decks shall distribute sufficient decks to the pit managers or above and, if applicable, to the poker supervisor.

c. The number of decks distributed shall include extra decks that shall be placed in the pit stand for the card reserve.

d. Decks of cards in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the pit managers or above or the poker supervisor or above.

4. Inspection.

a. If the decks are to be inspected at open gaming tables under subdivision 6 of this subsection, the pit manager or above shall distribute the decks to the dealer at each table or the poker supervisor shall transport the decks to the poker pit stand for subsequent distribution to the dealer at each poker table either directly by the poker supervisor or through the floorperson assigned to supervise the dealer.

b. If the decks are to be preinspected and reshuffled at a closed gaming table as permitted under subdivision 18 of this subsection, the pit manager or above or poker supervisor shall deliver the decks to the dealer and the floorperson or above at the closed gaming table where the preinspection and reshuffling shall be performed.

c. If the decks have already been preinspected, reshuffled, sealed in containers, and placed in the card storage area as permitted under subdivision 18 of this subsection, the pit manager or above and a security department employee shall transport the number of sealed containers of cards needed for that gaming day to the gaming pits where the cards will be utilized and shall ensure that the containers are locked in the pit stand.

d. Consistent with the facility operator's internal controls, the security department shall maintain a record of the removal of the sealed containers of cards from the approved storage area and the distribution of sealed containers to the gaming pits.

5. Removal.

a. If the decks of cards to be used for poker are removed from the poker storage area, the poker supervisor or above

and a security department employee shall, at times as may be necessary, remove the appropriate number of decks from the poker storage area and distribute the decks in accordance with subdivision 3 of this subsection.

b. The number of decks distributed shall include extra decks that shall be placed in the pit stand for the card reserve.

c. Decks of cards in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the poker supervisor or above.

6. Verification.

a. Except for decks of cards that are preinspected and reshuffled under subdivision 18 of this subsection, the dealer shall sort the cards in each deck according to suit and in sequence to verify that all cards are present and visually inspect the backs of the cards for any defects that might compromise the integrity or fairness of the game.

b. The floorperson or above shall verify the inspection.

7. Unsuitable or missing card. If, while inspecting the cards in accordance with subdivision 4 of this subsection, the dealer finds that a card is unsuitable for use, a card is missing from the deck, or an extra card is found, the following procedures shall be observed:

a. A supervisor or above or a poker supervisor shall bring a replacement deck of cards or card from the card reserve in the pit stand.

b. The unsuitable deck or card shall be placed in a sealed envelope or container; identified by table number, date, and time; and signed by the dealer and floorperson or above assigned to that table.

c. The pit manager or above or a poker supervisor shall maintain the envelope or container in a secure place within the pit until collection by a security department employee.

8. Envelopes and containers used to hold or transport cards shall be:

a. Transparent;

b. Designed or constructed with seals so that any tampering is evident; and

c. Submitted to and approved by the department.

9. Damaged cards.

a. If any card in a deck appears to be damaged during the course of play, the dealer shall immediately notify a floorperson or above.

b. If after inspection, the floorperson or above determines that the card is damaged and needs to be replaced, the floorperson shall notify the pit manager or above or the poker supervisor.

c. The pit manager or above or the poker supervisor shall:

(1) Notify surveillance of a card change;

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(2) Bring a replacement deck of cards or card from the pit stand to replace the damaged card or cards;

(3) Place the damaged card face up on the table and remove the matching card from the replacement deck and place it face up on the table;

(4) Turn over both the damaged card and the replacement card to verify that the backs of the cards match;

(5) Place the replacement card in the discard rack;

(6) Tear the damaged card down the center, or cancel the card, and place it face up in the replacement deck; and

(7) Return the replacement deck to the pit stand.

d. At least once each gaming day, the personnel operating table games shall:

(1) Collect the replacement cards and place the replacement cards in an envelope or container;

(2) Seal the envelope or container;

(3) Attach a label to each envelope or container that identifies the deck as a replacement deck; and

(4) Obtain the signature of the pit manager or above on the label.

e. On an as-needed basis, the personnel operating poker table games shall:

(1) Collect the replacement decks of poker cards and place the replacement poker cards in an envelope or container;

(2) Seal the envelope or container;

(3) Attach a label to each envelope or container that identifies the deck as a replacement deck; and

(4) Obtain the signature of the poker manager or above, or the poker supervisor, on the label.

f. The pit manager or above or the poker supervisor shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee in accordance with subdivision 13 of this subsection.

g. This subdivision 9 does not apply to cards showing indications of tampering, flaws, or other defects that might affect the integrity or fairness of the game.

10. Removing cards from active use.

a. Personnel operating table games shall put decks of cards that were used for play into envelopes or containers when the decks of cards are removed from active use at the table.

b. Personnel operating table games shall attach a label to each envelope or container that identifies the table number, date, and time the decks of cards were collected and shall be signed by the dealer and floorperson assigned to the table.

c. The poker supervisor or pit manager or above shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee.

11. A facility operator shall remove a deck of cards at any time if there is an indication of tampering, flaws, or other defects that might affect the integrity or fairness of the game, or at the request of department staff.

12. Personnel operating table games shall place extra decks or packaged sets of multiple decks in the card reserve with broken seals in a sealed envelope or container with a label attached to each envelope or container that:

a. Contains the number of decks or packaged sets of multiple decks that are included;

b. The date and time the decks were placed in the envelope or container; and

c. The signature of the floorperson or above for decks used for poker and the pit manager or above for decks used for all other games.

13. At the end of each gaming day or at least once each gaming day, as designated by the facility operator and approved in advance by the department, and at other times as may be necessary:

a. Except as provided in subdivision 13 b of this subsection, a security department employee shall collect and sign all envelopes or containers with damaged decks of cards, decks of cards required to be removed that gaming day, and all extra decks in the card reserve with broken seals and return the envelopes or containers to the security department;

b. If an alternative procedure for collecting, destroying, or canceling a deck of cards described in subdivision 13 a of this subsection has been submitted to and approved by the department, a security department employee:

(1) Shall collect all envelopes or containers and return them to the security department; and

(2) May sign the envelopes or containers; and

c. A table game department supervisor or above may collect all extra decks with intact seals in the card reserve.

14. Inspection of cards.

a. When the envelopes or containers of used cards and reserve cards with broken seals are returned to the security department, the cards shall be inspected for tampering, marks, alterations, missing or additional cards, or anything that might indicate unfair play.

b. For cards used in blackjack, Spanish 21, baccarat, midibaccarat, or minibaccarat, the facility operator shall inspect:

(1) All decks used during the day; or

(2) If department has approved, as part of the facility's internal controls, the procedures for selecting the sample size and for ensuring a proper selection of the sample, a sample of decks selected at random or in accordance with an approved stratification plan.

c. The facility operator shall also inspect:

(1) A deck of cards that the department requested the facility operator to remove for the purpose of inspection;

(2) A deck of cards the facility operator removed for indication of tampering;

(3) All cards used for all banked table games other than the games listed in subdivision 14 b of this subsection; and

(4) All cards used for poker.

d. The procedures for inspecting all decks required to be inspected under this subsection shall include the:

(1) Sorting of cards sequentially by suit or utilizing a machine approved by the department capable of reading the cards to determine whether any deck contains missing or additional cards;

(2) Inspection of the backs with an ultraviolet light;

(3) Inspection of the sides of the cards for crimps, bends, cuts, or shaving; and

(4) Inspection of the front and back of all plastic cards for consistent shading and coloring.

e. If, during the inspection procedures required for cards used in poker, one or more of the cards in a deck are determined to be unsuitable for continued use, those cards shall be placed in a sealed envelope or container and a two-part Card Discrepancy Report shall be completed in accordance with subdivision 14 j of this subsection.

f. Upon completion of the inspection procedures required under subdivision 14 c of this subsection, each deck of cards used in poker that is determined suitable for continued use shall be placed in sequential order, repackaged, and returned to the approved or poker storage area for subsequent use.

g. The facility operator shall develop internal control procedures for returning the repackaged cards to the poker card inventory in accordance with subdivision 18 of this subsection.

h. An individual performing an inspection shall complete a work order form that details the procedures performed and lists the tables from which the cards were removed and the results of the inspection and shall sign the form upon completion of the inspection procedures.

i. The facility operator shall submit to the department the training procedures for the employees performing the inspections required under this subsection in its internal controls.

j. (1) Evidence of tampering, marks, alterations, missing, or additional cards or anything that might indicate unfair play discovered during an inspection, or at any other time shall be immediately reported to department staff by the completion and delivery of a two-part Card Discrepancy Report.

(2) The two-part report shall include the cards or decks of cards that are the subject of the report, and the cards or

decks of cards shall be retained by department staff for further inspection.

(3) The department staff receiving the cards shall sign the original and duplicate copy of the Card Discrepancy Report and retain the original, and the facility operator shall retain the duplicate copy.

15. A facility operator shall submit to the department for approval internal control procedures for:

a. A card inventory system that includes, at a minimum, records of the:

(1) Balance of decks of cards on hand;

(2) Decks of cards removed from storage;

(3) Decks of cards returned to storage or received from a manufacturer or supplier;

(4) Date of each transaction; and

(5) Signatures of the employees involved;

b. A daily reconciliation of the decks of cards distributed, destroyed, or canceled; returned to the storage area; and any decks of cards in the card reserve; and

c. A physical inventory of all decks of cards at least once every three months that:

(1) Is performed by an individual with no incompatible functions and verified to the balance of decks of cards on hand;

(2) Results in all discrepancies being immediately reported to department staff.

16. Destruction or cancellation.

a. Except for plastic cards used at poker that are of sufficient quality for reuse, decks of cards in an envelope or container that are inspected as required under subdivision 14 of this subsection and found to be without any indication of tampering, marks, alterations, missing or additional cards or any indication of unfair play shall be destroyed or cancelled within seven days of collection.

b. Cards submitted to the department shall be destroyed or canceled within five days of release from the department.

c. Destruction of cards must be by shredding.

d. Cancellation of cards must be by drilling a circular hole of at least 1/4-inch in diameter through the center of each card in the deck.

e. The destruction or cancellation of cards shall take place:

(1) In a secure location in the licensed facility covered by the facility operator's surveillance system, the physical characteristics of which shall be approved by the department; or

(2) If conducted by a vendor that holds a service permit under this chapter and performed in accordance with an internal control of the licensed facility that has been approved by the department, at a location other than the facility.

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17. Reused deck.

a. If a deck of plastic cards has been determined to not be suitable for reuse by the individual performing the inspection procedures required under subdivision 14 of this subsection:

(1) The personnel operating table games shall place the deck in a sealed envelope or container with a label attached that identifies the date and time the deck was placed in the envelope or container; and

(2) The poker supervisor or floorperson shall sign the label.

b. At the end of the gaming day or at other times as may be necessary, the envelope or container shall be collected by a security department employee and returned to the security department for destruction or cancellation in accordance with this subsection.

18. Preinspection and reshuffling.

a. If a facility operator elects to preinspect and reshuffle cards at a closed gaming table prior to the delivery of the cards to an open gaming table, a dealer and supervised by a floorperson or above with no concurrent supervisory responsibility for open gaming tables shall perform the procedures required under this subdivision.

b. The facility operator shall provide department staff with a schedule of the proposed time and location for the preinspection and reshuffling at least 24 hours prior to commencement of the process.

c. The procedures required under this subdivision shall be recorded by the surveillance department and the facility operator shall retain a recording for at least seven days.

d. Upon receipt of the decks of cards, the dealer shall perform the procedures in this subdivision independently for each batch of cards that will be sealed in a container with the number of decks of cards in each batch being equal to the number of decks of cards required for the table game in which the decks are intended to be used.

e. The dealer shall visually inspect the back of each card to assure that it is not flawed, scratched, or marked in a way that might compromise the integrity or fairness of the game.

f. By hand or by using a machine approved by the department, the dealer shall inspect the front of each card to ensure that all cards are present and that there are no extra cards in the deck.

g. If after inspection a card is determined to be unsuitable for use, or the deck is missing a card or an extra card is found, the following procedures shall occur:

(1) The personnel operating table games shall place the deck containing the unsuitable, missing, or extra card in an envelope or container that shall be identified by table number, date, and time the deck of cards was placed in the envelope or container and signed by the dealer and

floorperson or above performing the preinspection and reshuffle; and

(2) The floorperson or above shall maintain the sealed envelope or container containing the deck containing the unsuitable, missing, or extra card until collection by a security department employee at the conclusion of the preinspection and reshuffling procedure.

h. The dealer shall then shuffle the cards by hand or by using an automated card shuffling device.

i. Upon completion of the preinspection and reshuffling process of the cards in the batch, the dealer and floorperson or above shall complete a two-part Preshuffled/Preinspected Form or other documentation that includes the:

(1) Time and date the Preshuffled/Preinspected Form was prepared;

(2) Number of decks in the batch;

(3) Table games at which the batch will be utilized if the batch contains more or less than 52 cards per deck;

(4) Signature of the dealer who preinspected and reshuffled the cards, certifying that the cards were preinspected and reshuffled in accordance with this subsection;

(5) Signature of the floorperson or above who witnessed and verified the preinspection and reshuffling;

(6) Time, date, and gaming table to which the sealed container of cards is subsequently delivered; and

(7) Signature of the floorperson or above who delivered the sealed container of cards to the gaming table.

j. The dealer shall place the preinspected and reshuffled batch of cards, together with the Preshuffled/Preinspected Form or other documentation, in a clear container that conforms to the requirements of this subsection and seal the container with a prenumbered label unique to the container.

k. The facility operator shall include in its internal controls procedures for the maintenance and security of unused seals, and the distribution, return and reconciliation of seals used on containers holding preinspected and reshuffled cards.

l. The sealed containers of cards shall be transported by:

(1) A pit manager or above or poker supervisor to the gaming pit of the gaming tables where the cards will be utilized and locked in the pit stand; or

(2) An assistant table games shift manager or above and a security department employee to the approved storage area or poker storage area where the cards shall be placed back into the card inventory and segregated from cards that have not been preinspected and reshuffled.

m. A record of the transport of the sealed containers of cards to the approved storage area shall be maintained by

the security department in a manner consistent with the facility operator's approved internal controls.

n. When the preinspected and reshuffled cards are needed for play, each container of cards shall be delivered by a floorperson or above to an open gaming table.

o. Upon delivery, the floorperson or above shall unseal the container, place the decks of cards on the gaming table in front of the dealer, complete and sign the Preshuffled/Preinspected Form, drop the original Preshuffled/Preinspected Form in a locked box in the gaming pit, and forward the copy of the Preshuffled/Preinspected Form to the security department.

p. The dealer at the gaming table shall then cut the cards in the manner prescribed by the rules governing the particular table game.

19. If the department has approved a manufacturer or contractor to provide preinspected and reshuffled decks or batches of decks, a facility operator may use preinspected and reshuffled decks or batches of decks obtained from that manufacturer or contractor in the same manner as decks or batches of decks that are preinspected and reshuffled pursuant to subdivision 18 of this subsection.

20. Card rotation. The facility operator shall change:

a. The decks of cards used for all banked table games except the games set forth in subdivisions b through e of this subdivision P 20 at least every:

(1) Four hours if the cards are dealt by hand; and

(2) Eight hours if the cards are dealt from a manual or automated dealing shoe;

b. The decks of cards used in blackjack at least every:

(1) Four hours if the cards are dealt by hand; and

(2) 24 hours if the cards are dealt from a manual or automated dealing shoe;

c. The decks of cards used in mini baccarat at least every 24 hours if the cards are dealt from a manual or automated dealing shoe;

d. The decks of cards used in midibaccarat after the play of each dealing shoe; and

e. The two decks of cards used in poker at least every 24 hours.

Q. Dealing shoes and automated card shuffling devices.

1. In this subsection, the following terms have the meanings indicated.

"Base plate" means an interior shelf of a dealing shoe on which a card rests.

"Face plate" means the front wall of the dealing shoe against which the next card to be dealt rests and which typically contains a cutout.

2. A manual dealing shoe must be designed and constructed to maintain the integrity of the game at which the shoe is used and shall include these features:

a. At least the first four inches of the base plate shall be white;

b. The sides of the shoe below the base plate shall:

(1) Be transparent, have a transparent sealed cutout, or be otherwise constructed to prevent any object from being placed into or removed from the portion of the dealing shoe below the base plate; and

(2) Permit the inspection of this portion of the shoe; and

c. A stop underneath the top of the face plate that precludes the next card to be dealt from being moved upwards more than 1/8-inch.

3. In addition to the requirements of subdivision 2 of this subsection, a manual dealing shoe used in minibaccarat, midibaccarat, or baccarat must also meet these specifications:

a. Have a removable lid that is opaque from the point where it meets the face plate to a point at least four inches from the face plate;

b. The sides and back above the base plate must be opaque; and

c. Have a device within the shoe that, when engaged, prevents the cards from moving backward in the shoe.

4. An automated card shuffling device that has been submitted and approved by the department may be used in addition to a manual or automated dealing shoe.

5. An automated shuffling device must meet a 95% confidence level using a standard chi-squared test for goodness of fit.

6. An automated card shuffling device may not provide any information that can be used to aid a player in:

a. Projecting the outcome of a game;

b. Tracking the cards played and cards remaining to be played;

c. Analyzing the probability of the occurrence of an event relating to a game; or

d. Analyzing the strategy for playing or betting to be used in a game.

7. Tampering.

a. At the beginning of each gaming day and before a card is placed in them, the floorperson assigned to the table shall inspect the dealing shoes and automated card shuffling devices to be used for gaming to ensure that they have not been tampered with.

b. Evidence of tampering shall be immediately reported to department staff in a written report that shall include:

(1) The date and time when the tampering was discovered;

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(2) The name and signature of the individual who discovered the tampering;

(3) A description of the evidence of tampering;

(4) The table number where the dealing shoe or shuffler was used; and

(5) The name and signature of the person assigned to directly operate and conduct the game and the supervisor assigned the responsibility for supervising the operation and conduct of the game.

R. Pai gow tiles.

1. Pai gow shall be played with a set of 32 rectangular tiles.

2. Each tile in a set must be identical in size and shading to every other tile in the set and shall:

a. Be made of a nontransparent black material, formed in the shape of a rectangle, and be not smaller than 2-1/2 inches in length, 1-inch in width, and 3/8-inch in thickness;

b. Have the surface of each of its sides perfectly flat, except that the front side of each tile must contain spots that extend into the tile exactly the same distance as every other spot;

c. Have on the back or front of each tile an identifying feature unique to each facility operator;

d. Except for the front side containing spots, have an identical texture and finish on each side;

e. Have no tile within a set contain any markings, symbols, or designs that would enable a player to know the identity of any element on the front side of the tile or that would distinguish any tile from any other tile within a set; and

f. Have identifying spots on the front side of the tiles that are red, white, or both.

