

Chuck Drago, Interim Secretary

Charlie Crist, Governor

June 30, 2008

**RE: Division Policy Statement and Proposed Rulemaking Regarding
Slot Machine Operations**

Dear Madam or Sir:

The Department of Business and Professional Regulation, Division of Pari-Mutuel Wagering (the Division), intends to submit rule language for slot machine operations regarding: revised Definitions; Occupational License Requirements; Excluded Persons; Percentage Payout and Odds; Facility Based Monitoring System Required Reports; and Penalties and Fines for occupational licensees.

The Division intends to submit the attached new rules for promulgation in the formal rulemaking process. Until such time as these changes are formally published as a new or updated rule, the Division shall require compliance with these rules.

The Division has initiated rulemaking regarding changes to Rule 61D-14. Until this rule is formally published, the attached rules are to be followed as policy of the Division regarding slot machine operations.

The policy requirements of Rules 61D-14.048, Facility Based Monitoring System Required Reports, will be phased in at the facilities to be effective on or before October 31, 2008. If you have any questions or require assistance with these procedures, please contact us.

Sincerely,



David J. Roberts
Director

DJR/lm

Enclosures:

- Rule 61D-14.001 General Definitions
- Rule 61D-14.005 Occupational License Requirements for Individual Persons
- Rule 61D-14.016 Operational Requirements
- Rule 61D-14.020 Excluded Persons
- Rule 61D-14.038 Percentage Payout and Odds
- Rule 61D-14.048 Facility Based Monitoring System Required Reports
- Rule 61D-14.100 Determination and Imposition of Penalty
- Rule 61D-14.101 Time for Payment of Fines
- Rule 61D-14.102 Individual Violations and Fine Schedule
- Rule 61D-14.104 Citation Authority
- Rule 61D-14.105 Disciplinary Guidelines
- Rule 61D-14.106 Post Final Order Actions

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61D-14.001 General Definitions.

The following words and terms, when used in these regulations, shall have the following meanings unless the context clearly indicates otherwise:

(1) through (2) No Change.

(3) "Base amount" means the initial amount of a progressive slot machine game payoff schedule offered to the public for slot machine gaming at the start of the game.

(4)(3) "Bill" means a piece of United States paper currency.

(5) "Cash equivalent" means the value of a prize intended to be awarded as the result of slot machine gaming expressed in terms of United States dollars and cents, determined in advance of a slot machine gaming event.

(6) "Cashless system" means a system that allows players to access funds for the purposes of engaging in the play of gaming devices through the use of magnetic strip player card, Smart Card, or other means or device, that accesses a player's account on the player accounting system in the slot machine licensee's facility. In a cashless system:

(a) Funds may be added to a player cashless account via a cashier station, any supporting gaming machine (through the insertion of tickets/vouchers, bills and coupons), or a kiosk or equivalent terminal.

(b) The system is characterized as a host computer system upon which a player maintains an electronic account in the slot machine licensee's player accounting system database. A slot machine licensee may employ any secure method of uniquely identifying patrons in its player accounting system database. Such a method may include the issue of a unique magnetic card and personnel identification number (PIN) to a patron to permit access to the slot machine licensee's player accounting system database.

(c) All monetary transactions between a supporting gaming machine, kiosk, or equivalent terminal and the host shall be secured by a minimum of two factor authentication. After authentication, the system or device shall present transfer options to the patron which require selection using a keypad/touch screen before the funds are transferred. Players shall be provided one or more optional methods of transferring credits. The systems shall provide as least one of the following options:

1. A screen image of how many credits the patron intends to withdraw and place on the machine the patron is playing.

2. A screen image reflecting the option to either transfer a predetermined increment of the player's credits or the player's entire balance to the slot machine for play.

(d) Once play is complete, the player shall have the option to move some of the credits back to the player's account or cash out some credits exclusive of any non-redeemable credits for which no cash value is permitted.

(7) "Certified educational facility" means an educational institution that is duly registered with and recognized by the Florida Department of Education and which provides formal educational instruction within the State of Florida.

(8) "Checksum" means a simple error-detection scheme in which each transmitted message is accompanied by a numerical value based on the number of set bits in the message. The receiving station then applies the same formula to the message and checks to make sure the accompanying numerical value is the same. When the return message fails to verify that the accompanying numerical value is the same an error is registered.