3. Pai gow tiles may not be used in a facility until the facility has submitted to the department a detailed schematic depicting the actual size and identifying features on pai gow tiles, and the department has approved the submission,

4. Each set of tiles shall be packaged separately and sealed under subsection S of this section.

S. Receipt, storage, inspection, and removal of pai gow tiles.

1. Receipt.

a. A shipment of tiles that a facility operator receives from a manufacturer or contractor shall be unloaded immediately and transported to a secure area that is covered by the facility operator's surveillance system under the supervision of at least two employees of the facility operator.

b. 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.

c. Boxes that do not appear to be intact, unbroken, and free from tampering shall be inspected immediately to ensure that the tiles in those boxes conform to the requirements of this chapter and there is no evidence of tampering with them.

d. If the inspected tiles 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 department.

e. The functions required under this subdivision 1 shall be performed by at least the following employees of a facility operator:

(1) A floorperson or above; and

(2) An employee from the security department.

2. Sets of tiles that are to be distributed to gaming pits or tables for use in gaming shall be distributed from the approved storage area.

3. The approved storage area shall have two separate locks, to which access shall be controlled as follows:

a. The security department shall maintain one key and the gaming operations department shall maintain the other key; and

b. An employee of the gaming operations department below a floorperson in the facility's organizational hierarchy may not have access to the gaming operations department key.

4. Once each gaming day and at other times as may be necessary, a floorperson or above, in the presence of a security department employee, shall remove the appropriate number of sets of tiles from the approved storage area.

5. Envelopes and containers used to hold or transport tiles shall be:

a. Transparent;

b. Designed or constructed with seals so that any tampering is evident; and

c. Submitted to and approved by the department in advance.

6. Distribution of tiles.

a. The floorperson or above shall distribute sufficient sets of tiles to the pit manager or above in each pai gow pit.

b. The pit manager or above shall then distribute the sets of tiles to the dealer at each pai gow table and place extra sets of tiles in the reserve in the pit stand.

c. Sets of tiles in the reserve shall be placed in a locked compartment in the pit stand, keys to which shall be in the possession of the pit manager or above.

7. Damaged tiles.

a. 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.

b. A set containing a damaged 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.

c. The pit manager or above shall maintain the sealed envelope or container in a secure place within the pit until collection by a security department employee.

8. Collection.

a. 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.

b. A label shall be attached to each envelope or container that identifies the 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.

c. The pit manager or above shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee.

9. Removal.

a. 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 department staff.

b. A label shall be attached to each envelope or container that identifies the 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.

c. The pit manager or above shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee.

10. Extra sets of tiles in the reserve that have been opened shall be placed in an envelope or container with a label attached to each envelope or container that identifies the date and time the tiles were placed in the envelope or container and sealed and is signed by the pit manager or above.

11. 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 department, and at other times as may be necessary:

a. A security department employee shall collect and sign all envelopes or containers with damaged tiles, tiles used during the gaming day, and all extra tiles in the reserve that have been opened, and return the envelopes or containers to the security department; and

b. A floorperson or above may collect all extra sets of tiles in the reserve that have not been opened, and, if collected, all unopened sets of tiles shall be canceled, destroyed, or returned to the approved storage area.

12. Inspection.

a. When envelopes or containers of used tiles and reserve sets of tiles that 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.

b. The procedures for inspecting sets of tiles shall include:

(1) Sorting of tiles by pairs;

(2) Visually inspecting the sides and back of each tile for tampering, markings, or alterations; and

(3) Inspecting the sides and back of each tile with an ultraviolet light.

c. The individual performing the inspection shall complete a work order form that details the procedures performed, lists the tables from which the tiles were removed, and the results of the inspection and shall sign the form upon completion of the inspection procedures.

d. The facility operator shall submit to the department for approval the training procedures for the employees performing the inspections required under this subsection in its internal controls.

e. Evidence of tampering, marks, alterations, missing, or additional tiles or anything that might indicate unfair play discovered during the inspection, or at any other time, shall be immediately reported to department staff by the completion and delivery of a two-part Tile Discrepancy Report.

f. Tile Discrepancy Report.

(1) The two-part Tile Discrepancy Report shall include the tiles that are the subject of the report.

(2) Department staff shall retain the tiles for further inspection.

(3) The department staff receiving the tiles shall sign the original and duplicate copy of the Tile Discrepancy Report and retain the original.

(4) The facility operator shall retain the duplicate copy.

13. If, after completing the inspection procedures required under subdivision 12 of this subsection, it is determined that a complete set of 32 tiles removed from a gaming table is free from tampering, markings, or alterations, the set shall be packaged separately and sealed before being returned to the pai gow storage area for subsequent use.

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14. A facility operator shall develop internal control procedures for returning the repackaged tiles to the tile inventory.

15. Except as provided in subdivision 16 of this subsection, individual tiles from different sets may not be used to make a complete set for subsequent gaming.

16. A facility operator may create replacement and reconstructed sets in accordance with the following requirements:

a. If after completing the inspection procedures required under subdivision 12 of this subsection, it is determined that a tile has scratches or other markings on the back, sides, or edges that make the tiles unsuitable for continued use, the tile shall be removed from the set and destroyed in accordance with subdivision 18 of this subsection.

b. The remaining usable tiles from the set shall be designated as a replacement set.

c. The employee who removes the tiles from a set shall complete a two-part form that shall:

(1) Include the date and time the tiles were removed from the set;

(2) Identify the specific tile or tiles removed from the set and sent for destruction; and

(3) Contain the name and signature of the individuals involved.

d. The duplicate copy of the form shall be retained with the replacement set and the security department shall retain the original.

e. The assistant table games shift manager or above shall return the replacement set, accompanied by the duplicate copy of the form, to the tile inventory, where replacement sets shall be inventoried and stored separately from any stored and new, used, or complete reconstructed sets.

f. Tiles in one or more replacement sets may be used to create a complete reconstructed set of tiles in accordance with the following procedures:

(1) The assistant table games shift manager or above shall conduct an inspection of each reconstructed set in the storage area, in the presence of a security department employee, and ensure that any replacement tile possesses the same color, texture, and finish as all other tiles in the reconstructed set.

(2) The assistant table games shift manager or above shall sort the tiles by pairs and verify the needed replacement tiles and visually inspect the sides, backs, and edges of each tile in the reconstructed set for tampering, markings, and alterations and for comparison as to shading, texture and finish.

(3) After a complete set of tiles has been assembled from replacement sets, the assistant table games shift manager

or above shall attach a label to the envelope or container for the reconstructed set, which shall:

(a) Include the date and time of reconstruction;

(b) Contain the signature of the assistant table games shift manager or above and the security department employee who witnessed the inspection; and

(c) Identify the inspection steps that were followed to determine that the reconstructed set of tiles is suitable for use in gaming.

(4) A facility operator shall submit to the department for approval internal control procedures for returning the reconstructed sets into inventory, identifying all reconstructed sets and maintaining an accurate inventory balance of remaining replacement sets.

17. A facility operator shall submit internal control procedures for:

a. An inventory system that includes records of at least the following:

(1) The balance of sets of tiles on hand;

(2) The sets of tiles removed from storage;

(3) The sets of tiles returned to storage or received from a manufacturer or contractor;

(4) The date of each transaction; and

(5) The signatures of the individuals involved;

b. A daily reconciliation of the:

(1) Sets of tiles distributed;

(2) Sets of tiles destroyed or canceled;

(3) Sets of tiles returned to the approved storage area; and

(4) Sets of tiles in the tile reserve in a pit stand; and

c. A physical inventory of the sets of tiles at least once every three months.

(1) An inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of the sets of tiles on hand.

(2) Discrepancies shall immediately be reported to department staff.

18. Destruction or cancellation.

a. Destruction or cancellation of tiles other than those retained for department inspection shall be completed within seven days of collection.

b. The method of destruction or cancellation shall be included in the facility operator's internal controls.

c. The destruction or cancellation of tiles shall take place in a secure location in the licensed facility covered by the facility operator's surveillance system.

19. A facility operator shall change the tiles at least every 12 hours.

T. Dealer controlled electronic table games requirements.

1. A facility operator may conduct electronic wagering at a table game in accordance with this subsection.

a. Electronic wagering at a table game shall be conducted through the use of a dealer controlled electronic table game system.

b. If a dealer controlled electronic table game system is in use at a table game, a player may make only those wagers that are approved by the department.

2. The computer controlling the dealer controlled electronic table game system shall be under dual key control, with one key controlled by the accounting department and the other key controlled by the table games department or the slot operations department.

3. All aspects of a dealer controlled electronic table game system, including the computer and any related hardware, software, or related devices, shall be tested by an independent certified testing laboratory and approved by the department prior to use by a facility operator.

4. In addition to the other requirements for table games of this chapter, a facility operator using a dealer controlled electronic table game system shall include in its internal controls, at a minimum:

a. Procedures to ensure the physical security of the computer and related hardware, software, and other devices;

b. Procedures to ensure the integrity and security of all sensitive data and software;

c. Procedures to ensure that access to sensitive data and software is limited to only appropriate personnel; and

d. Procedures to ensure the logging of the events and the availability of records to enable an effective audit of the conduct of the system and the reporting of revenue.

5. A dealer controlled electronic table game shall have the ability to authenticate the transmission of data between the various components of the dealer controlled electronic table game system.

6. A dealer controlled electronic table game system shall:

a. Credit funds to the game account of a player when a player buys in to a game at a particular table game and debit any remaining funds from the game account when a player cashes out of the game;

b. Permit a player to:

(1) Wager from a game account;

(2) Collect a losing wager from a game account; and

(3) Pay a winning wager by crediting the amount of the winnings and corresponding wager to the game account;

c. In the game of poker:

(1) Debit a game account and increment pot for a wager;

(2) Distribute a winning pot by crediting the game account of a winning player in the appropriate amounts;

(3) Extract the rake from a player or pot according to the rake procedures established under the standard rules for poker and debit the game account of a player in the correct amounts; and

(4) Make a player's balance or table stakes visible to all players in the game;

d. Depict the transactions described in this subdivision 6 of this subsection through one or more electronic fund displays that are visible to each player and to the dealer or boxperson;

e. Disclose to a player at all times the current balance in the player's game account;

f. Accurately report and audit the table game's win or loss, or poker revenue, in accordance with the standard rules for poker;

g. Be capable of generating reports setting forth, by gaming day, for each table game using the dealer controlled electronic table game system:

(1) The total amount deposited into the game account of a player;

(2) The total amount deposited into game accounts by all players;

(3) The total amount credited to the game account of a player in payment of winnings;

(4) The total amount credited to the game accounts of all players in payment of winnings;

(5) The total amount collected from a player as losing wagers;

(6) The total amount collected from all players as losing wagers;

(7) The total amount withdrawn from game accounts by each player;

(8) The total amount withdrawn from game accounts by all players; and

(9) The table game win or loss; and

(10) If applicable, for poker:

(a) The total amount deducted from the game account of a player for collection of poker rake time charges under the standard rules for poker;

(b) The total amount collected from the accounts of each player for collection of poker rake time charges under the standard rules for poker;

(c) The total amount collected from poker pots for collection of poker rake under the standard rules for poker; and

(d) The table game poker revenue.

7. The display of a virtual chip on a dealer controlled electronic table game that depicts the transactions described

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in subdivision 6 of this subsection is not required to meet the physical requirements for chips otherwise required by this chapter.

8. A dealer controlled electronic table game system shall have no more than 14 table game positions in operation for every dealer.

9. After installation, department staff shall inspect a dealer controlled electronic table game system prior to use by a facility operator.

U. Dealer controlled electronic table game system procedures.

1. A player shall participate in wagering at a dealer controlled electronic table game by presenting a gaming voucher or value chips to the dealer or boxperson.

2. When a player presents a gaming voucher or value chips:
a. The dealer controlled electronic table game system shall:

(1) Credit to the player's game account an amount of funds equivalent to the gaming voucher or value chips presented by the player; and

(2) Display on the electronic fund display the amount of funds deposited into the player's game account; and

b. The player shall acknowledge the amount of funds deposited into the player's game account.

3. A player shall cash out of a table game using a dealer controlled electronic table game system by receiving:

a. A gaming voucher equal in value to the balance in the player's game account; or

b. Value chips from the dealer or boxperson from the table inventory container that are equal in value to the balance in the player's game account.

4. After a player has cashed out of a table game using a dealer controlled electronic table game system, the dealer or boxperson shall zero out the electronic fund display of the player's game account.

V. Tables.

1. A facility operator shall submit to the department for approval the layout for a table game that contains at least:

a. The name or logo of the facility operator;

b. Betting areas designated for the placement of wagers authorized under the standard rules; and

c. Inscriptions that advise a player of the payout odds or amounts for all permissible wagers offered by the facility operator, except that if payout odds or amounts are not inscribed on the layout, a sign identifying the payout odds or amounts for all permissible wagers shall be posted at each table.

2. If a facility operator offers a progressive payout wager, a table shall have a progressive table game system for the placement of progressive payout wagers that includes a:

a. Wagering device at each betting position that acknowledges or accepts the placement of the progressive payout wager; and

b. Device that controls or monitors the placement of progressive payout wagers at the gaming table and includes a lock-out button or other mechanism that prevents the recognition of any progressive payout wager that a player attempts to place after the dealer has announced "no more bets."

3. A table shall have a drop box and a tip box attached on the same side of the gaming table as, but on opposite sides of, the dealer, as approved by the department.

4. The department may approve an alternative location for the tip box when a card shuffling device or other table game equipment prevents the placement of the drop box and tip box on the same side of the gaming table as, but on opposite sides of, the dealer.

5. Each table shall have a discard rack securely attached to the top of the dealer's side of the table except for:

a. Craps; and

b. Roulette.

W. Roulette ball, table, and wheel inspection; security procedures.

1. A ball used in roulette shall be:

a. Made completely of a nonmetallic substance; and

b. Not less than 12/16-inch nor more than 14/16-inch in diameter.

2. Roulette shall be played on a table having a roulette:

a. Wheel of at least 30 inches in diameter at one end of the table; and

b. Layout imprinted on the opposite end of the table.

3. Prior to opening a roulette table for gaming activity, a floorperson or member of a facility operator's security department shall:

a. Inspect the roulette ball by passing it over a magnet or compass to assure its nonmagnetic quality;

b. Inspect the roulette table and roulette wheel for any magnet or contrivance that would affect the fair operation of the roulette wheel;

c. Inspect the roulette wheel to assure that the wheel is level and rotating freely and evenly; and

d. Inspect the roulette wheel to assure that all parts are secure and free from movement.

4. If a facility operator uses a roulette wheel that has external movable parts, any adjustments to the movable parts shall be

made by a floorperson or a member of the facility operator's gaming operations department in the presence of a security department member.

5. All adjustments shall be completed prior to the inspections required under subdivision 3 of this subsection.

6. A facility operator may replace any of the movable parts at any time, except that an inspection required under subdivision 3 of this subsection shall be completed prior to reopening the roulette wheel and table for play.

7. A facility operator shall maintain an inspection log that shall include:

- a. The date and time of inspection;
- b. The roulette table number;
- c. Whether an adjustment or replacement was completed;
- d. A description of the adjustment or replacement;
- e. If required, a certification that an inspection was completed; and
- f. The signature and license number of the individual making the adjustment or replacement.

7. When a roulette table is not open for play, the roulette wheel shall be secured by a cover that is placed over the entire wheel and securely locked.

11VAC5-90-180. Table games procedures.

A. Applicability of definitions. In addition to terms defined in the Casino Gaming Law and 11VAC5-90-10, the definitions in 11VAC5-90-170 shall apply in this section unless the context clearly requires otherwise.

B. Personnel operating and conducting table games.

1. A facility operator may use the following personnel to operate table games:

- a. Dealer;
- b. Stickperson;
- c. Boxperson;
- d. Floorperson;
- e. Pit manager;
- f. Poker manager;
- g. Assistant table games shift manager; and
- h. Table games shift manager.

2. A facility operator shall maintain the following minimum levels of staffing when table games are being operated:

- a. Excluding craps or baccarat, one dealer for a table game;
- b. Two dealers for a big baccarat table;
- c. Two dealers for a craps table, one of whom shall act as the stickperson; and
- d. One boxperson or floorperson for a craps table.

3. A facility operator shall provide a sufficient number of floorpersons to supervise the operation of table games in accordance with the standards in this section, so that a floorperson may not supervise more than the number of tables specified in one of the following:

- a. Excluding baccarat, midibaccarat, craps, mini-craps, and pai gow, six tables comprised of a combination of banking table games;
- b. One baccarat table;
- c. Three midibaccarat tables;
- d. Excluding baccarat, craps, and mini-craps, one midibaccarat table and one table of any other table game;
- e. Three craps tables;
- f. Excluding baccarat, midibaccarat, mini-craps, and pai gow, two craps tables and two tables of a banking table game;
- g. If only one dealer is assigned to a table, two mini-craps table;
- h. If there is a dealer and a stickperson assigned to the tables, four mini-craps tables;
- i. If the tables are in a side-by-side configuration, two pai gow tables;
- j. Excluding baccarat, craps, and mini-craps, one pai gow table and one table of another banking table game;
- k. 10 poker tables; and
- l. If the floorperson assigned to poker does not have responsibilities for seating players, 12 poker tables.

4. If the gaming tables being supervised by a floorperson are dealer controlled electronic table games, the maximum number of gaming tables that the floorperson may supervise may be increased by 100% of the limits provided in subdivision 3 of this subsection.

5. Subject to the limitation that a pit manager or assistant table games shift manager may not directly supervise more than 12 floorpersons, a facility operator shall provide a sufficient number of pit managers or assistant table games shift managers to supervise the operation of table games.

6. A facility operator shall provide a poker manager to supervise all open poker tables.

7. If no more than three poker tables are open, a poker manager is not required.

8. Table games shift manager.

- a. A facility operator shall provide a table games shift manager to supervise the operation of table games during every shift.
- b. An assistant table games shift manager may be designated to act as the table games shift manager in the table games shift manager's absence.

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c. An assistant table games shift manager may not be counted toward the required number of pit managers or assistant table games shift managers.

9. A facility operator may request the department to approve its use of a staffing plan that differs from the minimum standards in this section by submitting a written alternate minimum staffing plan which must include at least:

- a. The pit number and configuration of any pit affected;
- b. The type, location, and table number of any table affected;
- c. The standard staffing level required under this regulation for a gaming table and the proposed alternative staffing;
- d. The days, shifts, or times during which the alternative staffing would be in effect; and
- e. A narrative explaining the rationale for the proposed alternative staffing and how the alternative staffing would protect the integrity of gaming at the affected gaming tables.

10. A facility operator may not implement an alternate minimum staffing plan unless the department has approved the plan in writing.

11. Nothing in this regulation shall be construed to limit:

- a. A facility operator from using more personnel than required by this subsection; or
- b. The department's discretion to direct a facility to use more personnel than required by this regulation in the operation of table games.

C. Table inventory.

1. When a table game is opened for gaming, table game operations shall commence with the table inventory.

2. A facility operator may not cause or permit gaming chips, coins, or plaques to be added to or removed from a table inventory during the gaming day except:

- a. For the payment of winning wagers and collection of losing wagers made at the gaming table;
- b. In exchange for a gaming chip or plaque received from a player having an equal aggregate face value;
- c. In conformity with fill procedures; and
- d. For the collection of vigorish.

3. When a table game is not open for gaming activity, the table inventory and a Table Inventory Slip shall:

- a. Be stored in a locked container that is clearly marked on the outside with the game and the gaming table number to which it corresponds;
- b. Have the information on the Table Inventory Slip be visible from the outside of the container; and

c. Be stored either in the cage or secured to the gaming table, in a manner consistent with the facility's approved internal controls.

4. Notwithstanding the requirements in subdivision 3 of this subsection, for table games that are not open for gaming activity during the gaming day, a facility operator may use this alternative procedure:

- a. A floorperson or above shall complete a Closed Table Form for every table that was not open for gaming during the gaming day;
- b. The table inventory shall remain locked during completion of the Closed Table Form;
- c. The Closed Table Form shall contain:
 - (1) The date and identification of the shift ended;
 - (2) The game and table number;
 - (3) The date the table was last opened for gaming; and
 - (4) The signature and license number of the floorperson or above who completed the Closed Table Form; and
- d. After completion of the procedure, the floorperson or above who completed the Closed Table Form shall deposit the form into the drop box.

5. The keys to the locked containers containing the table inventories shall be maintained and controlled by the gaming operations department and may not be made accessible to cage personnel or to any employee responsible for transporting the table inventories to or from the gaming tables.

6. Table Inventory Slips shall be two-part forms upon which the following is recorded:

- a. The date and identification of the shift ended;
- b. The game and table number;
- c. The total value of each denomination of value chips, coins, and plaques remaining at the gaming table;
- d. The total value of all denominations of value chips, coins, and plaques remaining at the gaming table; and
- e. The signatures of the dealer, or boxperson and floorperson, assigned to the gaming table who conducted the count of the table inventory when the gaming table was closed and when the gaming table was opened.

D. Procedures for opening a table game.

1. When a table game is to be opened for gaming activity, a security department employee shall transport directly from the cage to the gaming table the locked container with the table inventory and the duplicate copy of the Table Inventory Slip if the slip is not already attached to the gaming table.

2. Immediately prior to opening the table game for gaming, the floorperson assigned to the gaming table shall unlock the container with the table inventory after assuring that it is the proper container for that gaming table.

3. The dealer or boxperson assigned to the gaming table shall count the contents of the table inventory in the presence of the floorperson assigned to the gaming table and reconcile the count to the totals on the duplicate copy of the Table Inventory Slip removed from the container.

4. The dealer or boxperson assigned to the table, and the floorperson who observed the dealer or boxperson count the contents of the container, shall attest to the accuracy of the information recorded on the duplicate copy of the Table Inventory Slip by signing the duplicate copy of the Table Inventory Slip.

5. After the duplicate copy of the Table Inventory Slip has been signed, the dealer, boxperson, or floorperson shall immediately deposit the slip into the table game drop box attached to the gaming table.

6. If there is a discrepancy between the amount of gaming chips and plaques counted and the amount of the gaming chips and plaques recorded on the duplicate copy of the Table Inventory Slip:

a. The discrepancy shall be immediately verbally reported to the floorperson or above, the security department, and department staff;

b. In the presence of the floorperson or above, the dealer or boxperson assigned to the table shall recount the table inventory and complete a new Table Inventory Slip reflecting the results of the dealer's or boxperson's recount of the table inventory;

c. The floorperson or above shall:

(1) Prepare an Error Notification Slip, which shall be a three-part form containing:

(a) The date and time;

(b) The type of game;

(c) The table number and pit; and

(d) An explanation of the discrepancy;

(2) Write "Incorrect Copy" on the copy of the Table Inventory Slip that was in the table inventory;

(3) Sign the "Incorrect Copy"; and

(4) Write "Correct Copy" on both copies of the Table Inventory Slip required to be prepared by the dealer or boxperson.

d. The "Correct Copy" shall be signed by the dealer or boxperson who recounted the table inventory, and the floorperson or above.

e. After the required signatures have been obtained, the dealer or boxperson shall deposit in the drop box the "Incorrect Copy" Table Inventory Slip, both copies of the "Correct Copy" Table Inventory Slip and the first copy of the Error Notification Slip.

7. A dealer or boxperson shall give the second copy of the Error Notification Slip to the pit clerk or floorperson or

above, and shall deliver the third copy of the Error Notification Slip to a Department compliance representative.

8. For any unresolved discrepancy greater than \$100, the security or surveillance department shall investigate the discrepancy and, within 24 hours, complete a written incident report and immediately forward a copy to department staff.

E. Procedure for distributing chips, coins, and plaques to a gaming table.

1. A pit clerk or floorperson or above shall prepare a request for a fill to add value chips, coins, and plaques to a table game using a Fill Request Slip.

2. Access to the blank Fill Request Slips shall be restricted to pit clerks and floorpersons or above.

3. A Fill Request Slip shall be a two-part form on which the following information shall be recorded:

a. The date, time and shift of preparation;

b. The denomination of value chips, coins, and plaques to be distributed to the gaming table;

c. The total amount of each denomination of value chips, coins, and plaques to be distributed to the gaming table;

d. The game and table number to which the value chips, coins, and plaques are to be distributed; and

e. The signature of the floorperson or above requesting the fill.

4. After the Fill Request Slip has been prepared, the security department employee shall transport the chip bank copy of the Fill Request Slip directly to the chip bank.

5. The dealer or boxperson shall place the drop box copy of the Fill Request Slip in view of the facility operator's surveillance system on the gaming table to which the value chips, coins, and plaques are to be received.

6. Notwithstanding the requirements of subdivisions 1 through 5 of this subsection, a fill request may be prepared electronically if:

a. The input data for preparation of the fill is entered by and ability to input data is restricted to the pit clerk or a floorperson or above; and

b. A Fill Slip is generated in the chip bank as a direct result of the input.

7. A Fill Slip shall be prepared by a chip bank cashier or, if the required information was inputted in conformity with subdivision 6 of this subsection, the Fill Slip may be electronically generated in the chip bank.

8. A Fill Slip shall be:

a. A serially prenumbered form;

b. Used in sequential order;

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- c. Accounted for by employees with no incompatible functions; and
 - d. If applicable, marked "Void" and signed by the preparer.
- 9. If a Fill Slip is manually prepared, the following procedures and requirements shall be observed:
 - a. Each series of Fill Slips shall be a four-part form and shall be inserted in a locked dispenser or bound in a Fill Slip form book that permits an individual Fill Slip in the series and its copies to be written upon while still locked in the dispenser or bound in the Fill Slip form book;
 - b. The Fill Slip dispenser shall discharge the drop box, acknowledgment and chip bank copies of the Fill Slip while the accounting copy remains in a continuous, unbroken form in the dispenser; or
 - c. If a Fill Slip form book is utilized, the accounting copy must remain in the bound Fill Slip form book until removed in accordance with subdivision 9 d of this subsection; and
 - d. Access to copies of the Fill Slips shall be maintained and controlled by accounting department employees with no incompatible functions who are responsible for controlling and accounting for the unused supply of Fill Slips, placing Fill Slips in the dispensers and removing the accounting copies of the Fill Slips from the dispensers or Fill Slip form book each gaming day.
- 10. If a Fill Slip is electronically prepared, each series of Fill Slips must be a three-part form and:
 - a. Be inserted in a printer that will simultaneously print a drop box, acknowledgment, and chip bank copy of the Fill Slip in the chip bank; and
 - b. Store, in machine readable form, the information printed on the drop box, acknowledgment, and chip bank copies of the Fill Slips so that the stored data may not be susceptible to change or removal by any personnel involved in the preparation of a Fill Slip after the Fill Slip has been prepared.
- 11. A copy of a Fill Slip and, if applicable, the stored data, must contain at least the:
 - a. Denominations of the value chips, coins, and plaques being distributed;
 - b. Total amount of each denomination of value chips, coins, and plaques being distributed;
 - c. Total amount of all denominations of value chips, coins, and plaques being distributed;
 - d. Game and table number to which the value chips, coins, and plaques are being distributed;
 - e. Date and shift during which the distribution of value chips, coins, and plaques occurs; and
 - f. Signature of the preparer or, if electronically prepared, the license number of the preparer.
- 12. The time of preparation of the Fill Slip shall be recorded on the drop box, acknowledgment, and chip bank copies of the Fill Slip upon preparation.
- 13. A security department employee shall directly transport a value chip, coin, or plaque distributed to a gaming table from the chip bank to a gaming table.
- 14. Upon receipt of a value chip, coin, or plaque at a gaming table, the floorperson shall:
 - a. Compare the Fill Request Slip to the Fill Slip; and
 - b. Attest to the accuracy of the fill by signing the drop box copy and acknowledgment copy of the Fill Slip.
- 15. If a fill request is generated electronically in the chip bank, the floorperson shall:
 - a. Compare the Fill Slip with the electronically generated fill request; and
 - b. Attest to the accuracy of the fill by signing the drop box and acknowledgment copies of the Fill Slip.
- 16. Signatures on the drop box and acknowledgment copies of the Fill Slip attesting to the accuracy of the information contained on a Fill Slip shall be required of the specified employees at the specified times, including:
 - a. The chip bank cashier, upon preparation;
 - b. The security department employee transporting the value chips, coins, and plaques to the gaming table, upon receipt from the cashier of the value chips, coins, and plaques to be transported;
 - c. The dealer or boxperson assigned to the gaming table, upon receipt and verification of the amounts of the value chips, coins, and plaques at the gaming table from the security department employee; and
 - d. The floorperson assigned to the gaming table, upon receipt and verification of the amounts of the value chips, coins, and plaques at the gaming table.
- 17. After the signature requirements in subdivision 16 of this subsection have been satisfied, the security department employee who transported to a gaming table a value chip, coin, or plaque; the drop box; and acknowledgment copies of the Fill Slip, shall:
 - a. Observe the dealer's or boxperson's immediate placement of the drop box copy of the Fill Slip and the drop box copy of the Fill Request Slip, if applicable, in the drop box attached to the gaming table to which a value chip, coin, or plaque was transported; and
 - b. Return the acknowledgment copy of the Fill Slip to the chip bank cashier.
- 18. The chip bank cashier shall maintain together the chip bank copies of the Fill Request Slip, if applicable, and the chip bank and acknowledgment copies of the Fill Slip, until those items are forwarded to the accounting department.

19. All parts of voided Fill Slips, as well as the chip bank copies of Fill Request Slips, if applicable, and the acknowledgment and chip bank copies of the Fill Slips that are maintained and controlled in conformity with subdivision 17 of this subsection, shall be forwarded to the accounting department for agreement, on a daily basis, with:

- a. The drop box copies of the Fill Request Slips, if applicable, and Fill Slips removed from the drop box on the gaming table; and
- b. If applicable, the electronically stored data and accounting copies of the Fill Slips.

F. Removing a value chip, coin, or plaque from a gaming table.

1. A pit clerk or floorperson or above shall prepare a request for a credit to remove a value chip, coin or plaque from a table game by using a Credit Request Slip.

2. Access to the blank Credit Request Slips shall be restricted to pit clerks and floorpersons or above.

3. A Credit Request Slip shall be a two-part form on which the following information shall be recorded:

- a. The date, time, and shift of preparation;
- b. The denomination of chips, coins, and plaques to be removed from the gaming table;
- c. The total amount of each denomination of value chips, coins, and plaques to be removed from the gaming table;
- d. The game and table number from which the value chips, coins, and plaques are to be removed; and
- e. The signature of the floorperson or above assigned to the gaming table from which the value chips, coins and plaques are to be removed.

4. A security department employee shall transport the chip bank copy of a prepared Credit Request Slip directly to the chip bank.

5. A dealer or boxperson shall place the drop box copy of the Credit Request Slip in view of the facility operator's surveillance system on the gaming table from which the value chips, coins and plaques are to be removed.

6. The drop box copy of the Credit Request Slip may not be removed until the drop box and acknowledgment copies of the Credit Slip are received from the chip bank.

7. Notwithstanding the requirements of subdivisions 1 through 6 of this subsection, a request for a credit may be prepared electronically if:

- a. The input data for preparation of the credit is entered by and ability to input data is restricted to the pit clerk or a floorperson or above; and
- b. A Credit Slip is generated in the chip bank as a direct result of the input.

8. A Credit Slip shall be prepared by a chip bank cashier or, if the required information was inputted in conformity with subdivision 7 of this subsection, the Credit Slip may be electronically generated in the chip bank.

9. Credit Slips shall be:

- a. Serially prenumbered forms;
- b. Used in sequential order;
- c. Accounted for by employees with no incompatible functions; and
- d. If applicable, marked "Void" and signed by the preparer.

10. When Credit Slips are manually prepared, the following procedures and requirements shall be observed:

- a. Each series of Credit Slips shall be a four-part form and shall be inserted in a locked dispenser or bound in a Credit Slip form book that permits an individual Credit Slip in the series and its copies to be written upon while still locked in the dispenser or bound in the Credit Slip form book;
- b. The Credit Slip dispenser must discharge the drop box, acknowledgment and chip bank copies of the Credit Slip while the accounting copy remains in a continuous, unbroken form in the dispenser; or
- c. If a Credit Slip form book is utilized, the accounting copy must remain in the bound Credit Slip form book until removed in accordance with subdivision 10 d of this subsection; and
- d. Access to the copies of the Credit Slips shall be maintained and controlled by accounting department employees with no incompatible functions who shall be responsible for controlling and accounting for the unused supply of the Credit Slips, placing Credit Slips in the dispensers, and removing the accounting copies of the Credit Slips from the dispensers or Credit Slip form book each gaming day.

11. When Credit Slips are electronically prepared, each series of Credit Slips must be a three-part form and:

- a. Be inserted in a printer that simultaneously prints drop box, acknowledgment and chip bank copies of the Credit Slip in the chip bank;
- b. Store, in machine-readable form, the information printed on the drop box, acknowledgment, and chip bank copies of the Credit Slip; and
- c. The stored data may not be susceptible to change or removal by any personnel after the preparation of a Credit Slip after the Credit Slip has been prepared.

12. Copies of the Credit Slip and, when applicable, the stored data must contain at least the following information:

- a. The denominations of the value chips, coins, and plaques being returned to the chip bank;

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b. The total amount of each denomination of value chips, coins, and plaques being returned;

c. The total amount of all denominations of value chips, coins, and plaques being returned;

d. The game and table number from which the value chips, coins, and plaques are being returned;

e. The date and shift during which the removal of value chips, coins, and plaques occurs; and

f. The signature of the preparer or, if electronically prepared, the identification code of the preparer.

13. When the Credit Slip is prepared, the time of its preparation shall be recorded on the drop box, acknowledgment, and chip bank copies of the Credit Slip.

14. After the Credit Slip has been prepared by the chip bank cashier or has been printed in the chip bank as a result of the information being inputted electronically by a pit clerk or floorperson or above, the security department employee shall transport the drop box, acknowledgment, and chip bank copies of the Credit Slip directly to the gaming table.

15. The dealer or boxperson shall compare the value chips, coins, and plaques to be removed from the table inventory container with the drop box copy of the Credit Slip and the Credit Request Slip, if applicable, and shall sign the Credit Slip.

16. Signatures on the drop box, acknowledgment, and chip bank copies of a Credit Slip attesting to the accuracy of the information contained on the Credit Slip shall be required of the specified employees at the specified times:

a. The chip bank cashier, upon receipt of the value chips from the table;

b. The dealer or boxperson assigned to the gaming table, upon removal of the value chips, coins, and plaques from the table inventory container and verification of the Credit Slip and Credit Request Slip, if applicable;

c. The floorperson assigned to the gaming table, upon observing the removal of the value chips, coins, and plaques from the table inventory container and the verification of the Credit Slip and Credit Request Slip, if applicable; and

d. The security department employee, upon receipt of the value chips, coins, and plaques from the gaming table.

17. After meeting the signature requirements required under subdivision 16 of this subsection:

a. The security department employee shall transport the value chips, coins, and plaques directly to the chip bank along with the acknowledgment and chip bank copies of the Credit Slip;

b. The dealer or boxperson shall place the drop box copy of the Credit Slip on the gaming table in view of the facility's surveillance system;

c. Upon receipt of the value chips, coins, and plaques from the security department employee, the chip bank cashier shall:

(1) Compare the chip bank copy of the Credit Request Slip with the Credit Slip; or

(2) If the credit request is electronically generated, the chip bank cashier shall compare the Credit Slip with the electronically generated credit request; and

(3) The chip bank cashier shall attest to the accuracy of the credit by signing the acknowledgment and chip bank copies of the Credit Slip.

d. After transporting the acknowledgment copy of the Credit Slip back to the gaming table from which the value chips, coins, and plaques were removed, the security department employee shall observe the immediate placement by the dealer or boxperson of the drop box copy of the Credit Request Slip, if applicable, and the drop box and acknowledgment copies of the Credit Slip into the drop box.

e. The chip bank copies of the Credit Request Slip, if applicable, and Credit Slip shall be maintained together by the chip bank cashier until forwarded to the accounting department.

18. All parts of voided Credit Slips; chip bank copies of Credit Request Slips, if applicable; and the chip bank copies of the Credit Slips that are maintained and controlled in conformity with subdivision 17 of this subsection, shall be forwarded by a chip bank cashier to the accounting department for agreement, on a daily basis, with:

a. The drop box copies of the Credit Request Slips, if applicable, and the drop box and acknowledgment copies of the Credit Slips removed from the drop box on the gaming table; and

b. The electronically stored data and accounting copies of Credit Slips, if applicable.

G. Drop at an open table game.

1. When a table game being dropped is to remain open for gaming activity, the dealer or boxperson assigned to the gaming table shall count the value chips, coins, and plaques remaining in the table inventory at the time of the drop and record the amount on a Table Inventory Slip.

2. The floorperson who is responsible for supervising the table game at the time of the drop shall observe the count required by subdivision 1 of this subsection.

3. The dealer or boxperson assigned to the table, and the floorperson who observed the dealer or boxperson count the contents of the table inventory, shall attest to the accuracy of the information recorded on the Table Inventory Slip by signing the Table Inventory Slip.

4. After the Table Inventory Slip is signed as required:

a. The dealer or boxperson shall deposit the original copy of the Table Inventory Slip in the drop box that is attached to the gaming table immediately before the drop box is removed from the gaming table as part of the drop; and

b. The dealer or boxperson shall deposit the duplicate copy of the Table Inventory Slip in the drop box that is attached to the gaming table immediately after the removal of the drop box that is removed from the gaming table as part of the drop.

H. Procedure for closing a table game.

1. When gaming activity at a table game is concluded, the dealer or boxperson assigned to the gaming table, in the presence of the floorperson assigned to the gaming table, shall count the value chips, coins, and plaques remaining at the gaming table.

2. The floorperson assigned to the gaming table shall record the amounts of the value chips, coins, and plaques counted on the Table Inventory Slip, and the original copy of the Table Inventory Slip shall be signed by the dealer or boxperson who counted the table inventory and by the floorperson who observed the dealer or boxperson count the contents of the table inventory.

3. After the original copy of the Table Inventory Slip has been signed, the dealer or boxperson shall immediately deposit the original copy of the Table Inventory Slip in the table game drop box attached to the gaming table.

4. After the original copy of the Table Inventory Slip has been deposited in the table game drop box attached to the gaming table, the dealer or boxperson shall place the duplicate copy of the Table Inventory Slip and the value chips, coins, and plaques remaining at the gaming table in the container required by 11VAC5-90-170, after which the floorperson shall lock the table inventory container and cause it to be transported directly to the cage by a security department member or secured to the gaming table.