(9) "Complimentary" means a service or good awarded or supplied without charge including, but not limited to, lodging, transportation, meals, retail items, entertainment, admission to events, cash awards through player point systems, etc. Complimentary items shall not be included in the calculation of slot machine revenues. Non-redeemable credits are not considered a complimentary item.

(10)(4) "Credit" means a unit of entitlement for play of a slot machine game created by the conversion of bills, tickets, or vouchers when inserted into a slot machine.

(11)(5) "Currency" means the money of the United States that is designated as legal tender.

(12)(6) "Custodian of Records" means the officer, director or employee of the slot machine facility who is designated as the employee responsible for records regarding the departments referenced in Rule 61D-14.015, F.A.C. The custodian of records shall be responsible for the maintenance of all records of the department for which he or she is delegated responsibility.

(13)(7) "Drop" means the total amount of bills, tickets, and vouchers received by a slot machine or collected by a device that collects such items.

(14) "Enforce a security interest" means the transfer of possession ownership or title to property, funds or other things of value pursuant to a security interest legally recognized in a court of law.

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~~(15)~~(8) "EPROM" means erasable programmable read only memory of a slot machine.

~~(16)~~(9) "Facility Based Monitoring System" means a facility based computer system that is a central site computer system that shall be accessible by the division and FDLE to which all slot machines at a gaming facility communicate for the purpose of:

(a) Performing audits of the slot machine licensee slot machine gaming operation;

(b) Retrieving the details of any financial event that occurs in the operation of the slot machine facility on a real-time basis;

(c) Recording door openings and closings, power failure, and disabling of slot machines; and

(d) Conducting all slot machine facility:

1. Operations and

2. Accounting functions.

~~auditing capacity, real-time information retrieval of the details of any financial event that occurs in the operation of a slot machine facility, door openings and closings, power failure, and disabling of slot machines.~~

~~(10)~~ "F.A.C." means the Florida Administrative Code.

~~(17)~~(11) "FDLE" means the Florida Department of Law Enforcement.

~~(18)~~(12) "Gaming day" means the approved period of time within a 24-hour calendar day that sixteen hour period the slot machine gaming areas of a slot machine licensee are open pursuant to Section 551.116, F.S.

~~(19)~~ "Illegal door" means a door sensor on a gaming device that is in an open state when it should be in a closed state. This is a term used by the facility based monitoring system.

~~(20)~~ "Increasing probability bonus" means an award on a slot machine game or games of either credits, or free play games, where the chance of winning the bonus award increases as the slot machine game is played.

~~(21)~~ "Incremental amount" means the difference between the amount of a progressive payoff schedule and its base amount.

~~(22)~~ "Internal testing" means any test performed by licensed slot personnel while observed by the division to verify compliance with the rules and regulations of Chapter 61D-14, F.A.C.

~~(23)~~(13) "Jackpot" means any money, merchandise or thing of value to be paid to a patron as the result of a specific combination(s) of characters displayed on a slot machine ~~that the slot machine is not capable to automatically pay out.~~

~~(24)~~ "Licensed independent testing laboratory" means an independent slot machine game testing laboratory that pursuant to the requirements of Chapter 551, F.S. and Chapter 61D-14, F.A.C. possess the required qualifications and a license from the State of Florida.

~~(25)~~ "Non-redeemable credits" means slot machine operating credits that cannot be redeemed for cash or any other thing of value by a slot machine, kiosk, or a slot machine licensee. Non-redeemable credits are provided free of charge to patrons to use for slot machine wagering. Such credits do not constitute "non-redeemable credits" until such time as they are metered as credit into a slot machine and recorded in the facility based monitoring system.

~~(26)~~ "Personal property gaming collateral" means property subject to a security interest that is composed of:

(a) A security issued by a corporation which is a holder of a slot machine license in this state;

(b) A security issued by a holding company that is not a publicly traded corporation;

(c) A security issued by a holding company that is a publicly traded corporation, if the enforcement of the security interest will result in the creditor acquiring control; or

(d) A security issued by a partnership which is a holder of a gaming license in this state.

~~(27)~~(14) "Play" means the making of a slot machine wager or the use of a free play award in lieu of a wager, the activation of the slot machine game by the patron, and an indication to the patron of the outcome of the wager.

~~(28)~~ "Prize" means a non-cash award as a result of a specific combination displayed on a slot machine in play. A prize shall be recorded in the facility based monitoring system at the time the display occurs on the slot machine and shall be available to the patron in an equivalent cash option.

~~(29)~~ "Progressive bonus award" means a progressive award on one slot machine that does not use an exterior controller. Progressive bonus awards do not include top and secondary pay table progressive awards.

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(30) "Progressive controller" means a controller and any related hardware and software that controls progressive jackpot communications within or among the slot machine gaming devices.

(31) "Progressive gaming device" means a slot machine gaming device that has an increasing jackpot based on a function of credits that are wagered. This definition includes games that award progressive jackpots or a "pool" based on criteria other than obtaining winning symbols on the machine, such as a "Mystery Jackpot." However, this definition does not include games that incorporate a bonus feature as part of the game theme which offers awards that increase as the game is played and is not configurable. The following progressive definitions apply:

(a) "Stand-alone progressive gaming devices" means a single progressive game that is not a part of a link and is linked only internally within the single game configuration;

(b) "Multiple gaming device (linked) progressive" means one or more gaming device(s) that offer common progressive jackpot(s) which are linked to a progressive controller within a single slot machine licensee facility.

(32) "Prizes paid to winners of slot machine gaming" means those cash, cash equivalents, and credits awarded to a slot machine licensee patron who wins the award of those cash, cash equivalents, and credits as a result of physically engaging in slot machine gaming.

(33) "Progressive jackpot" means a slot machine payoff that increases as a function of the amount of wagers played on a machine or group of machines.

(34) "Progressive payoff schedule" means a game or machine payoff schedule, including those associated with contests, tournaments or promotions, that increase automatically over time or as the game(s) or machine(s) are played.

(35) "Progressive slot machine game" means a slot machine game with an award that increases based on voucher, ticket, or credit play.

(36) "Promotion" means a marketing event where only non-redeemable credits may be used with a promotional expiration date.

(37) "Secured party" means a person who is a lender, seller, or other person in whose favor there is a security interest or formal judgment recognized in a court of law.

(38) "Security agreement" means an agreement that creates or provides for a security interest.

(39) "Security interest" means an interest in property that secures the payment or performance of an obligation or a judgment recognized in a court of law.

(40)(15) "Slot cash storage box" is a tamper-resistant container, used in slot machine gaming that provides storage for bills, tickets, and vouchers accepted by a device such as a slot machine or automated ticket redemption machine.

(41) "Slot machine component" means any component or part of a slot machine as defined in Section 551.102(8), F.S. The associated equipment necessary to conduct operation of the contrivance, terminal, machine or device shall include any software that is:

(a) Installed or intended to be installed in or on a slot machine gaming device; and

(b) Certified by an independent testing laboratory licensed by the division to meet the requirements of Chapter 551, F.S. and Chapter 61D-14, F.A.C.

(42) "Slot file" means a permanent record that a slot machine licensee maintains in the facility based monitoring system. The facility based monitoring system permanent record shall include at least the following discrete data: Property, Player Tracking Type, Secondary System (should one exist), Machine Number, Section, Bank, Location, Manufacturer, Model, Description, Serial Number, State Seal Number, Mfg Date, Game Type, Denomination, PAR per cent, Hold per cent.

(43) "Slot machine gaming" means the physical process of a slot machine licensed facility patron :

(a) Taking a position at a designated slot machine game as described in Chapter 551, F.S. and Chapter 61D-14, and 15, F.A.C.; and

(b) Engaging in and operating the designated slot machine game through the insertion of a voucher, ticket or bill; and

(c) Executing or activating the specific game event permitted as a result of the insertion of a voucher, ticket or bill; and

(d) Achieving a game outcome as a result of engaging the specific game event permitted as a result of the insertion of a voucher, ticket, or bill.

(44) "Slot machine revenues" means the total of all cash and property, except non-redeemable credits, received by the slot machine licensee from the operation of slot machines less the amount of cash, cash equivalents, credits, and prizes paid to winners of slot machine gaming.

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(45)(16) "Ticket" means a receipt printed by a slot machine or ticket issuing machine used for slot machine play or redeemed by the slot machine licensee or approved redemption kiosks.