5. If the locked table inventory containers are transported to the cage, a cage supervisor shall determine that all locked containers have been returned.

6. If the locked table inventory containers are secured to the gaming table, a pit manager or above shall verify that all the containers are locked.

I. Table inventory for a poker table.

1. Notwithstanding other requirements in this section, a facility operator may establish procedures for the issuance of table inventories that are maintained by poker dealers on an impress basis.

2. A facility operator shall submit to the department for approval the procedures developed under subdivision 1 of this subsection as part of the facility operator's internal controls.

J. Table inventory counts.

1. In addition to other requirements in this section for opening a table game, conducting a drop during an open game, and closing a table game, a facility operator may establish procedures for the use of a three-compartment drop box.

2. The use of a three-compartment drop box requires the preparation of a Table Inventory Slip for each shift that the table was open at least once each gaming day.

3. A facility operator shall submit to the department for approval the procedures developed under subdivision 1 of this subsection as part of the facility operator's internal controls.

K. Match play coupons and direct bet coupons.

1. A facility operator may use match play coupons and direct bet coupons.

2. A coupon may not be issued by a facility operator or used in a facility until:

a. The design specifications of the proposed coupon are submitted to and approved by the department; and

b. A system of internal procedures and administrative and accounting controls governing the inventory, distribution, and redemption of the coupon is submitted to and approved by the department as part of the facility operator's internal controls.

3. A coupon issued by a facility operator shall contain at least:

a. The name or logo of the facility operator;

b. The value of the coupon, which can be identified when viewing the coupon through the facility operator's surveillance system;

c. A sequential serial number;

d. Any restrictions regarding redemption, including the type of game or wager on which the coupon may be used; and

e. The expiration date of the coupon.

4. 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.

5. Administration of coupon program.

a. 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 coupon program.

b. The marketing department shall be responsible for distributing the coupon to a player.

c. The accounting department shall be responsible for maintaining the coupon ledger and administering the

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coupon accounting procedures set forth in subdivision 14 of this subsection.

6. A shipment of coupons received from a manufacturer or contractor, or those coupons produced by the facility operator, in accordance with this subsection, 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.

7. After checking a coupon received from a manufacturer or contractor, or produced by the facility operator, an accounting department supervisor shall record the following information in the coupon ledger:

- a. The date a coupon was received;
- b. The quantity and denomination of coupons received;
- c. The beginning and ending serial number of the coupons received; and
- d. The name, signature, and license number of the individuals who checked the coupons.

8. A marketing department supervisor shall estimate the number of coupons needed for each gaming day or promotion and complete a requisition document that contains the following information:

- a. The date the requisition was prepared;
- b. The date for which the coupons are needed;
- c. The denomination and quantity of coupons requested;
- d. The name, signature, and license number of the marketing department supervisor completing the requisition; and
- e. The name, signature, and license number of the accounting department supervisor authorizing the requisition.

9. Upon receipt of the requisition document, the accounting department supervisor shall record in the coupon ledger the following information before issuing the coupons to the marketing department supervisor:

- a. The beginning and ending serial number of the coupons to be issued;
- b. The denomination and quantity of coupons to be issued;
- c. The name, signature, and license number of the accounting department supervisor who will be issuing the coupons; and
- d. A record and explanation of coupons that were voided.

10. A 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 department and as designated in the facility operator's internal controls.

11. The marketing department shall maintain a daily Coupon Reconciliation Form that shall contain:

- a. The date;
- b. The beginning and ending serial numbers of the coupons received from the accounting department;
- c. The denomination and quantity of coupons the marketing department has to distribute to players;
- d. The denomination and quantity of coupons the marketing department distributed to players;
- e. The denomination, quantity, and serial numbers of coupons remaining;
- f. The serial numbers of coupons that were voided and the reason the coupons were voided;
- g. Any discrepancy discovered in the accounting for coupons and an explanation of the discrepancy; and
- h. The name, signature, and license number of the marketing department supervisor completing the form.

12. Undistributed coupons.

- a. At the end of the gaming day or promotional period, a copy of the Coupon Reconciliation Form and all coupons that were not distributed to players shall be returned to the accounting department.
- b. The marketing department may keep for use during the next gaming day all coupons that were not distributed to players if the coupons are:
 - (1) Stored in a secured and locked area approved in advance by the department; and
 - (2) Recorded on the daily Coupon Reconciliation Form for the next gaming day.
- c. All expired coupons shall be returned to the accounting department on a daily basis.
- d. When unused and expired coupons are returned to the accounting department, an accounting department supervisor shall record the following information in the coupon ledger:
 - (1) The date the coupons were returned;
 - (2) The beginning and ending serial numbers of the coupons returned;
 - (3) The denomination and quantity of coupons returned;
 - (4) The serial numbers of any coupons that were voided and the reason the coupons were voided;
 - (5) The name, signature, and license number of the marketing department supervisor returning the unused coupons; and
 - (6) The name, signature, and license number of the accounting department supervisor who received the unused coupons.

13. 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:

- a. Counted and examined for proper calculation and recording;
- b. Reviewed for the propriety of signatures on the documentation and canceled;
- c. Reconciled by total number of coupons given to the marketing department for distribution to players, returned for reissuance, voided, distributed to players and redeemed; and
- d. Recorded, maintained, and controlled by the accounting department.

14. At least once every month, a facility operator shall inventory all coupons that are not distributed to players and record the result of the inventory in the coupon ledger in accordance with the inventory procedures that the department approved as part of the facility operator's internal controls.

15. A facility operator shall prepare and submit to the department a quarterly report that lists the total value of the coupons redeemed by players.

16. If a facility operator's department-approved internal controls include its production and subsequent reconciliation of coupons, a facility operator may internally manufacture or print coupons.

17. If a facility operator's department-approved internal controls include the production of coupons by a manufacturer or contractor, a facility operator may authorize a manufacturer or contractor to print and mail coupons directly to players in accordance with the following requirements:

- a. The coupons shall comply with the requirements in subdivisions 17 b and 17 c of this subsection;
- b. The facility operator shall supply the manufacturer or contractor, through electronic means, a list of the following information for each player to whom the coupon shall be mailed:
 - (1) The player's name and address;
 - (2) The denomination of the coupon;
 - (3) The expiration date of the coupon; and
 - (4) A serial number on each coupon;
- c. The coupon issued shall include a magnetic strip or bar code that will enable the facility operator's computer system to identify the information required by subdivision 18 b of this subsection;
- d. The information in subdivision 18 b of this subsection shall be provided to the accounting department, which shall maintain the information for purposes of reconciliation as required by subdivision 14 of this subsection;

e. Prior to redemption of the coupon, a dealer shall verify the expiration date and confirm that the coupon has not expired; and

f. All 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.

18. A facility operator may use a computerized system that complies with the requirements in this regulation if:

- a. The computerized system creates coupons that comply with the requirements in subdivisions 18 b and 18 c of this subsection;
- b. The computerized system provides an audit trail and allows for the segregation of duties to satisfy the requirements in this section; and
- c. The facility operator includes in its internal controls procedures governing the production, recording, redemption, and reconciliation of computer-generated coupons.

L. Use of match play coupons and direct bet coupons.

1. A coupon may be redeemed only at a gaming table in which a player wagers against the house.

2. For redemption, the dealer shall:

- a. Verify the coupon is valid prior to accepting it as a wager;
- b. Ensure that a coupon is placed on an authorized wager so that the value of the coupon is visible at all times; and
- c. Settle winning wagers in accordance with the terms and conditions of the coupon.

3. Whether the wager wins or loses, the dealer shall deposit the coupon into the drop box attached to the gaming table at the time the winning wager is paid or the losing wager is collected.

4. The coupon shall remain in the event of a push.

M. Electronic, electrical, and mechanical devices prohibited.

1. A player or an individual acting in concert with a player may not use or possess with the intent to use at a table game a calculator; computer; or other electronic, electrical, or mechanical device to assist in:

- a. Projecting an outcome at any table game;
- b. Tracking or analyzing cards that have been dealt;
- c. Tracking the changing probabilities of a table game; or
- d. Developing or tracking a playing strategy to be used by a player.

2. A violation of this subsection may be the basis for immediate ejection from the facility, placement on the department's mandatory exclusion list, or other sanction or civil or criminal penalty.

Regulations

N. Minimum and maximum wagers; payout odds.

1. In accordance with subsection V of this section, a facility operator shall provide notice of the minimum and maximum wagers in effect at each gaming table.

2. A wager accepted by a dealer that exceeds the current table maximum or is lower than the current table minimum shall be paid or lost in its entirety in accordance with the rules of the game.

3. If a facility operator includes a wagering requirement in its rules of the game under subsection T of this section, nothing in this regulation shall preclude a facility operator from establishing additional wagering requirements that are consistent with the rules of the game, including a requirement that wagers be made in specified increments.

4. Unless otherwise specified in a department-approved payable, the payout odds for wagers printed on a layout, signage, brochure, or other publication distributed by the facility operator shall be stated through the use of the word "to" and may not be stated through use of the word "for."

O. Approval of table game layout, signage, and equipment.

1. A facility operator shall submit to the department for approval table game staffing plans, tournament schedules, dealer training programs, and schematics of gaming guides, table game layouts, signage and equipment.

2. For purposes of the department's review and approval, schematics of table game equipment shall include:

a. Cards;

b. Dice;

c. Pai gow tiles;

d. Gaming chips;

e. Plaques;

f. Commemorative chips;

g. Pai gow and sic bo shakers;

h. Big six and roulette wheels;

i. Envelopes and containers used to hold or transport table game equipment;

j. Match play coupons;

k. Direct bet coupons; and

l. Table game equipment not otherwise required to be submitted to an independent certified testing laboratory for approval.

3. Upon receipt of written approval from the department, a facility operator may implement its table game staffing plan, tournament schedule, or dealer training program and may utilize a gaming guide, table game layout, signage, or equipment in the facility.

4. A facility operator's equipment storage and destruction areas may not be used until its location and physical characteristics have been approved by the department.

5. A facility operator shall obtain approval from the department for:

a. Alternative locations for:

(1) Equipment that is required to be on the gaming table, including drop boxes, shakers, shufflers, discard racks, and tip boxes; and

(2) The complete text of the rules of all authorized games;

b. Amendments to the facility operator's plan for the distribution and collection of slot storage boxes, table game drop boxes, or bad beat boxes;

c. Sample sets of gaming chips and plaques manufactured in accordance with approved design specifications; and

d. The collection times for dice, cards, tiles, and other table game equipment from the gaming floor.

P. Employee training by facility operators. A facility operator shall develop a training program for its dealers that, at a minimum, includes training in:

1. Procedures for opening and closing tables for gaming, including the proper security procedures regarding table chip inventories;

2. Procedures for distributing and removing gaming chips and plaques from gaming tables;

3. Procedures for accepting cash at gaming tables;

4. Procedures for the acceptance of tips and gratuities from players;

5. Procedures for shift changes at gaming tables;

6. Procedures for the proper placement of wagers by players and the proper collection of losing wagers and payment of winning wagers; and

7. Recognizing problem and compulsive gamblers at table games and procedures for informing supervisory personnel.

Q. Table test; employee personnel file.

1. Before conducting a table game on the facility operator's gaming floor, a prospective dealer shall pass a table test on the table games that the dealer will be conducting.

2. A table test shall consist of the dealer demonstrating proficiency at the table game to the satisfaction of an employee of the facility operator who is a pit manager or higher.

3. A facility operator shall document the following in a dealer's personnel file:

a. Completion of the training program required by subsection P of this section; and

b. Successful completion of the table test.

R. Table games rules submissions.

1. Before offering a table game authorized under the standard rules, a facility operator shall submit to the department a rules submission that specifies which options the facility operator will use in the conduct of the table game.
2. A facility operator may implement the provisions in a rules submission only after receipt of written notice of approval from the department.
3. A facility operator shall maintain the current version of each department-approved rules submission so that it is available in electronic form, through secure computer access, to the facility operator's internal audit and surveillance department and department staff.
4. Each page of a table game's rules submission shall indicate the date on which it was approved by the department.
5. A facility operator shall maintain a paper or electronic copy of any superseded rules submission for a minimum of five years from the date of department approval.

S. Request to offer a new table game or feature.

1. A facility operator that desires to offer a table game or feature that is not already in the standard rules, or to offer a new wager, payable, or other feature as part of table game that has been approved by the department, shall submit a written request to the department that contains at least:
 - a. A detailed description of the table game or new feature, including the rules of play and wagering for the new table game or feature;
 - b. A description of whether the game is a variation of an authorized game, a composite of authorized games, or a new game;
 - c. The true odds, the payout odds, and the house advantage for each wager;
 - d. A sketch or picture of the game layout, if any;
 - e. Sketches, pictures, or samples of the equipment used to play the game;
 - f. The reason for proposing the new table game or feature;
 - g. A list of other gaming jurisdictions where the new table game or feature is currently being offered;
 - h. Whether the game, its name, or any of the equipment used to play the game is covered by any issued or pending copyrights, trademarks, or patents; and
 - i. Any other information the department requests.

2. In addition to submitting a change request with the department, a facility operator shall, at its expense, submit the new table game or new feature for review to an independent certified testing laboratory that is certified by the department.

3. Following testing by the independent certified testing laboratory, the department will notify the facility operator whether the new table game or new feature has been approved, approved with conditions, or rejected.

T. Game rules; notice; wagers.

1. The department shall maintain:

- a. A list of all table games that have been approved by the department and the standard rules for each approved table game; and
- b. Records of a facility operator's table game or feature rules that have been approved by the department.

2. Except as provided in subdivision 3 of this subsection, a facility operator may not change the rules under which a particular table game is being operated unless the facility operator submits to and receives written approval from the department for an amendment to its rules submission under subsection R of this section.

3. A facility operator may increase or decrease the permissible maximum wager or decrease the permissible minimum wager at a table game:

- a. If no players are playing at that table, at any time; or
- b. While players are playing the game, if the facility operator:
 - (1) Provides at least 30 minutes' advance notice of the change;
 - (2) Posts a sign at the gaming table advising players of the change and the time that it will go into effect; and
 - (3) Announces the change to players who are at the table.

4. A facility operator shall submit to the department for approval the minimum and maximum bets the facility will accept from players for table games.

5. A facility operator may not accept a bet at a table game in an amount less than \$5.00 or more than \$50,000.

U. Player access to game rules; gaming guide.

1. A facility operator shall maintain, at its security podium or other location approved in advance by the department, a printed copy of the complete text of the standard rules of all authorized games that shall be available to the public for inspection upon request.

2. A facility operator shall make available to players upon request a gaming guide that contains, in a printed format, an abridged version of the complete text of the standard rules of all authorized games.

3. The gaming guide required may not be issued, displayed, or distributed by a facility operator until a sample of the gaming guide has been submitted to and approved by the department.

Regulations

4. A facility operator may display an approved gaming guide at any location in its licensed facility.

5. Each facility operator shall make the approved gaming guide available on its website.

V. Table game payouts.

1. A facility operator shall use a table game payout document meeting the requirements of this subsection to pay a single payout event that requires the filing of IRS Form W-2G, Certain Gambling Winnings.

2. A facility operator shall prepare and timely file IRS Form W-2G, Certain Gambling Winnings, in accordance with federal Internal Revenue Service (IRS) rules and regulations.

3. A facility operator shall pay a table game payout of:

a. \$50,000 or more by check; and

b. Less than \$50,000 by:

(1) Cash or check; or

(2) On the request of a player, any combination of cash, gaming ticket, check, or other methods of payment approved by the department.

4. A facility operator shall develop and include in the internal controls submitted to and approved by the department procedures to address the payment of a table game payout event that requires the filing of an IRS Form W-2G, Certain Gambling Winnings.

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

a. The use of a two-part computer generated table game payout document initiated on the request of a dealer or above after verifying the winning combination of characters at the table game and the amount of the payout.

b. A requirement that, if a single payout event that requires the filing of an IRS Form W-2G, Certain Gambling Winnings is less than \$50,000, a security department employee or floorperson or above sign the payout document after verifying the winning combination of characters at the table game and the amount of the payout.

c. A requirement that, if a single payout event that requires the filing of IRS Form W-2G, Certain Gambling Winnings, is \$50,000 or more, a pit manager or higher level gaming operations department employee other than the preparer of the document sign the table game payout document after verifying the winning combination of characters at the table game and amount of the payout.

d. A requirement that the following information be on a two-part computer generated table game payout document:

(1) Date and time;

(2) Identification number of the table game on which the payout was registered;

(3) Winning combination of characters constituting the payout or a code corresponding to the winning combination of characters constituting the payout;

(4) Amount to be paid;

(5) Signature or identification code of the preparer of the document;

(6) The signature or identification code of a verifying witness in accordance with this regulation; and

(7) The signature or identification code of the employee issuing the funds;

e. A requirement that the surveillance department:

(1) Be notified of a table game payout of \$25,000 or more;

(2) Log all notices regarding a table game payout in the surveillance log required under 11VAC5-90-110 K; and

(c) Obtain and retain, in accordance with 11VAC5-90-110 J, a photograph of the face of the player receiving the payout;

f. Details pertaining to:

(1) Payment of a payout at the table game;

(2) The use of an accounting drop box; and

(3) Audit procedures to be performed by the facility operator's accounting department at the conclusion of each gaming day;

g. Procedures addressing unclaimed table game payouts;

h. Details that establish the ability of the facility operator's casino management system to:

(1) Ensure that a two-part computer generated table game payout document is not susceptible to change or deletion from the system after preparation;

(2) Process and document system overrides or adjustments to table game payouts including:

(a) Overrides or adjustments where the payout requested does not match the payout amount; and

(b) Identification of the level of employee having override authority; and

(3) Process voided table game payout documents; and

i. Procedures utilized to issue a manual table game payout document that:

(1) Are to be used only when the casino management system is unable to generate a table game payout document;

(2) Conform to the table game payout verification and signature requirements of this regulation;

(3) Involve use of a three-part serially pre-numbered manual table game payout document residing in a book, wiz machine, or functional equivalent;

(4) Require manual table game payout books or their functional equivalent to be maintained in a secured locked cabinet; and

- (5) Require the key to the secure locked cabinet to be:
 - (a) Controlled by the security department or the table games department in a manual key box or an automated key tracking system; and
 - (b) Limited to sign out by a floorperson or above.

W. Progressive table games.

1. A table game offering a progressive jackpot may:

- a. Stand alone;
- b. Be linked to:

- (1) Other table games in a facility; or
- (2) Table games in two or more facilities in or outside the state through a wide area progressive system.

2. A manufacturer may not install in a facility, and a facility operator may not make available for play, table game equipment offering a progressive jackpot without written department approval of:

- a. A progressive proposal; and
- b. Internal controls submitted addressing the payment of a progressive jackpot.

3. A manufacturer may not modify the terms of a progressive jackpot, and a facility operator may not make available for play, a table game or table game equipment that offers a progressive jackpot that differs from its approved progressive proposal without the approval in writing of the department.

4. A table game may offer multiple progressive jackpots.

5. A progressive jackpot amount may be calculated and transmitted to a table game or table game device by:

- a. The operating system of a table game; or
- b. A separate progressive controller interfaced to a table game or table game equipment.

6. A progressive controller shall be:

- a. Located in a restricted area;
- b. Secured:
 - (1) In a dual key controlled compartment with:
 - (a) One key controlled by a manufacturer; and
 - (b) One key controlled by the department; or
 - (2) By alternative means approved by the department; and
- c. Capable of:
 - (1) Displaying an available progressive jackpot amount on a table game's, or table game equipment's:
 - (a) Progressive meter; or
 - (b) Common progressive meter;
 - (2) Transmitting to a table game for metering purposes the amount of a progressive jackpot;

(3) If linked to a common progressive meter, displaying the department asset number of the table game on which a progressive jackpot is won;

(4) If a progressive controller is servicing multiple table games, automatically resetting all table games connected to it to a pre-established reset amount; and

(5) If the progressive offers multiple jackpot levels, maintaining and displaying for each progressive level the:

- (a) Number of progressive jackpots won;
- (b) Cumulative amount paid;
- (c) Maximum progressive payout;
- (d) Minimum amount or reset amount; and
- (5) Rate of progression.

7. A table game offering a progressive jackpot shall be equipped, for each progressive jackpot offered, with the following mechanical, electrical, or electronic meters:

a. A progressive meter that:

- (1) May increase in value based upon wagers;
- (2) Advises the player of the amount that may be won if the table game characters which result in the award of a progressive jackpot appear as a result of activation of play; and
- (3) Is visible from the table game through:

- (a) A meter display housed in the table game; or
- (b) A common progressive meter display unit;

b. A progressive payout meter;

c. An attendant paid progressive jackpot meter; and

d. A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid, whether paid:

- (1) Directly at the table game; or
- (2) Hand paid by a facility operator as a result of a progressive jackpot that exceeds the physical or configured capability of a table game or table game equipment.

8. A table game linked to a common progressive meter for the purpose of offering the same progressive jackpot on two or more table games shall:

a. Have the same probability of hitting the combination of characters that will award the progressive jackpot as every other table game linked to that common progressive meter; and

b. Require each:

(1) Player to wager the same amount to receive a chance at winning the progressive jackpot; and

(2) Wager to increment the progressive meter by the same rate of progression on every table game connected to the common progressive meter.

Regulations

9. Notwithstanding the requirements of subdivision 8 of this subsection, table games linked to a common progressive meter for the purpose of offering the same progressive jackpot on two or more table games may be of different denominations or require different wagers, or both, if:

- a. The probability of winning the progressive jackpot is directly proportional to the wager required to win a jackpot; and
- b. A notice indicating the proportional probability of hitting the progressive jackpot on the common progressive meter is conspicuously displayed in a manner specified by the Department on each linked table game.

10. A manufacturer may not:

- a. Set a limit for a progressive jackpot that exceeds the display capability of the progressive meter; and
- b. Adjust a progressive meter without the prior approval of the department unless the adjustment is:
 - (1) Required as a direct result of table game equipment or meter malfunction; and
 - (2) Reported by the manufacturer in a form and in a time frame specified by the department to the department and facility operator.

X. Table game statistical data.

1. A facility operator shall maintain complete and accurate records that identify for each table game and type of game by daily, cumulative month-to-date, and cumulative year-to-date basis:

- a. Statistical drop;
- b. Statistical win; and
- c. Statistical win-to-drop percentages.

2. A facility operator shall:

- a. Prepare and distribute statistical reports to gaming facility management on at least a monthly basis;
- b. Using a 95% confidence interval, investigate fluctuations outside of the standard deviation from:
 - (1) The facility operator's table game win-to-drop percentage for the previous business year; or
 - (2) In the initial year of operations, the previous month; and
- c. Document the results of the required investigation in writing and submit a copy of the written investigation results to the department.

Y. Inspecting cards.

1. If the decks of cards received at a table are preinspected and reshuffled, the provisions of this subsection shall not apply.

2. After receiving one or more decks of cards at the table, the dealer shall inspect the cards for any defects and a floorperson assigned to the table shall verify the inspection.

3. After the cards are inspected, the dealer shall spread the cards out face up on the table, in horizontal fan shaped columns by deck according to suit and in sequence, for visual inspection by the first player to arrive at the table.

4. After the first player arriving at the table has been afforded an opportunity to visually inspect the cards, the dealer shall:

- a. Turn the cards face down on the table;
- b. Mix the cards thoroughly by washing them; and
- c. Stack the cards.

5. After the cards have been stacked, the dealer shall shuffle them in accordance with subsection Z of this section.

6. If an automated card shuffling device is utilized and two decks of cards are received at the table, each deck of cards shall be spread for inspection, mixed, stacked, and shuffled in accordance with subdivisions 2 through 5 of this subsection.

Z. Shuffling and cutting the cards.

1. Unless the cards were reshuffled, the dealer shall shuffle the cards so that they are randomly intermixed, manually or with an automated card shuffling device:

- a. Immediately prior to commencement of play;
- b. After each round of play has been completed; or
- c. When directed by a floorperson or above.

2. A facility operator may use an automated card shuffling device that inserts the stack of cards directly into a dealing shoe after shuffling is complete.

3. A deck shall be removed from the table if an automated card shuffling device:

- a. Is being used which counts the number of cards in the deck after the completion of each shuffle and indicates the number of cards present; and
- b. Reveals that an incorrect number of cards are present.

4. Upon completion of the shuffle, the dealer or automated shuffling device shall place the decks of cards in a single stack, and:

- a. If the cards were shuffled using an automated card shuffling device, deal the cards in accordance with subsections AA, BB, and CC of this section; or
- b. If the cards were shuffled manually or were reshuffled, cut the cards in accordance with subdivision 5 of this subsection.

5. If a cut of the cards is required, the dealer shall perform the cut in accordance with the standard rules.

6. After the cards have been cut and before any cards have been dealt, a floorperson or above may require the cards to be recut if the floorperson determines that the cut was performed improperly or in any way that might affect the integrity or fairness of the game.

7. If there is no gaming activity at a table that is open for gaming, the dealer shall:

a. Remove the cards from the dealing shoe and discard rack;

b. Unless a player requests that the cards be spread face up on the table, spread out the cards on the table face down;

c. After the first player arriving at the table is afforded an opportunity to visually inspect the cards, complete the procedures in subsection Y of this section and this subsection if there is no automated shuffling device in use; and

d. If an automated shuffling device is in use, stack the cards and place them into the automated shuffling device to be shuffled, and:

(1) Remove the batch of cards already in the shuffler; and

(2) If the automated card shuffling device stores a single batch of shuffled cards inside the shuffler in a secure manner at a player's request, remove the batch of cards from the shuffler and spread the cards for inspection and reshuffle them prior to dealing.

8. A facility operator may use a dealing shoe or other device that automatically reshuffles and counts the cards provided that the device is submitted to the department and approved prior to its use in the facility.

9. If a facility operator is using a dealing shoe or other device approved by the department, subdivisions 5 through 8 of this subsection do not apply.

AA. Procedure for dealing cards from a manual dealing shoe.

1. If a manual dealing shoe is used, it shall be located on the table in a location approved by the department, and the following requirements shall be met:

a. After the procedures required under subsection Z of this section have been completed, the stacked deck of cards shall be placed in the dealing shoe by the dealer or by an automated card shuffling device.

b. Prior to dealing any cards, the dealer shall announce "no more bets."

c. If the progressive payout wager is being offered, the dealer shall use the progressive table game system to prevent the placement of any additional progressive payout wagers.

d. If a player has made a progressive payout wager, the dealer shall:

(1) Collect the progressive payout wager in accordance with the standard rules;

(2) On the layout in front of the table inventory container, verify that the number of value chips wagered equals the number of progressive payout wagers accepted by the progressive table game system; and

(3) Place the value chips into the table inventory container.

e. The dealer shall remove each card from the dealing shoe with the hand of the dealer that is closest to the dealing shoe and place the card on the appropriate area of the layout with the opposite hand.

2. The dealer shall deal the cards in accordance with the standard rules.

3. After dealing cards in accordance with the standard rules, the dealer shall:

a. Remove the stub from the manual dealing shoe; and

b. Place the stub in the discard rack without exposing the cards.

4. If an automated card shuffling device is not being used, the dealer shall count the stub at least once every five rounds of play to determine if the correct number of cards required by the standard rules are still present in the deck.

5. The dealer shall determine the number of cards in the stub by counting the cards face down on the layout.

a. If the count of the stub indicates that the correct number of cards is in the deck, the dealer shall place the stub in the discard rack without exposing the cards.

b. If the count of the stub indicates that the number of cards in the deck is not correct, the dealer shall determine if the cards were misdealt.

c. If correct number of cards remain in the deck, but the cards were misdealt so that a player has more or less than the required number of cards, or the dealer has more or less than the required number of cards, all hands are void and the dealer shall return all wagers to the players.

d. If the cards were not misdealt, all hands are void and the dealer shall return all wagers to the players and remove the entire deck of cards from the table.

BB. Procedure for dealing cards from the hand.

1. If the cards are dealt from a dealer's hand, the following requirements shall be met:

a. An automated shuffling device shall be used to shuffle the cards.

b. After the procedures required under subsection Z of this section have been completed, the dealer shall place the stacked deck of cards in either of the dealer's hand.

c. After the dealer has chosen the hand in which to hold the cards, the dealer shall continue to use that hand while holding the cards during that round of play.

d. The cards held by the dealer shall be kept over the table inventory container and in front of the dealer at all times.

Regulations

e. Before dealing any cards, the dealer shall:

(1) Announce "no more bets;" and

(2) If the progressive payout wager is being offered, use the progressive table game system to prevent the placement of any additional progressive payout wagers.

f. If any progressive payout wagers have been made, the dealer shall:

(1) On the layout in front of the table inventory container, collect the wagers in accordance with the standard rules;

(2) Verify that the number of value chips wagered equals the number of progressive payout wagers accepted by the progressive table game system; and

(3) Place the value chips into the table inventory container.

2. The dealer shall:

a. Deal each card by holding the deck of cards in the chosen hand;

b. Use the other hand to remove the top card of the deck to place it face down on the appropriate area of the layout;

c. Deal the cards in accordance with the standard rules.

d. Except as provided in subdivision 3 of this subsection, after dealing cards in accordance with the standard rules, place the stub in the discard rack without exposing the cards.

3. If an automated card shuffling device is not being used, the dealer shall:

a. Count the stub at least once every five rounds of play to determine if the correct number of cards is still present in the deck in accordance with the standard rules; and

b. Determine the number of cards in the stub by counting the cards face down on the layout.

4. If the count of the stub indicates that the correct number of cards is in the deck, the dealer shall place the stub in the discard rack without exposing the cards.

5. If the count of the stub indicates that the number of cards in the deck is not correct, the dealer shall determine if the cards were misdealt.

6. If the correct number of cards remains in the deck, but the cards were misdealt so that a player has more or less than the required number of cards or the dealer has more or less than the required number of cards, all hands are void and the dealer shall return all wagers to the players.

7. If the cards were not misdealt, all hands are void and the dealer shall return all wagers to the players and remove the entire deck of cards from the table.

CC. Procedure for dealing cards from an automated dealing shoe or shuffler.

1. If cards are dealt from an automated dealing shoe, the following requirements shall be met:

a. After the procedures required under subsection Z of this section have been completed, the dealer shall place the cards in an automated dealing shoe or shuffler.

b. Prior to the shoe or shuffler dispensing any stacks of cards, the dealer shall:

(1) Announce "no more bets;" and

(2) If the progressive payout wager is being offered, use the progressive table game system to prevent the placement of any additional progressive payout wagers.

c. If any progressive payout wagers have been made, the dealer shall:

(1) On the layout in front of the table inventory container, collect the wagers in accordance with the standard rules;

(2) Verify that the number of value chips wagered equals the number of progressive payout wagers accepted by the progressive table game system; and

(3) Place the value chips into the table inventory container.

2. The dealer shall deal the cards in accordance with the standard rules.

3. After the cards have been dispensed and delivered in accordance with the standard rules, the dealer shall:

a. Remove the stub from the automated dealing shoe; and

b. Except as provided in subdivision 4 of this subsection, place the cards in the discard rack without exposing the cards.

4. If the count of the stub indicates that the correct number of cards required by the standard rules is in the deck, the dealer shall place the stub in the discard rack without exposing the cards.

5. If the count of the stub indicates that the number of cards in the deck is not correct, the dealer shall determine if the cards were misdealt.

6. If the correct number of cards remains in the deck, but the cards were misdealt so that a player has more or less than the required number of cards or the dealer has more or less than the required number of cards, all hands are void and the dealer shall return all wagers to the players.

7. If the cards were not misdealt, all hands are void and the dealer shall return all wagers to the players and remove the entire deck of cards from the table.

DD. Mixing tiles.

1. After receiving a set of tiles at the table, the dealer shall sort and inspect the tiles and the floorperson assigned to the table shall verify the inspection.

2. Nothing in this section precludes a facility operator from cleaning the tiles prior to the inspection required in subsection 3 of this subsection.

3. A dealer shall inspect the tiles at the gaming table by:

- a. Sorting a set of tiles into pairs;
- b. Placing each tile side by side to determine that all tiles are the same size and shading; and
- c. Examining the back and sides of each tile to ensure that it is not flawed, scratched, or marked, and if the dealer finds that a tile is unsuitable for use;

(1) A floorperson or above shall bring another set of tiles to the table from the reserve in the pit stand; and

(2) The unsuitable set of tiles shall be placed in a sealed envelope or container, identified by table number, date, and time and signed by the dealer and floorperson or above.

4. Following the inspection and verification of the tiles, the dealer shall:

- a. Turn the tiles face up;
- b. Place the tiles into 16 pairs;
- c. Arrange the tiles according to rank; and
- d. Leave the tiles in pairs for visual inspection by the first player to arrive at the table.

5. After the first player arriving at the table is afforded an opportunity to visually inspect the tiles, the dealer shall:

- a. Turn the tiles face down on the table;
- b. Mix the tiles:
 - (1) With the heels of the hands;
 - (2) In a circular motion with one hand moving clockwise and the other hand moving counterclockwise; and
 - (3) With each hand completing at least eight circular motions to provide a random mixing; and
- c. Randomly pick up four tiles with each hand and place them side by side in stacks in front of the table inventory container, forming eight stacks of four tiles.

6. The entire set of tiles shall be remixed if, during the stacking process, a tile is turned over and exposed to the players.

7. After each round of play has been completed, the dealer shall turn all of the tiles face down and mix the tiles in accordance with subdivision 5 of this subsection.

8. If there is no gaming activity at the table, the dealer shall turn the tiles face up and place them into 16 pairs according to rank.

9. After a player arrives at the table, the dealer shall follow the procedures in subdivision 5 of this subsection.

VA.R. Doc. No. R21-6662; Filed March 11, 2021, 3:00 p.m.

TITLE 12. HEALTH

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Notice of Extension of Emergency Regulation

Title of Regulation: **12VAC30-50. Amount, Duration, and Scope of Medical and Remedial Care Services (adding 12VAC30-50-610).**

Statutory Authority: § 32.1-325 of the Code of Virginia; 42 USC § 1396 et seq.

Expiration Date Extended Through: September 17, 2021.

The Governor has approved the request of the Department of Medical Assistance Services to extend the expiration date of the emergency regulation for 12VAC30-50 for six months as provided for in § 2.2-4011 D of the Code of Virginia. Therefore, the emergency regulation is continued in effect through September 17, 2021. This extension is required for the Department of Medical Assistance Services to continue to apply the Alternative Benefit Program, which is the program approved by the Centers for Medicare and Medicaid Services to describe the benefits available to individuals covered through Medicaid expansion. The emergency regulation was published in [35:25 VA.R. 3044-3046 August 5, 2019](#).

Agency Contact: Emily McClellan, Regulatory Supervisor, Policy Division, Department of Medical Assistance Services, 600 East Broad Street, Suite 1300, Richmond, VA 23219, telephone (804)371-4300, FAX (804)786-1680, or email emily.mcclellan@dmas.virginia.gov.

VA.R. Doc. No. R19-5693; Filed March 12, 2021, 4:17 p.m.

TITLE 14. INSURANCE

STATE CORPORATION COMMISSION

Forms

REGISTRAR'S NOTICE: Forms used in administering the regulation have been filed by the agency. The forms are not being published; however, online users of this issue of the Virginia Register of Regulations may click on the name of a form with a hyperlink to access it. The forms are also available from the agency contact or may be viewed at the Office of the Registrar of Regulations, 900 East Main Street, 11th Floor, Richmond, Virginia 23219.

Title of Regulation: **14VAC5-405. Rules Governing Balance Billing for Out-of-Network Health Care Services.**

Agency Contact: Bonnie Salzman, Senior Counsel, Office of General Counsel, Bureau Of Insurance, State Corporation Commission, P.O. Box 1197, Richmond, VA 23218, telephone (804) 371-9224, or email bonnie.salzman@scc.virginia.gov.

Regulations

FORMS (14VAC5-405)

[Notice of Consumer Rights , Form 405-A \(eff. 1/2021\)](#)

[Elective Group Health Plan Opt In, Form 405-B \(eff. 1/2021\)](#)

[Elective Group Health Plan Change/Termination, Form 405-C \(eff. 1/2021\)](#)

[Notice of Intent to Arbitrate, Form 405-D \(eff. 1/2021\)](#)

[Arbitrator Application, Form 405-E \(eff. 1/2021\)](#)

[Elective Group Health Plan Opt-In, Form 405-B \(rev. 3/2021\)](#)

[Elective Group Health Plan Change/Termination, Form 405-C \(rev. 3/2021\)](#)

[Notice of Intent to Arbitrate, Form 405-D \(rev. 3/2021\)](#)

[Arbitrator Application, Form 405-E \(rev. 3/2021\)](#)

VA.R. Doc. No. R21-6708; Filed March 9, 2021, 2:54 p.m.

Forms

REGISTRAR'S NOTICE: Forms used in administering the regulation have been filed by the agency. The forms are not being published; however, online users of this issue of the Virginia Register of Regulations may click on the name of a form with a hyperlink to access it. The forms are also available from the agency contact or may be viewed at the Office of the Registrar of Regulations, 900 East Main Street, 11th Floor, Richmond, Virginia 23219.

Title of Regulation: **14VAC7-10. Rules Governing the Certified Application Counselor Program.**

Agency Contact: Bonnie Salzman, Senior Counsel, Office of General Counsel, Health Benefits Exchange Division, State Corporation Commission, Tyler Building, 1300 East Main Street, P.O. Box 1157, Richmond, VA 23218, telephone (804) 371-9224, or email bonnie.salzman@scc.virginia.gov.

FORMS (14VAC7-10)

[Agreement Between the Virginia Health Benefit Exchange and Certified Counselor Designated Organization, Form 10-A \(eff. 1/2021\)](#)

[Health Benefits Exchange Certified Account Counselor Authorization Form, Form 10-B \(eff. 3/2021\)](#)

VA.R. Doc. No. R21-6709; Filed March 3, 2021, 11:03 a.m.