(46)(17) "Voucher" means a receipt for cash or property which is issued at a cashier's cage and that is inserted into a slot machine to initiate play.

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(a), (b), (c), (d), (e), (g), (i), FS. History--New 6-25-06, Amended 12-6-06,

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61D-14.005 Occupational License Requirements for Individual Persons.

(1) The following slot machine occupational license requirements apply to individual persons having access to the designated slot machine area or who may be granted access to the slot machine area by reason of the positions they hold:

(a) Professional Individual Employee Occupational License – Individuals meeting any of the following criteria shall apply for a professional individual occupational license. An individual seeking a license as an employee of a slot machine facility who:

1. Will be a security, surveillance, or supervisory employee of a slot machine facility;
2. Will have access to the interior of a slot machine, a slot machine's revenue, or accounting and reporting records associated with slot machine revenue; or
3. Holds a position as the head of a department referenced in Rule 61D-14.015, F.A.C., or a supervisor of employees of the slot machine licensee.

~~An individual seeking a license as an employee of a slot machine facility who will be a security employee or hold a position as the head of a department referenced in Rule 61D-14.015, F.A.C., or a supervisor of employees of the slot machine licensee shall apply for a professional employee occupational license;~~

(b) General Individual Employee Occupational License – An individual seeking a license as an employee of a slot machine facility with no management or supervisory authority related to the slot machine licensee's facility or employees not covered in paragraph (1)(a) above shall apply for a general individual employee occupational license; and

(c) No Change.

(2) As part of the initial application for or renewal of ~~for~~ a slot machine occupational license provided in Section 551.107, F.S., an applicant shall submit the following information under oath on Form DBPR PMW-3410, Slot Machine Individual Employee Occupational License Application, which is adopted and incorporated by Rule 61D-15.001, F.A.C.:

(a) through (e) No Change.

(f) The applicant's marital status and the name, date of birth, race, and gender names of the applicant's spouse, children, siblings, grandchildren, the applicant's parents, and any other relative over the age of 21 living in the same household as the applicant;

(g) through 1. No Change.

2. Any denial, suspension, or revocation of a license, permit, or certification issued by any governmental agency; ~~and~~

(h) Information regarding any ~~Any~~ administrative, civil, or criminal proceedings, or any investigations known to the applicant that have been initiated by any governmental agency or any other state or federal agency regarding the applicant that could affect the license status of the applicant in that jurisdiction, or any judgment entered as the result of any such proceeding to include:-

1. The date of any listed action;
2. A copy of any complaint filed in the above actions; and
3. A copy of any final orders, judgments, or other final judicial disposition in the above actions.

(3) through (c) No Change.

1. All gaming-related employment; and
2. Any non-gaming employment for the previous ten years; and
3. Any period of unemployment in excess of one month.

(d) No Change.

(e) A Form DBPR PMW-3460, Authorization for Release of Information, adopted and incorporated by Rule 61D-15.001, F.A.C., release signed by the individual authorizing ~~the division and FDLE to obtain any record held by a financial or public institution.~~

(4) No Change.

(a) A duly completed original Form DBPR PMW-3410, Slot Machine Individual Employee Occupational License Application, ~~which is~~ adopted and incorporated by Rule 61D-15.001, F.A.C., in accordance with subsection (3);

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(4)(b) through (7) No Change.

Specific Authority 551.103(1), 551.107(2)(b), 551.122 FS.
Law Implemented 551.103(1)(b), 551.107(4)(a), 551.108 FS.
History—New 6-25-06, Amended 12-6-06, _____.

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61D-14.016 Operational Requirements.

(1) In order to certify all slot machine systems comply with the requirements of Chapter 551, F.S. and Chapter 61D-14, F.A.C., the slot machine licensee shall:

(a) Provide the division a certification from a licensed independent testing laboratory (laboratory) that states the laboratory has tested and found the following equipment to be in compliance with the requirements of Chapter 551, F.S., and the Chapter 61D-14, and 61D-15, F.A.C.:

1. The facility based monitoring system (FBMS);
2. Each slot machine installed at the licensed facility; and
3. Each slot machine game installed on a facility slot machine offered for play.