TITLE 18. PROFESSIONAL AND OCCUPATIONAL LICENSING

BOARD OF PHARMACY

Final Regulation

REGISTRAR'S NOTICE: The Board of Pharmacy is claiming an exemption from Article 2 of the Administrative Process Act in accordance with § 2.2-4006 A 13 of the Code of Virginia, which exempts amendments to regulations of the board to schedule a substance in Schedule I or II pursuant to subsection D of § 54.1-3443 of the Code of Virginia. The board will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Title of Regulation: **18VAC110-20. Regulations Governing the Practice of Pharmacy (amending 18VAC110-20-322).**

Statutory Authority: §§ 54.1-2400 and 54.1-3443 of the Code of Virginia.

Effective Date: April 28, 2021.

Agency Contact: Caroline Juran, RPh, Executive Director, Board of Pharmacy, 9960 Mayland Drive, Suite 300, Richmond, VA 23233-1463, telephone (804) 367-4456, FAX (804) 527-4472, or email caroline.juran@dhp.virginia.gov.

Summary:

The amendments add 12 compounds into Schedule I of the Drug Control Act as recommended by the Department of Forensic Science pursuant to § 54.1-3443 of the Code of Virginia. These compounds added by regulatory action will remain in effect for 18 months or until the compounds are placed in Schedule I by legislative action of the General Assembly.

18VAC110-20-322. Placement of chemicals in Schedule I.

A. Pursuant to subsection D of § 54.1-3443 of the Code of Virginia, the Board of Pharmacy places the following in Schedule I of the Drug Control Act:

1. Synthetic opioids.

a. N-[2-(dimethylamino)cyclohexyl]-N-phenylfuran-2-carboxamide (other name: Furanyl UF-17), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

b. N-[2-(dimethylamino)cyclohexyl]-N-phenylpropionamide (other name: UF-17), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

2. Research chemicals.

a. 5-methoxy-N,N-dibutyltryptamine (other name: 5-methoxy-DBT), its optical, position, and geometric

isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

- b. 1-(1,3-benzodioxol-5-yl)-2-(ethylamino)-1-butanone (other name: Eutylone, bk-EBDB), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
 - c. 1-(1,3-benzodioxol-5-yl)-2-(butylamino)-1-pentanone (other name: N-butylpentylone), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
 - d. N-benzyl-3,4-dimethoxyamphetamine (other name: N-benzyl-3,4-DMA), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
 - e. 3,4-methylenedioxy-N-benzylcathinone (other name: BMDP), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
3. Cannabimimetic agents.
- a. Ethyl 2-({1-[(4-fluorophenyl)methyl]-1H-indazole-3-carbonyl}amino)-3-methylbutanoate (other name: EMB-FUBINACA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
 - b. Methyl 2-[1-(4-fluorobutyl)-1H-indazole-3-carboxamido]-3,3-dimethylbutanoate (other name: 4-fluoro-MDMB-BUTINACA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

The placement of drugs listed in this subsection shall remain in effect until June 10, 2021, unless enacted into law in the Drug Control Act.

B. Pursuant to subsection D of § 54.1-3443 of the Code of Virginia, the Board of Pharmacy places the following in Schedule I of the Drug Control Act:

1. Synthetic opioids.

- a. N-phenyl-N-[1-(2-phenylmethyl)-4-piperidiny]-2-furancarboxamide (other name: N-benzyl Furanyl norfentanyl), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

- b. 1-[2-methyl-4-(3-phenyl-2-propen-1-yl)-1-piperaziny]-1-butanone (other name: 2-methyl AP-237), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

2. Research chemicals.

- a. N-hexyl-3,4-dimethoxyamphetamine (other names: N-hexyl-3,4-DMA), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
- b. N-heptyl-3,4-dimethoxyamphetamine (other names: N-heptyl-3,4-DMA), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
- c. 2-(isobutylamino)-1-phenylhexan-1-one (other names: N-Isobutyl Hexedrone, α -isobutylaminohexanphenone), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
- d. 1-(benzo[d][1,3]dioxol-5-yl)-2-(sec-butylamino)pentan-1-one (other name: N-sec-butyl Pentylone), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
- e. 2-fluoro-Deschloroketamine (other name: 2-(2-fluorophenyl)-2-(methylamino)-cyclohexanone), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

3. Cannabimimetic agents.

- a. Methyl 2-[1-(5-fluoropentyl)-1H-indole-3-carboxamido]-3-methylbutanoate (other name: MMB 2201), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
- b. Methyl 2-[1-(4-penten-1-yl)-1H-indole-3-carboxamido]-3-methylbutanoate (other names: MMB022, MMB-4en-PICA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
- c. Methyl 2-[1-(5-fluoropentyl)-1H-indole-3-carboxamido]-3-phenylpropanoate (other name: 5-fluoro-MPP-PICA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

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d. 1-(5-fluoropentyl)-N-(1-methyl-1-phenylethyl)-1H-indole-3-carboxamide (other name: 5-fluoro CUMYL-PICA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

The placement of drugs listed in this subsection shall remain in effect until February 4, 2022, unless enacted into law in the Drug Control Act.

C. Pursuant to subsection D of § 54.1-3443 of the Code of Virginia, the Board of Pharmacy places the following in Schedule I of the Drug Control Act:

1. Synthetic opioids.

a. N-phenyl-N-(4-piperidinyl)-propanamide (other name: Norfentanyl), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

b. N,N-diethyl-2-(2-(4-isopropoxybenzyl)-5-nitro-1H-benzimidazol-1-yl)ethan-1-amine (other name: Isotonitazene), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

2. Research chemicals.

a. (2-ethylaminopropyl)benzofuran (other name: EAPB), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

b. 2-(ethylamino)-1-phenylheptan-1-one (other name: N-ethylheptedrone), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

c. 4-ethyl-2,5-dimethoxy-N-[(2-hydroxyphenyl)methyl]-benzeneethanamine (other name: 25E-NBOH), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

d. 4-hydroxy-N-ethyl-N-propyltryptamine (other name: 4-hydroxy-EPT), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

e. N-ethyl-1-(3-hydroxyphenyl)cyclohexylamine (other name: 3-hydroxy-PCE), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

f. 1-cyclopropionyl lysergic acid diethylamide (other name: 1cP-LSD), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

g. 1-(4-methoxyphenyl)-N-methylpropan-2-amine (other names: para-Methoxymethamphetamine, PMMA), its optical, position, and geometric isomers, salts, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

3. Cannabimimetic agents.

a. Methyl 2-[1-(pent-4-enyl)-1H-indazole-3-carboxamido]-3,3-dimethylbutanoate (other name: MDMB-4en-PINACA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

b. N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-butylindazole-3-carboxamide (other name: ADB-BUTINACA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

c. N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-chloropentyl)indazole-3-carboxamide (other name: 5-chloro-AB-PINACA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

d. Methyl 2-({1-[(4-fluorophenyl)methyl]-1H-indole-3-carbonyl}amino)-3-methylbutanoate (other names: MMB-FUBICA, AMB-FUBICA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

The placement of drugs listed in this subsection shall remain in effect until May 24, 2022, unless enacted into law in the Drug Control Act.

D. Pursuant to subsection D of § 54.1-3443 of the Code of Virginia, the Board of Pharmacy places the following in Schedule I of the Drug Control Act:

1. Synthetic opioid. N,N-diethyl-2-[(4-methoxyphenyl)methyl]-1H-benzimidazole-1-ethanamine (other name: Metodesnitazene), its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation.

2. Compounds expected to have hallucinogenic properties.

a. 4-fluoro-3-methyl-alpha-pyrrolidinovalerophenone (other name: 4-fluoro-3-methyl-alpha-PVP), its salts, isomers (optical, position, and geometric), and salts of

isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

b. 4-fluoro-alpha-methylamino-valerophenone (other name: 4-fluoropentedrone), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers (optical, position, and geometric), and salts of isomers is possible within the specific chemical designation.

c. N-(1,4-dimethylpentyl)-3,4-dimethoxyamphetamine (other name: N-(1,4-dimethylpentyl)-3,4-DMA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers (optical, position, and geometric), and salts of isomers is possible within the specific chemical designation.

d. 4,5-methylenedioxy-N,N-diisopropyltryptamine (other name: 4,5-MDO-DiPT), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers (optical, position, and geometric), and salts of isomers is possible within the specific chemical designation.

e. Alpha-pyrrolidinocyclohexanophenone (other name: alpha-PCYP), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers (optical, position, and geometric), and salts of isomers is possible within the specific chemical designation.

f. 3,4-methylenedioxy-alpha-pyrrolidinoheptiophenone (other name: MDPV8), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers (optical, position, and geometric), and salts of isomers is possible within the specific chemical designation.

3. Compounds expected to have depressant properties.

a. Bromazolam, its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

b. Deschloroetizolam, its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

c. 7-chloro-5-(2-fluorophenyl)-1,3-dihydro-1,4-benzodiazepin-2-one (other name: Norfludiazepam), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

4. Cannabimimetic agents.

a. Methyl 2-[1-(4-fluorobutyl)-1H-indole-3-carboxamido]-3,3-dimethylbutanoate (other name: 4-fluoro-MDMB-BUTICA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

b. Ethyl 2-[1-(5-fluoropentyl)-1H-indole-3-carboxamido]-3-methylbutanoate (other name: 5-fluoro-

EMB-PICA), its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.

The placement of drugs listed in this subsection shall remain in effect until October 27, 2022, unless enacted into law in the Drug Control Act.

VA.R. Doc. No. R21-6585; Filed January 4, 2021, 10:33 a.m.

REAL ESTATE APPRAISER BOARD

Final Regulation

REGISTRAR'S NOTICE: The Real Estate Appraiser Board is claiming an exemption from Article 2 of the Administrative Process Act in accordance with § 2.2-4006 A 6 of the Code of Virginia, which excludes regulations of the regulatory boards served by the Department of Professional and Occupational Regulation pursuant to Title 54.1 of the Code of Virginia that are limited to reducing fees charged to regulants and applicants. The Real Estate Appraiser Board will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Title of Regulation: **18VAC130-20. Real Estate Appraiser Board Rules and Regulations (amending 18VAC130-20-130, 18VAC130-20-250).**

Statutory Authority: §§ 54.1-201 and 54.1-2013 of the Code of Virginia.

Effective Date: May 1, 2021.

Agency Contact: Christine Martine, Executive Director, Real Estate Appraiser Board, 9960 Mayland Drive, Suite 400, Richmond, VA 23233, telephone (804) 367-8552, FAX (804) 527-4298, or email reappraisers@dpor.virginia.gov.

Summary:

The amendments reduce the renewal and reinstatement fees for real estate appraiser licenses and reapproval fees for educational offerings that expire on May 31, 2021, and before May 1, 2023.

18VAC130-20-130. Fees for renewal and reinstatement.

A. All fees are nonrefundable.

B. National Registry fee assessment. In accordance with the requirements of § 1109 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, \$80 of the biennial renewal or reinstatement fee assessed for all certified general real estate appraisers, certified residential and licensed residential real estate appraisers shall be submitted to the Appraisal Subcommittee. The registry fee may be adjusted in accordance with the Act and charged to the licensee.

Renewal and reinstatement fees for a certified general real estate appraiser, a certified residential real estate appraiser, a licensed residential real estate appraiser and an appraiser trainee include a \$37.50 fee for a copy of the Uniform

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Standards of Professional Appraisal Practice. This fee is subject to the fee charged by the Appraisal Foundation and may be adjusted and charged to the applicant in accordance with the fee charged by the Appraisal Foundation.

C. Renewal fees are as follows:

Certified general real estate appraiser	\$205
Certified residential real estate appraiser	\$205
Licensed residential real estate appraiser	\$205
Appraiser trainee	\$125
Registered business entity	\$120
Certified instructor	\$150

For licenses expiring on ~~February 28, 2018~~ May 31, 2021, and before ~~February 1, 2020~~ May 1, 2023, the renewal fees are as follows:

Certified general real estate appraiser	\$150 <u>\$140</u>
Certified residential real estate appraiser	\$150 <u>\$140</u>
Licensed residential real estate appraiser	\$150 <u>\$140</u>
Appraiser trainee	\$70 <u>\$60</u>
Registered business entity	\$60 <u>\$25</u>
Certified instructor	\$75 <u>\$25</u>

D. Reinstatement fees are as follows:

Certified general real estate appraiser	\$385
Certified residential real estate appraiser	\$385
Licensed residential real estate appraiser	\$385
Appraiser trainee	\$250
Registered business entity	\$280
Certified instructor	\$300

For licenses expiring on ~~February 28, 2018~~ May 31, 2021, and before ~~February 1, 2020~~ May 1, 2023, the reinstatement fees shall be as follows:

Certified general real estate appraiser	\$330 <u>\$320</u>
Certified residential real estate appraiser	\$330 <u>\$320</u>
Licensed residential real estate appraiser	\$330 <u>\$320</u>
Appraiser trainee	\$165 <u>\$155</u>
Registered business entity	\$220 <u>\$185</u>
Certified instructor	\$225 <u>\$25</u>

18VAC130-20-250. Reapproval of courses required.

Approval letters issued under this chapter for educational offerings shall expire two years from the last day of the month in which they were issued, as indicated in the approval letter. The reapproval fee shall be equivalent to the original approval fee specified in 18VAC130-20-240. For courses expiring on ~~February 28, 2018~~ May

31, 2021, and before ~~February 1, 2020~~ May 1, 2023, the course reapproval fee shall be ~~\$75~~ \$25.

VA.R. Doc. No. R21-6707; Filed March 3, 2021, 11:29 a.m.

TITLE 20. PUBLIC UTILITIES AND TELECOMMUNICATIONS

STATE CORPORATION COMMISSION

Final Regulation

REGISTRAR'S NOTICE: The State Corporation Commission is claiming an exemption from the Administrative Process Act in accordance with § 2.2-4002 A 2 of the Code of Virginia, which exempts courts, any agency of the Supreme Court, and any agency that by the Constitution is expressly granted any of the powers of a court of record.

Title of Regulation: 20VAC5-315. Regulations Governing Net Energy Metering (amending 20VAC5-315-20, 20VAC5-315-40, 20VAC5-315-50).

Statutory Authority: §§ 12.1-13 and 56-594 of the Code of Virginia.

Effective Date: March 15, 2021.

Agency Contact: Neil Joshipura, Utility Engineer, Public Utility Regulation Division, State Corporation Commission, P.O. Box 1197, Richmond, VA 23218, telephone (804) 225-3201, FAX (804) 371-9350, or email neil.joshipura@scc.virginia.gov.

Summary:

The amendments implement provisions enacted in Chapter 1188 of the 2020 Acts of Assembly, including (i) increasing the caps on participation in net metering by residential and nonresidential customers and (ii) adding the parameters under which the commission will conduct a net metering proceeding and establish the rules under which certain localities will be permitted to install solar-powered or wind-powered facilities. Changes to the proposed regulation conform the definitions of "net metering customer" and "renewable fuel generator" to § 56-594.01 of the Code of Virginia.

AT RICHMOND, MARCH 2, 2021

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

CASE NO. PUR-2020-00195

Ex Parte: In the matter of amending regulations governing net energy metering

ORDER ADOPTING REGULATIONS

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 et seq. (Net Energy Metering Rules), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Regulation Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia (Code), establish the requirements for participation by an eligible customer-generator in net energy metering in the Commonwealth. The Net Energy Metering Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.

On October 21, 2020, the Commission entered an Order Establishing Proceeding (Order) in this docket to consider revisions to the Net Energy Metering Rules to reflect statutory changes enacted by Chapter 1188 of the 2020 Acts of Assembly, which amended § 56-594 of the Code to (1) increase the caps on participation in net metering by residential and non-residential customers; (2) establish revised limits on capacity on net metering facilities based on the customer's expected annual energy consumption; (3) require the Commission to conduct a net metering proceeding under parameters set by the Code when certain criteria have been met; and (4) permit localities meeting criteria established in the Code to install solar or wind-powered facilities under parameters set forth in the statute.

The Commission appended to its Order proposed amendments (Proposed Rules) revising the Net Energy Metering Rules, which were prepared by the Staff of the Commission to reflect the revisions mandated by Chapter 1188.

Notice of the proceeding and the Proposed Rules were published in the Virginia Register of Regulations on November 23, 2020. Additionally, each Virginia electric distribution company was directed to serve a copy of the Order upon each of their respective net metering customers. Interested persons were directed to file any comments and requests for hearing on the Proposed Rules on or before December 22, 2020.

Virginia Electric and Power Company (Dominion) and the Association of Electric Cooperatives (Cooperatives) filed comments. The Commission also received electronic comments from one interested person. No one requested a hearing on the Proposed Rules.

Dominion states that "the proposed revisions track the changes made to Va. Code § 56-594." The Cooperatives propose changes to the definitions of "net metering customer" and "renewable fuel generator" to conform to the definitions of these terms for cooperatives provided in Code § 56-594.01. We agree with the Cooperatives and have modified 20 VAC 5-315-20 accordingly.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the revised regulations attached hereto as Appendix A should be adopted as final rules, as discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Net Energy Metering, as shown in Appendix A to this Order, are hereby adopted and are effective as of March 15, 2021.

(2) A copy of this Order with Appendix A including the Regulations Governing Net Energy Metering shall be forwarded to the Registrar of Regulations for publication in the Virginia Register of Regulations.

(3) An electronic copy of this Order with Appendix A shall be made available on the Division of Public Utility Regulation's section of the Commission's website: scc.virginia.gov/pages/Rulemaking.

(4) On or before May 1, 2021, each utility in the Commonwealth subject to Chapter 10 (§ 56-232 et seq.) of Title 56 of the Code of Virginia shall file in this docket, with the Clerk of the Commission, any revised tariff provisions necessary to implement the regulations adopted herein, and shall also provide a copy of the document containing the revised tariff provisions with the Commission's Division of Public Utility Regulation. The Clerk of the Commission need not distribute copies but shall make such filings available for public inspection in the Clerk's Office and post them on the Commission's website at: scc.virginia.gov/pages/Case-Information.

(5) This docket shall remain open to receive the filings from electric utilities pursuant to Ordering Paragraph (4).

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

20VAC5-315-20. Definitions.

The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Agricultural business" means any sole proprietorship, corporation, partnership, electing small business (Subchapter S) corporation, or limited liability company engaged primarily in the production and sale of plants and animals, products collected from plants and animals, or plant and animal services that are useful to the public.

"Agricultural net metering customer" means a customer that operates an electrical generating facility consisting of one or more agricultural renewable fuel generators having an aggregate generation capacity of not more than 500 kilowatts as part of an agricultural business under a net metering service arrangement. An agricultural net metering customer may be served by multiple meters ~~of one utility~~ serving the agricultural net metering customer that are located at ~~separate but contiguous~~ the same or adjacent sites and that may be aggregated into one account. This account shall be served under the appropriate tariff.

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"Agricultural renewable fuel generator" or "agricultural renewable fuel generating facility" means one or more electrical generators that:

1. Use as their sole energy source solar power, wind power, or aerobic or anaerobic digester gas;
2. The agricultural net metering customer owns and operates, or has contracted with other persons to own or operate, or both;
3. Are located on land owned or controlled by the agricultural business;
4. Are connected to the agricultural net metering customer's wiring on the agricultural net metering customer's side of the agricultural net metering customer's interconnection with the distributor;
5. Are interconnected and operated in parallel with an electric company's distribution facilities; and
6. Are used primarily to provide energy to metered accounts of the agricultural business.