(b) Provide the division certification from a laboratory that a proposed modification to the FBMS functionality or slot machines or slot machine game has been found to comply with the requirements of Chapter 551, F.S. and Chapter 61D-14, and 15, F.A.C., prior to:

1. Implementing any additions to the FBMS functionality at a slot machine licensed facility; or
2. Implementing any additions to previously certified slot machines or slot machine game or their functionality before introduction into the facility for patron play.

(2) The slot machine licensee shall:

(a) Maintain an office on the premises of the eligible facility;

(b) Maintain all records required by Chapter 551, F.S., and Rule 61D-14, F.A.C., at the slot machine facility pursuant to Rule 61D-14.080, F.A.C.. These records shall:

1. Reflect the facility's current ownership and, if the slot machine licensee is a corporation, the record shall reflect the current ownership of every class of security issued by the slot machine licensee.

2. Be available for inspection by the division or FDLE at all reasonable times without notice.

(c) Obtain written certification addressed to the division and FDLE from each bank, financial institution, funds transmitter or other entity that handles or facilitates the slot machine licensee's financial operations, that each entity:

1. Will accept and comply with any administrative or investigative subpoena or request for production of records from the division or FDLE; and

2. Shall make all books and records related to the slot machine licensee available for audit or review when required by the division or FDLE.

(d) Post separate signage throughout the designated slot machine gaming areas providing notice of the following:

1. Warning of the risks and dangers of gambling;

2. Showing the odds of winning, which shall be updated quarterly and stated as either:

a. The actual payout percentage for the facility based upon the previous quarter; or

b. The average of the overall certified payout percentage for the machines currently offered for play;

3. Informing of the toll-free number available to provide information and referral services regarding compulsive or problem gambling from the division's compulsive gambling prevention program contractor; and

4. The minimum age to play required by Section 551.113(3), F.S.

(3) No less than two weeks prior to the date a slot machine licensee plans to open its facility for slot machine play, the slot machine licensee shall contact the division and FDLE to schedule a trial operation day to test slot machines, the facility based monitoring system, security systems, back up systems and employee training on internal controls.

(a) The division and FDLE shall test for contingencies or situations that impact slot machine operations at the slot machine licensee's facility on the scheduled trial operation day.

(b) The division shall provide the slot machine licensee a written list of deficiencies if the slot machine licensee's:

1. Systems do not function as required by Chapter 551, F.S., Rule 61D-14, F.A.C., or

2. Internal controls do not comply with the requirements of chapter 551 F.S. or Chapter 61D-14 and 15, F.A.C.

(c) The slot machine licensee shall advise the division and FDLE when the licensee has resolved the deficiencies the division and FDLE identified during the trial operation day.

(d) The division and FDLE shall schedule:

1. A retest of those systems or operational issues identified as deficient in the trial operation day to verify compliance; and

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2. Any necessary retest at some date no less than 5 days from the previous failed testing.

(e) A slot machine licensee shall not open its facility for slot machine gaming until the division acknowledges in writing that all deficiencies have been satisfactorily resolved.

(4) A slot machine licensee shall require surveillance, security and facility maintenance personnel to undergo annual table top exercises and updating of procedures regarding emergency incident management that require cooperation with the local and state agencies such as fire and emergency ambulatory services, FDLE, police and emergency services.

(a) These exercises shall:

1. Be scheduled with and observed by division personnel;

2. Be completed no later than 30 days prior to the date the facility is required to renew its license;

3. Be based upon updated plans for communication, response and proper procedures required in the event of a fire, robbery attempt, bomb threat, terrorist activity, medical emergency or other such occurrences;

4. Document that all slot machine licensee personnel responding in each exercise are trained in their responsibilities in the event of a particular emergency; and

5. Insure that all facility employees are trained in the following procedures:

a. Operation and response;

b. Notification ;

c. Evacuation;

d. Security of the facility; and

e. Communication with FDLE, local fire, police and emergency services.

(b) The division shall provide written approval upon completion of the table top exercises as part of the licensure or renewal process.

(5) The slot machine licensee shall remit payment for the tax on slot machine revenues to the division. Tax payments shall only be remitted by electronic funds transfer.

(a) All slot machine licensee tax payments governed by Chapter 551, F.S., shall be remitted using the procedures and requirements of the Florida e-Services Program.