"Billing period" means, as to a particular agricultural net metering customer or a net metering customer, the time period between the two meter readings upon which the electric distribution company and the energy service provider calculate the agricultural net metering customer's or net metering customer's bills.

"Billing period credit" means, for a nontime-of-use agricultural net metering customer or a nontime-of-use net metering customer, the quantity of electricity generated and fed back into the electric grid by the agricultural net metering customer's agricultural renewable fuel generator or by the net metering customer's renewable fuel generator in excess of the electricity supplied to the customer over the billing period. For time-of-use agricultural net metering customers or time-of-use net metering customers, billing period credits are determined separately for each time-of-use tier.

"Competitive service provider" means a person, licensed by the State Corporation Commission, that sells or offers to sell a competitive energy service within the Commonwealth. This term includes affiliated competitive service providers but does not include a party that supplies electricity or natural gas, or both, exclusively for its own consumption or the consumption of one or more of its affiliates. For the purpose of this chapter, competitive service providers include aggregators.

"Contiguous sites" means a group of land parcels in which each parcel shares at least one boundary point with at least one other parcel in the group. Property whose surface is divided only by public right-of-way is considered contiguous.

"Customer" means a net metering customer or an agricultural net metering customer.

"Demand charge-based time-of-use tariff" means a retail tariff for electric supply service that has two or more time-of-use tiers for energy-based charges and an electricity supply demand (kilowatt) charge.

"Electric cooperative" means an electric distribution company organized pursuant to Chapter 9.1 (§ 56-231.15 et seq.) of Title 56 of the Code of Virginia, owned by its members.

"Electric distribution company" means the entity that owns or operates the distribution facilities delivering electricity to the premises of an agricultural net metering customer or a net metering customer.

"Energy service provider (supplier)" means the entity providing electricity supply service, either tariffed or competitive service, to an agricultural net metering customer or a net metering customer.

"Excess generation" means the amount of electrical energy generated in excess of the electrical energy consumed by the agricultural net metering customer or net metering customer over the course of the net metering period. For time-of-use agricultural net metering customers or net metering customers, excess generation is determined separately for each time-of-use tier.

"Generator" or "generating facility" means an electrical generating facility consisting of one or more renewable fuel generators or one or more agricultural renewable fuel generators that meet the criteria under the definition of "net metering customer" and "agricultural net metering customer," respectively.

"Low-income utility customer" means the same as that term is defined in § 56-576 of the Code of Virginia.

"Net metering customer" means [, for an electric cooperative,] a customer owning and operating, or contracting with other persons to own or operate, or both, an electrical generating facility consisting of one or more renewable fuel generators having an aggregate generation capacity of not more than [20 ~~25~~] kilowatts for residential customers and not more than [one megawatt ~~three megawatts~~] for nonresidential customers. The generating facility shall be operated under a net metering service arrangement. [For an investor-owned electric distribution company, "net metering customer" means a customer owning and operating, or contracting with other persons to own or operate, or both, an electrical generating facility consisting of one or more renewable fuel generators having an aggregate generation capacity of not more than 25 kilowatts for residential customers and not more than three megawatts for nonresidential customers. The generating facility shall be operated under a net metering service arrangement.]

"Net metering period" means each successive 12-month period beginning with the first meter reading date following the final interconnection of an agricultural net metering customer or a net metering customer's generating facility consisting of one or more agricultural renewable fuel generators or one or more renewable fuel generators, respectively, with the electric distribution company's distribution facilities.

"Net metering service" means providing retail electric service to an agricultural net metering customer operating an agricultural renewable fuel generating facility or a net metering customer operating a renewable fuel generating facility and measuring the difference, over the net metering period, between the electricity supplied to the customer from the electric grid and the electricity generated and fed back to the electric grid by the customer.

"Nonprofit customer" or "not-for-profit customer" means a person that is exempt from federal income taxation, including (without limitation) schools, hospitals, institutions of higher education, public charities, and churches and other houses of religious worship, as determined by the Internal Revenue Service.

"Person" means any individual, sole proprietorship, corporation, limited liability company, partnership, association, company, business, trust, joint venture, or other private legal entity, the Commonwealth, or any city, county, town, authority, or other political subdivision of the Commonwealth.

"Phase I Utility" shall be defined in accordance with subdivision A 1 of § 56-585.1 of the Code of Virginia.

"Phase II Utility" shall be defined in accordance with subdivision A 1 of § 56-585.1 of the Code of Virginia.

"Purchase power agreement provider" or "PPA provider" means, in an electric cooperative service territory, a person registered with the commission's Division of Public Utility Regulation pursuant to 20VAC5-315-77 to offer third-party partial requirements power purchase agreements to customers.

"Registry" means, in reference to a PPA provider, the list of those persons registered with the commission's Division of Public Utility Regulation as PPA providers.

"Renewable Energy Certificate" or "REC" represents the renewable energy attributes associated with the production of one megawatt-hour (MWh) of electrical energy by a generator.

"Renewable fuel generator" or "renewable fuel generating facility" means one or more electrical generators that:

1. Use renewable energy, as defined by § 56-576 of the Code of Virginia, as their total fuel source;
2. The net metering customer owns and operates, or has contracted with other persons to own or operate, or both;
3. Are located on ~~the net metering customer's premises~~ land owned or leased by the net metering customer and connected to the net metering customer's wiring on the net metering customer's side of its interconnection with the distributor;
4. Are interconnected pursuant to a net metering arrangement and operated in parallel with the electric distribution company's distribution facilities; and
5. Are intended primarily to offset all or part of the net metering customer's own electricity requirements. [~~The~~ For an electric cooperative, the] capacity of any generating

facility installed on or after July 1, 2015, shall not exceed the expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available. [For an investor-owned electric distribution company, the capacity of any generating facility installed between July 1, 2015, and July 1, 2020, shall not exceed the expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available.]

"Small agricultural generating facility" means an electrical generating facility that:

1. Has a capacity of not more than 1.5 megawatts and does not exceed 150% of the customer's expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available;
2. Uses as its total source of fuel renewable energy;
3. Is located on the customer's premises and is interconnected with the utility's distribution system through a separate meter;
4. Is interconnected and operated in parallel with an electric utility's distribution system but not transmission facilities;
5. Is designed so that the electricity generated is expected to remain on the utility's distribution system; and
6. Is a qualifying small power production facility pursuant to the Public Utility Regulatory Policies Act of 1978 (P.L. 95-617).

"Small agricultural generator" means a customer that:

1. Is not an eligible agricultural customer-generator pursuant to § 56-594 of the Code of Virginia;
2. Operates a small agricultural generating facility as part of an agricultural business;
3. May be served by multiple meters that are located at separate but contiguous sites;
4. May aggregate the electricity consumption measured by the meters, solely for purposes of calculating 150% of the customer's expected annual energy consumption but not for billing or retail service purposes, provided that the same utility serves all of its meters;
5. Uses not more than 25% of the contiguous land owned or controlled by the agricultural business for purposes of the renewable energy generating facility; and
6. Provides the electric utility with a certification, attested under oath, as to the amount of land being used for renewable generation.

"System peak" for an electric cooperative, means the highest peak, based on the noncoincident peak of the electric cooperative or the coincident peak of all of the electric cooperative's customers of the past three years listed in Part O, Line 20 of Form 7 (Financial And Operating Report - Electric

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Distribution) filed with the U.S. Department of Agriculture's Rural Utilities Service (RUS), or an equivalent form if a cooperative is not an RUS borrower, less any portion of the cooperative's total load that is served by a competitive service provider or by a market-based rate.

"Third-party partial requirements power purchase agreement" or "third-party PPA" means, for an electric cooperative, an agreement entered into pursuant to § 56-594.01 K of the Code of Virginia between a customer engaging in net energy metering and a registered PPA provider pursuant to 20VAC5-315-77.

"Time-of-use customer" means an agricultural net metering customer or net metering customer receiving retail electricity supply service under a demand charge-based time-of-use tariff.

"Time-of-use period" means an interval of time over which the energy (kilowatt-hour) rate charged to a time-of-use customer does not change.

"Time-of-use tier" or "tier" means all time-of-use periods given the same name (e.g., on-peak, off-peak, critical peak, etc.) for the purpose of time-differentiating energy (kilowatt-hour)-based charges. The rates associated with a particular tier may vary by day and by season.

20VAC5-315-40. Conditions of interconnection.

A. A prospective customer may begin operation of the generating facility on an interconnected basis when:

1. The customer has properly notified both the electric distribution company and energy service provider (in accordance with 20VAC5-315-30) of the customer's intent to interconnect.
2. If required by the electric distribution company's tariff, the customer has installed a lockable, electric distribution company accessible, load breaking manual disconnect switch at each of the facility's generators.
3. The licensed electrician who installs the customer's generator certifies, by signing the commission-approved notification form, that any required manual disconnect switch is being installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. If the customer or licensed Virginia Class A or B general contractor installs the customer's generator, the signed final electrical inspection can be used in lieu of the licensed electrician's certification.
4. The vendor certifies by signing the commission-approved notification form that the generator being installed is in compliance with the requirements established by Underwriters Laboratories or other national testing laboratories in accordance with IEEE Standard 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003.
5. In the case of static inverter-connected generators with an alternating current capacity in excess of 10 kilowatts, the customer has had the inverter settings inspected by the

electric distribution company. The electric distribution company may impose a fee on the customer of no more than \$50 for each generator that requires this inspection.

6. In the case of nonstatic inverter-connected generators, the customer has interconnected according to the electric distribution company's interconnection guidelines and the electric distribution company has inspected all protective equipment settings. The electric distribution company may impose a fee on the customer of no more than \$50 for each generator that requires this inspection.

7. The following requirements shall be met before interconnection may occur:

- a. Electric distribution facilities and customer impact limitations. A customer's generator shall not be permitted to interconnect to distribution facilities if the interconnection would reasonably lead to damage to any of the electric distribution company's facilities or would reasonably lead to voltage regulation or power quality problems at other customer revenue meters due to the incremental effect of the generator on the performance of the electric distribution system, unless the customer reimburses the electric distribution company for its cost to accommodate the interconnection, including the reasonable cost of equipment required for the interconnection.
- b. Secondary, service, and service entrance limitations. The capacity of the generators at any one service location shall be less than the capacity of the electric distribution company-owned secondary, service, and service entrance cable connected to the point of interconnection, unless the customer reimburses the electric distribution company for the reasonable cost of equipment required for the interconnection.
- c. Transformer loading limitations. A customer's generator shall not have the ability to overload the electric distribution company's transformer, or any transformer winding, beyond manufacturer or nameplate ratings, unless the customer reimburses the electric distribution company for the reasonable cost of equipment required for the interconnection.
- d. Integration with electric distribution company facilities grounding. The grounding scheme of each generator shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003, and shall be consistent with the grounding scheme used by the electric distribution company. If requested by a prospective customer, the electric distribution company shall assist the prospective customer in selecting a grounding scheme that coordinates with its distribution system.
- e. Balance limitation. The generator shall not create a voltage imbalance of more than 3.0% at any other customer's revenue meter if the electric distribution company transformer, with the secondary connected to the

point of interconnection, is a three-phase transformer, unless the customer reimburses the electric distribution company for the reasonable cost of equipment required for the interconnection.

B. For an investor-owned electric distribution company, a prospective customer or small agricultural generator shall not be allowed to interconnect a generator to the distribution system if doing so will cause the total rated generating alternating current capacity of all interconnected net metered generators, as defined in 20VAC5-315-20, within that customer's electric distribution company's Virginia service territory to exceed ~~1.0%~~ 6.0%, in the aggregate, 5.0% that is available to all customers and 1.0% that is available only to low-income utility customers of that company's adjusted Virginia peak-load forecast for the previous year. In any case where a prospective customer has submitted a notification form required by 20VAC5-315-30 and that customer's interconnection would cause the total rated generating alternating current capacity of all interconnected net metered generators, as defined in 20VAC5-315-20, within that investor-owned electric distribution company's service territory to exceed ~~1.0% of that company's Virginia peak load forecast for the previous year~~ the limitations described in this subsection, the electric distribution company shall, at the time it becomes aware of the fact, send written notification to the prospective customer and to the commission's Division of Public Utility Regulation that the interconnection is not allowed. In addition, upon request from any customer, the electric distribution company shall provide to the customer the amount of capacity still available for interconnection pursuant to § 56-594 D of the Code of Virginia.

C. For an electric cooperative, a prospective customer shall not be allowed to interconnect a generator to the distribution system if doing so will cause the total rated generating alternating current capacity of all interconnected net metered generators, as defined in 20VAC5-315-20, within the cooperative's Virginia service territory to exceed the following percentages of system peak: (i) for nonjurisdictional and nonprofit customers, 2.0% of the cooperative's system peak; (ii) for residential customers, 2.0% of the cooperative's system peak; or (iii) for other nonresidential customers, 1.0% of the cooperative's system peak. Such caps shall not decrease but may increase if the system peak in any year exceeds the previous year's system peak. For purposes of calculating the caps established in this subsection, all net energy metering shall be counted, whenever interconnected, and shall include net energy metering interconnected pursuant to § 56-594 of the Code of Virginia, agricultural net energy metering, and any net energy metering entered into with a third-party PPA provider registered pursuant to § 56-594.01 K of the Code of Virginia. Net energy metering with nonjurisdictional customers entered into prior to July 1, 2019, may be counted toward the caps, in the discretion of the cooperative, as net energy metering if the nonjurisdictional customer takes service pursuant to a cooperative's net energy metering rider. Net energy metering

with nonjurisdictional customers entered into on or after July 1, 2019, shall be counted toward the caps by default unless the cooperative has reason to exclude such net energy metering as subject to a separate contract or arrangement. Each electric cooperative governed by this section shall publish information regarding the calculation and status of its caps, or the electric cooperative's systemwide cap established via § 56-585.4 or 56-594.01 G of the Code of Virginia if applicable, on the electric cooperative's website. In any case where a prospective customer has submitted a notification form required by 20VAC5-315-30 and that customer's interconnection would cause the total rated generating alternating current nameplate capacity of all interconnected net metered generators to exceed the percentages stated in this subsection, the electric cooperative shall, at the time it becomes aware of the fact, send written notification to the prospective customer and to the commission's Division of Public Utility Regulation that the interconnection is not allowed and shall update its website. In addition, upon request from any customer, the electric distribution company shall provide to the customer the amount of capacity still available for interconnection pursuant to § 56-594.01 F of the Code of Virginia.

D. Neither the electric distribution company nor the energy service provider shall impose any charges upon a customer for any interconnection requirements specified by this chapter, except as provided under subdivisions A 5, A 6, and A 7 of this section, 20VAC5-315-50, and 20VAC5-315-70 as related to additional metering.

E. A customer shall immediately notify the electric distribution company of any changes in the ownership of, operational responsibility for, or contact information for any of the customer's generators.

F. The capacity of any generating facility installed between July 1, 2015, and July 1, 2020, shall not exceed the expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available. In the certificated service territory of a Phase I Utility, the capacity of any generating facility installed pursuant to this section after July 1, 2020, shall not exceed 100% of the expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available. In the certificated service territory of a Phase II Utility, the capacity of any generating facility installed pursuant to this section after July 1, 2020, shall not exceed 150% of the expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available.

20VAC5-315-50. Metering, billing, payment and contract or tariff considerations.

Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both

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directions. Each contract or tariff governing the relationship between a customer, electric distribution company, or energy service provider shall be identical, with respect to the rate structure, all retail rate components, and monthly charges, to the contract or tariff under which the same customer would be served if such customer were not an agricultural net metering customer or a net metering customer with the exceptions that a residential net metering customer or an agricultural net metering customer in the service territory of a Phase II Utility whose generating facility has a capacity that exceeds 40 15 kilowatts shall pay any applicable tariffed monthly standby charges to the supplier, and that time-of-use metering under an electricity supply service tariff having no demand charges is not permitted. Said contract or tariff shall be applicable to both the electric energy supplied to, and consumed from, the grid by that customer. For customers of all other investor-owned utilities, on and after July 1, 2020, standby charges are prohibited for any residential net metering customer or agricultural net metering customer.

In instances where a customer's metering equipment is of a type for which meter readings are made off site and where this equipment has, or will be, installed for the convenience of the electric distribution company, the electric distribution company shall provide the necessary additional metering equipment to enable net metering service at no charge to the customer. In instances where a customer has requested, and where the electric distribution company would not have otherwise installed, metering equipment that is intended to be read off site, the electric distribution company may charge the customer its actual cost of installing any additional equipment necessary to implement net metering service. A time-of-use customer shall bear the incremental metering costs associated with net metering. Any incremental metering costs associated with measuring the output of any generator for the purposes of receiving renewable energy certificates shall be installed at the customer's expense unless otherwise negotiated between the customer and the REC purchaser. Agricultural net metering customers may be responsible for the cost of additional metering equipment necessary to accomplish account aggregation.

The customer shall receive no compensation for excess generation unless the customer has entered into a power purchase agreement with its supplier.

Upon the written request of the customer, the customer's supplier shall enter into a power purchase agreement for the excess generation for one or more net metering periods, as requested by the customer. The written request of the customer shall be submitted prior to the beginning of the first net metering period covered by the power purchase agreement. The power purchase agreement shall be consistent with this chapter. If the customer's supplier is an investor-owned electric distribution company, the supplier shall be obligated by the power purchase agreement to purchase the excess generation for the requested net metering periods at a price equal to the PJM Interconnection, L.L.C. (PJM) zonal day-ahead annual,

simple average LMP (locational marginal price) for the PJM load zone in which the electric distribution company's Virginia retail service territory resides (simple average of hourly LMPs, by tiers, for time-of-use customers), as published by the PJM Market Monitoring Unit, for the most recent calendar year ending on or before the end of each net metering period, unless the electric distribution company and the customer mutually agree to a higher price or unless, after notice and opportunity for hearing, the commission establishes a different price or pricing methodology. If the Virginia retail service territory of the investor-owned electric distribution company does not reside within a PJM load zone, the power purchase agreement shall obligate the electric distribution company to purchase excess generation for the requested net metering periods at a price equal to the systemwide PJM day-ahead annual, simple average LMP (simple average of hourly LMPs, by tiers, for time-of-use customers), as published by the PJM Market Monitoring Unit, for the most recent calendar year ending on or before the end of each net metering period, unless the electric distribution company and the customer mutually agree to a higher price or unless, after notice and opportunity for hearing, the commission establishes a different price or pricing methodology.

If the customer's supplier is a member-owned electric cooperative, the supplier shall be obligated by the power purchase agreement to purchase excess generation for the requested net metering periods at a price equal to the simple average (by tiers for time-of-use customers) of the electric cooperative's hourly avoidable cost of energy, including fuel, based on the energy and energy-related charges of its primary wholesale power supplier for the net metering period, unless the electric distribution company and the customer mutually agree to a higher price or unless, after notice and opportunity for hearing, the commission establishes a different price or pricing methodology.

If the customer's supplier is a competitive service provider, the supplier shall be obligated by the power purchase agreement to purchase the excess generation for the requested net metering periods at a price equal to the systemwide PJM day-ahead annual, simple average LMP (simple average of hourly LMPs, by tiers, for time-of-use customers), as published by the PJM Market Monitoring Unit, for the most recent calendar year ending on or before the end of each net metering period, unless the supplier and the customer mutually agree to a higher price or unless, after notice and opportunity for hearing, the commission establishes a different price or pricing methodology.