(b) The slot machine licensee shall follow the Florida e-Services procedures to assure that its tax payment is remitted by 3PM, Wednesday of each week for taxes imposed and collected for the preceding week ending on Sunday.

(c) A slot machine licensee that fails to pay all taxes as required under Chapter 551, Florida Statute shall be subject to the penalty of up to \$10,000.00 for each day the slot machine licensee fails to make its tax payment as required by this rule.

(6) No slot machine or any internal game related software or component referenced in Rule 61D-14.024, F.A.C., shall be removed from its location designated by the facility slot file without prior approval from the division and notification to FDLE and the facility's surveillance department.

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103 (1)(c),(1)(e), (1)(g), (1)(h) (1)(i), 551.106(2), (3), (4), (5), 551.113(3), 551.114, FS.

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61D-14.020 Excluded Persons.

(1) The slot machine licensee's internal controls shall set forth the criteria for exclusion of individuals from the slot machine licensee's facility.

(2)(1) Each slot machine licensee shall maintain a database of persons entitled "Exclusion List." The Exclusion List shall contain information on:

(a) Persons ~~Who~~ the slot machine licensee has excluded from its facilities for a specific amount of time as determined by the licensee, including persons self-excluded as compulsive gamblers; and

(b) Persons ~~who~~ that have been excluded by a final order of the division or an emergency order of suspension or exclusion by the division pursuant to Section 120.60, F.S.

(3) The excluded person's name shall be entered on each slot machine licensee's Exclusion List, and each slot machine licensee shall make every reasonable effort to ensure that the listed individual is excluded from its facilities.

(4)(2) A slot machine licensee's Exclusion List shall include the following information for each person listed: ~~A slot machine licensee database of excluded patrons shall include the following information for each excluded person:~~

(a) through (d) No Change.

(e) If obtainable, a photograph, and the date of the photo or a photo taken by the slot machine licensee's eligible facility surveillance department; and

(f) A brief explanation description of why the person has been excluded; and

(g) The length of time of exclusion that includes the start date of exclusion.

(3) ~~A slot machine licensee shall exclude or eject any person that has been placed in its exclusion database.~~

(5)(4) If the slot machine licensee withholds winnings from any excluded person, such withheld winnings shall be included in the slot machine licensee's revenues pursuant to subsection 61D-14.081(5), F.A.C.

(6)(5) The slot machine licensee's agents or employees shall immediately inform the slot machine licensee's security department whenever an excluded person enters or attempts to enter, or is found present at a slot machine licensee's facility from which that person has been excluded. Whenever an excluded person enters or attempts to enter, or is upon the premises of a slot machine licensee, the slot machine licensee's agents or employees shall immediately inform the security department. The security department shall:

(a) through (c) No Change.

(7)(6) ~~Permitting Catering to~~ a person excluded by a final order of the division to remain at a slot machine licensed facility is a violation of these rules.

(8) If a slot machine licensee seeks to remove an individual from the Exclusion List, the licensee must notify the division at 1400 W. Commercial Blvd., Ft. Lauderdale, Fl. 33309, at least 14 days prior to the requested removal date. The request shall be delivered on the date of the request to the division. The slot machine licensee shall submit a request to the division that includes the following information on the individual the licensee seeks to remove from the Exclusion List:

(a) The full name and any aliases, if known, of the individual currently excluded from the facility;

(b) A description of the individual's physical appearance, including height, weight, type of build, color of hair and eyes, and other physical characteristics which would assist in the identification of the individual;

(c) The individual's date of birth;

(d) The date the individual was originally excluded;

(e) The original term of the individual's exclusion;

(f) If obtainable, a photograph, and the date of the photo;

(g) A brief description of why the individual was originally excluded from the slot machine licensee facility; and

(h) A statement signed by the slot machine licensee president or general manager justifying removing the excluded individual from the slot machine licensee Exclusion List and stating that the slot machine licensee internal control requirements have been observed.

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(~~d~~), (g), (i), 551.112, 551.118 FS.

History ~~New 6-25-06, Amended~~ _____.

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61D-14.038 Percentage Payout and Odds.