The customer's supplier shall make full payment annually to the customer within 30 days following the latter of the end of the net metering period or, if applicable, the date of the PJM Market Monitoring Unit's publication of the previous calendar-year's applicable zonal or systemwide PJM day-ahead annual, simple average LMP, or hourly LMP, as appropriate. The supplier may offer the customer the choice of an account credit in lieu of a direct payment. The option of a customer to request

payment from its supplier for excess generation and the price or pricing formula shall be clearly delineated in the net metering tariff of the electric distribution company or timely provided by the customer's competitive supplier, as applicable. A copy of such tariff, or an Internet link to such tariff, at the option of the customer, shall be provided to each prospective customer requesting interconnection of a generating facility. A competitive service provider shall provide in its contract with the customer the price or pricing formula for excess generation.

For a nontime-of-use customer, in any billing period in which there is a billing period credit, the customer shall be required to pay only the nonusage sensitive charges, including any applicable standby charges, for that billing period. For a time-of-use customer, in any billing period for which there are billing period credits in all tiers, the customer shall be required to pay only the demand charges, nonusage sensitive charges, and any applicable standby charges for that billing period. Any billing period credits shall be accumulated, carried forward, and applied at the first opportunity to any billing periods having positive net consumptions (by tiers, in the case of time-of-use customers). However, any accumulated billing period credits remaining unused at the end of a net metering period shall be carried forward into the next net metering period only to the extent that such accumulated billing period credits carried forward do not exceed the customer's billed consumption for the current net metering period, adjusted to exclude accumulated billing period credits carried forward and applied from the previous net metering period (recognizing tiers for time-of-use customers).

A customer owns any renewable energy certificates (RECs) associated with the total output of its generating facility. A supplier is only obligated to purchase a customer's RECs if the customer has exercised its one-time option at the time of signing a power purchase agreement with its supplier to include a provision requiring the purchase by the supplier of all generated RECs over the duration of the power purchase agreement.

Payment for all whole RECs purchased by the supplier during a net metering period in accordance with the power purchase agreement shall be made at the same time as the payment for any excess generation. The supplier will post a credit to the customer's account, or the customer may elect a direct payment. Any fractional REC remaining shall not receive immediate payment but may be carried forward to subsequent net metering periods for the duration of the power purchase agreement.

The rate of the payment by the supplier for a customer's RECs shall be the daily unweighted average of the "CR" component of Virginia Electric and Power Company's Virginia jurisdiction Rider G tariff in effect over the period for which the rate of payment for the excess generation is determined, unless the customer's supplier is not Virginia Electric and Power Company, and that supplier has an applicable Virginia retail renewable energy tariff containing a comparable REC

commodity price component, in which case that price component shall be the basis of the rate of payment. The commission may, with notice and opportunity for hearing, set another rate of payment or methodology for setting the rate of payment for RECs.

To the extent that RECs are not sold to the customer's supplier, they may be sold to any willing buyer at any time at a mutually agreeable price.

VA.R. Doc. No. R21-6241; Filed March 2, 2021, 4:12 p.m.

GUIDANCE DOCUMENTS

PUBLIC COMMENT OPPORTUNITY

Pursuant to § 2.2-4002.1 of the Code of Virginia, a certified guidance document is subject to a 30-day public comment period after publication in the Virginia Register of Regulations and prior to the guidance document's effective date. During the public comment period, comments may be made through the Virginia Regulatory Town Hall website (<http://www.townhall.virginia.gov>) or sent to the agency contact. Under subsection C of § 2.2-4002.1, the effective date of the guidance document may be delayed for an additional period. The guidance document may also be withdrawn.

The following guidance documents have been submitted for publication by the listed agencies for a public comment period. Online users of this issue of the Virginia Register of Regulations may click on the name of a guidance document to access it. Guidance documents are also available on the Virginia Regulatory Town Hall (<http://www.townhall.virginia.gov>) or from the agency contact or may be viewed at the Office of the Registrar of Regulations, 900 East Main Street, Richmond, Virginia 23219.

COMMON INTEREST COMMUNITY BOARD

Title of Document: [Distribution of Time-Share Public Offering Statements and Purchaser Opportunity to Review Public Offering Statement Prior to Execution of a Contract.](#)

Public Comment Deadline: April 28, 2021.

Effective Date: April 29, 2021.

Agency Contact: Joseph C. Haughwout, Jr., Board Administrator, Common Interest Community Board, 9960 Mayland Drive, Suite 400, Richmond, VA 23233, telephone (804) 367-8510, or email cic@dpor.virginia.gov.

STATE BOARD OF EDUCATION

Title of Document: [Digital Devices in the Classroom - Health and Safety Guidelines.](#)

Public Comment Deadline: April 28, 2021.

Effective Date: April 29, 2021.

Agency Contact: Michael Bolling, Assistant Superintendent for Learning and Innovation, Department of Education, 101 North 14th Street, Richmond, VA 23238, telephone (804) 225-2034, or email michael.bolling@doe.virginia.gov.

STATE BOARD OF HEALTH

Title of Document: [Virginia's Vibrio Control Plan.](#)

Public Comment Deadline: April 28, 2021.

Effective Date: April 29, 2021.

Agency Contact: Adam Wood, Growing Area Manager, Virginia Department of Health, 109 Governor Street, 6th Floor, Richmond, VA 23210, telephone (804) 864-7479, or email adam.wood@vdh.virginia.gov.

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Titles of Documents: [Allowance of Preferred Office-Based Opioid Treatment \(OBOT\) Services Delivery via Mobile Units.](#)

[Employment and Community Transportation \(ECT\).](#)

[Information Regarding Department of Medical Assistance Services \(DMAS\) Client Appeals \(State Fair Hearing\).](#)

Public Comment Deadline: April 28, 2021.

Effective Date: April 29, 2021.

Agency Contact: Emily McClellan, Policy and Research, Department of Medical Assistance Services, 600 East Broad Street, Suite 1300, Richmond, VA 23219, telephone (804) 371-6043, or email emily.mcclellan@dmas.virginia.gov.

STATE BOARD OF SOCIAL SERVICES

Titles of Documents: [Child and Family Services Manual, Chapter B, Prevention Services.](#)

[Child and Family Services Manual, Chapter C, Child Protective Services.](#)

Public Comment Deadline: April 28, 2021.

Effective Date: April 29, 2021.

Agency Contact: Nikki Clarke Callaghan, Legislation, Regulations, and Guidance Manager, Department of Social Services, 801 East Main Street, Richmond, VA 23219, telephone (804) 726-7943, or email nikki.clark@dss.virginia.gov.

GENERAL NOTICES

DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES

Proposed Variances to the Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental Services

Notice of action: The Department of Behavioral Health and Developmental Services (DBHDS), in accordance with Part VI, Variances (12VAC35-115-220), of the Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental Services (12VAC35-115), hereafter referred to as the "Human Rights Regulations," is announcing an opportunity for public comment on an application for proposed variances to the Human Rights Regulations submitted to the State Human Rights Committee (SHRC). The purpose of the regulations is to ensure and protect the legal and human rights of individuals receiving services in facilities or programs operated, licensed, or funded by DBHDS.

Each variance application references the specific part of these regulations to which a variance is needed, the proposed wording of the substitute rule or procedure, and the justification for a variance. Such application also describes time limits and other conditions for duration and the circumstances that will end the applicability of the variance. After considering all available information, including comments, the SHRC intends to submit a written decision deferring, disapproving, modifying, or approving each variance application. All variances shall be approved for a specific time period. The decision and reasons for variance will be published in a later issue of the Virginia Register.

Purpose of notice: The SHRC is seeking comment on the application for proposed new variances to the Human Rights Regulations for the DBHDS Virginia Center for Behavioral Rehabilitation (VCBR).

Variance to Procedures for 12VAC35-115-150 General Provisions; 12VAC35-115-175, Human Rights Complaint Process; 12VAC35-115-180 Local Human Rights Committee Hearing and Review Procedures; 12VAC35-115-190 Special Procedures for Emergency Hearings by the LHRC; 12VAC35-115-200 Special Procedures for LHRC Reviews Involving Consent and Authorization; and 12VAC35-115-210 State Human Rights Committee Appeals Procedures.

Explanation: Prior to 2010, VCBR followed the complaint process outlined in the Human Rights Regulations. As the census of the facility grew, the volume of complaints from residents overburdened the local human rights committee (LHRC) and became a treatment distraction for residents. The modified resident complaint process provides a similar level of

review to the regulations listed. This modified complaint process allows for a review of complaints at a "Formal" and "Director" level within the facility. The "Complaints Coordinator" of the facility meets with the resident at the Formal level in an attempt to resolve the issue at hand. At the Director level, the facility director or designee reviews the complaint and attempts to resolve the issue at hand. If the resident is not satisfied with the determination or actions by the facility, the resident may appeal the decision to the VCBR Complaints Appeal Committee. This Appeal Committee is comprised of two members of the SHRC and the Director of the DBHDS Office of Human Rights. Of note, having the Appeal Committee ensures that there is still a process in place for a final review by individuals not affiliated with the facility.

Variance to Procedures for 12VAC35-115-100 B 5, Restrictions on Freedoms of Everyday Life - LHRC Review of imposed restrictions that last longer than seven days/imposed three or more times during a 30-day period.

Explanation: This variance permits VCBR to place a resident on restriction, under this subsection or under 12VAC35-115-50, which lasts longer than seven days or is imposed three or more times in a 30-day time period without the approval of a LHRC. Sexually violent predators may engage in behaviors that require an immediate restriction to ensure safety. It is necessary to implement restrictions in a timely manner so that the safety of residents and the general public is maintained. Prior review of a restriction by a LHRC may delay the implementation or continuation of a necessary restriction, increasing risk. Sexually violent predators may plan dangerous actions to circumvent established timeframes for review (e.g., seven or 30 days). Longer and more frequent restrictions, as determined by the individual's treatment team, may be required to assure the safety of residents, staff, and the general public. An individual may utilize the facility complaint process to request review of an imposed restriction.

Procedures for ensuring residents' freedoms of everyday life within VCBR and procedures for implementing restrictions on those freedoms shall be outlined in Facility Instruction No. 201, Restrictions on Freedoms of Everyday Life.

Variance to Procedures for 12VAC35-115-50 C 3 a - reasonable privacy and private storage space.

Explanation: While VCBR is substantially able to meet the requirements of this section, the facility does "double-bunk" individuals in rooms that are approximately 85 square feet. The facility provides private (lockable) storage spaces to residents in their rooms.

Variances to these regulations by the state facility listed are reviewed by the SHRC at least annually, with reports to the SHRC regarding the variances as requested.

Public comment period: March 29, 2021, through April 12, 2021.

General Notices

Description of proposal: The proposed variance application must comply with the general requirements of Part VI, Variances (12VAC35-115-220), of the Human Rights Regulations.

How to comment: The SHRC accepts written comments by email, fax, and postal mail. In order to be considered, comments must include the full name, address, and telephone number of the person commenting and be received by DBHDS, who will provide them to the SHRC, by the last day of the comment period. All information received is part of the public record.

To review a proposal: Variance applications and any supporting documentation may be obtained by contacting the DBHDS representative listed.

Contact Information: Taneika Goldman, Director, Office of Human Rights, Department of Behavioral Health and Developmental Services, 1220 East Bank Street, P.O. Box 1797, Richmond, VA 23218-1797, telephone (804) 371-0064, FAX (833) 734-1241, or email taneika.goldman@dbhds.virginia.gov.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Fountain Creek Solar Withdrawal of Notice of Intent for Small Renewable Energy Project (Solar) - Greensville County

Fountain Creek Solar LLC has withdrawn the notice of intent to submit the necessary documentation for a permit by rule for a small renewable energy project (solar) pursuant to 9VAC15-60. The original notice of intent was published in the Virginia Register of Regulations on February 20, 2019.

Contact Information: Cindy Berndt, Regulatory Coordinator, Department of Environmental Quality, 1111 East Main Street, Suite 1400, P.O. Box 1105, Richmond, VA 23218, telephone (804) 698-4378, FAX (804) 698-4178.

Piney Creek Solar Withdrawal of Notice of Intent for Small Renewable Energy Project (Solar) - Halifax County

Piney Creek Solar LLC has withdrawn the notice of intent to submit the necessary documentation for a permit by rule for a small renewable energy project (solar) pursuant to 9VAC15-60. The original notice of intent was published in the Virginia Register of Regulations on October 1, 2018.

Contact Information: Cindy Berndt, Regulatory Coordinator, Department of Environmental Quality, 1111 East Main Street, Suite 1400, P.O. Box 1105, Richmond, VA 23218, telephone (804) 698-4378, FAX (804) 698-4178.

DEPARTMENT OF GENERAL SERVICES

Request for Comments on Revision to Fees for Drinking Water Laboratory Certification (1VAC30-41-270)

Effective May 1, 2021, to April 30, 2022

Purpose of notice and background information: The Division of Consolidated Laboratory Services (DCLS) is seeking comment on the revision to fees charged for certifying drinking water laboratories under 1VAC30-41-270.

1VAC30-41-270 I 2 requires DCLS to increase or decrease annually the fees charged for certifying drinking water laboratories using the Consumer Price Index-Urban percentage change, average to average for the previous calendar year published by the U.S. Bureau of Labor Statistics in January. The percentage change, average to average for 2020 is an additional 1.2%. See the table labeled "Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, index averages" in the following document (page 4): bls.gov/cpi/tables/supplemental-files/historical-cpi-u-202012.pdf.

The revised fees are exempt from the requirements of the Administrative Process Act. Item 76 C 3 a of Part I of Chapter 1289 of the 2020 Acts of Assembly (the Budget of the Commonwealth of Virginia effective July 1, 2020) requires DCLS to provide notice and an opportunity to submit written comments on the revised fees.

The notice of fees for May 1, 2021, through April 30, 2022, will be published on the DCLS drinking water laboratory certification webpage after consideration of submitted comments.

Public comment period: March 29, 2021, through April 28, 2021.

How to comment: DCLS accepts written comments by email, fax, and postal mail. In order to be considered, comments must include the full name, address, and telephone number of the person commenting and be received by DCLS by the last day of the comment period. All materials received are part of the public record. Email comments should be sent to rhonda.bishton@dgs.virginia.gov. The number for faxed comments is (804) 371-8305. Written comments should be sent to Rhonda Bishton, Regulatory Coordinator, Department of General Services, Attn: DCLS DW Fee Comments, 1100 Bank Street, Richmond, VA, 23219.

DCLS requests comments on the revised fees in the notice below.

NOTICE OF FEES FOR MAY 1, 2021 – APRIL 30, 2022

TESTING CATEGORY	FEE (\$)
Microbiological testing	
1 - 2 methods	667
3 - 5 methods	777
6+ methods	889
Inorganic chemistry, nonmetals testing	
1 - 2 methods	722
3 - 5 methods	942
6 - 8 methods	1166
9+ methods	1387
Inorganic chemistry, metals testing	
1 - 2 methods	1109
3 - 5 methods	1331
6+ methods	1551
Organic chemistry	
1 - 2 methods	1166
3 - 5 methods	1387
6 - 8 methods	1608
9+ methods	1832
Radiochemistry	
1 - 2 methods	1221
3 - 5 methods	1442
6+ methods	1665
Asbestos	
1 - 2 methods	998
3 - 5 methods	1221
6+ methods	1442

General Notices

How fees are calculated: DCLS calculates a laboratory's total fee by adding the fees for the number of test methods in each category in the fee table for which the laboratory is certified or applies to be certified. Contact Lab_Cert@dgs.virginia.gov for more information about the fee category for a specific method.

Additional fees apply when a laboratory:

- Applies for modification of certification under 1VAC30-41-110
- Is moving its location when the move requires DCLS to perform an onsite assessment
- Requests reinstatement of certification when DCLS requires an onsite assessment

Hourly review fee and calculation of total fee. The fee to be charged is the sum of the total hourly charges for all reviewers plus any onsite assessment costs incurred. The hourly charge per reviewer is \$68. The charge per reviewer is determined by multiplying the number of hours expended in the review by \$68.

Onsite review and travel expenses. If an onsite review is required, travel time and onsite review time will be charged at the same hourly rate of \$68 and any travel expenses will be added.

When to pay: Payment is due at the time the application is made or annually thereafter upon receipt of the invoice from DCLS. Annual billing precedes the expiration of the current certificate.

How to pay: Fees may be paid by check, draft, or postal money order payable to the Treasurer, Commonwealth of Virginia, or submitted electronically, if available. Payment must be in United States currency, except that agencies and institutions of the Commonwealth of Virginia may submit interagency transfers for the amount of the fee. Laboratories may also pay fees using credit cards. All fees must be sent to the following address, or submitted electronically, if available: DCLS, Attn: Lab Certification, 600 North 5th Street, Richmond, VA 23219. A fee payment form is available on the Drinking Water page of the DCLS website at www.dgs.virginia.gov/dcls.

Contact Information: Rhonda Bishton, Director's Executive Administrative Assistant, Department of General Services, 1100 Bank Street, Suite 420, Richmond, VA 23219, telephone (804) 786-3311, FAX (804) 371-8305.

STATE WATER CONTROL BOARD

Proposed Enforcement Action for Monoflo International Inc.

An enforcement action has been proposed for Monoflo International Inc. for violations at the Monoflo International facility in Frederick County. The State Water Control Board proposes to issue a consent order with penalty to the Monoflo International Inc. to address noncompliance with State Water Control Law. A description of the proposed action is available at the Department of Environmental Quality office listed or online at www.deq.virginia.gov. The staff contact person will accept comments by email, fax (please include recipient's full name and sender's name and phone number), or postal mail from March 29, 2021, to April 28, 2021.

Contact Information: Eric Millard, Department of Environmental Quality, Valley Regional Office, 4411 Early Road, P.O. Box 3000, Harrisonburg, VA 22801, FAX (804) 698-4178, or email eric.millard@deq.virginia.gov.

VIRGINIA CODE COMMISSION

Notice to State Agencies

Contact Information: *Mailing Address:* Virginia Code Commission, Pocahontas Building, 900 East Main Street, 8th Floor, Richmond, VA 23219; *Telephone:* (804) 698-1810; *Email:* varegs@dls.virginia.gov.

Meeting Notices: Section 2.2-3707 C of the Code of Virginia requires state agencies to post meeting notices on their websites and on the Commonwealth Calendar at <https://commonwealthcalendar.virginia.gov>.

Cumulative Table of Virginia Administrative Code Sections Adopted, Amended, or Repealed: A table listing regulation sections that have been amended, added, or repealed in the *Virginia Register of Regulations* since the regulations were originally published or last supplemented in the print version of the Virginia Administrative Code is available at <http://register.dls.virginia.gov/documents/cumultab.pdf>.

Filing Material for Publication in the *Virginia Register of Regulations*: Agencies use the Regulation Information System (RIS) to file regulations and related items for publication in the *Virginia Register of Regulations*. The Registrar's office works closely with the Department of Planning and Budget (DPB) to coordinate the system with the Virginia Regulatory Town Hall. RIS and Town Hall complement and enhance one another by sharing pertinent regulatory information.