(1) An independent test laboratory licensed by the state (laboratory) shall:

(a) Certify a slot machine game for play in Florida only if the manufacturer's Payout and Retention (PAR) sheet for that slot machine game indicates a probable minimum payout percentage of at least 85 percent of all credits played over the mathematical (lifetime) cycle of the game at a 95 percent level of confidence;

(b) Independently test each slot machine game to certify that the slot machine game meets the probable minimum payout indicated on the manufacturer's PAR sheet at a 99 percent level of confidence;

(c) Provide written independent certification to the division:

1. Stating that the slot machine game tested and certified for play in Florida meets the provisions of Chapter 551, F.S. and Chapter 61D-14, F.A.C.; and

2. Listing the minimum and maximum theoretical payout percentage for each game certified.

(2) A slot machine game manufacturer or distributor shall provide a PAR sheet to the slot machine licensee and the division with each slot machine game delivered to a slot machine licensee in Florida. The volatility index for the game shall be reflected on each manufacturer's PAR sheet.

(3) Any alteration of a game shall require the laboratory to re-evaluate the minimum theoretical payout percentage and provide an appropriate amended report to the division pursuant to subsection (1).

(4) Slot machine games used at Florida slot machine licensee facilities shall:

(a) Have a total payout over the cycle of both the bonus and non-bonus part of the game combined that conforms to the minimum theoretical payout percentage of 85 percent. The minimum theoretical payout percentage of 85 percent shall not include the value of any multiple jackpot amount selected and input by the slot machine licensee at the Facility Based Monitoring System pursuant to Rule 61D-14.048, F.A.C.;

(b) Meet the minimum theoretical payout percentage of the game at all times pursuant to the reporting frequency required by this rule; and

(c) Meet the minimum theoretical payout percentage of the game when playing at the lowest end of a non-linear paytable.

(5) The slot machine licensee shall:

(a) Create a report for each slot machine game for each of the following quarterly periods:

1. January 1 through March 30;

2. April 1 through June 30;

3. July 1 through September 30; and

4. October 1 through December 31.

(b) Create the required quarterly report using the facility based monitoring system. The report for each slot machine game offered for play during the quarter or any part of that quarter shall indicate:

1. The lifetime actual payout to the end of the respective quarter;

2. The actual number of plays for the game's lifetime;

3. The theoretical payout percentage; and

4. The minimum number of handle pulls required to reach the minimum payout percentage as indicated on the PAR sheet.

(6) If the report required in subparagraph (5) shows that a slot machine game's actual payout is less than 85 percent and the game has surpassed the minimum number of handle pulls required to reach the minimum payout percentage as indicated on the PAR sheet for the slot machine, the slot machine licensee shall:

(a) Notify the division in writing of the identity of the slot machine game that has:

1. Surpassed the minimum number of handle pulls required to reach the minimum payout percentage as indicated on the PAR sheet for the slot machine game; and

2. Have an actual payout of less than 85 percent.

(b) Remove the game from play;

(c) Recompute the slot machine game payout percentage; and

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(d) Determine whether the recomputation of the payout percentage reveals that the slot machine game falls within or outside of the volatility range.

(7) Based on the result of the computations required in subsection (6), the slot machine licensee shall either:

(a) Return the slot machine game to play if the recomputed payout percentage is within the volatility range; or

(b) Contact an independent test laboratory licensed by the state to investigate the slot machine game if the recomputed payout percentage is not within the volatility range. The slot machine licensee shall require the laboratory to investigate the slot machine game's operation and provide the licensee with a written recomputation of the payout percentage and a determination that the slot machine game is operating within or outside of its volatility range.

(8) If the slot machine game fails to remain within its volatility range for two consecutive quarters, the slot machine licensee shall remove the slot machine game from play until the slot machine game operating software program is replaced with an operating software program that meets the requirements of testing in subsection (1) of this rule.

(9) Each slot machine licensee shall maintain records demonstrating:

(a) The quarterly report results for each slot machine game that has been placed on the gaming floor as required in subsection (5);

(b) The actual payout percentage at the time of the quarterly report required in subsection (5);

(c) That the recomputed payout percentage for each slot machine is within its volatility range; and

(d) Any record regarding software operating programs that were replaced pursuant to subsection (8).

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(c), (d), (e), (h) FS. History--New 6-25-06.

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61D-14.048 Facility Based Monitoring System Required Reports.

(1) The slot machine licensee shall create all reports for daily, weekly, monthly, and yearly periods, as required. A report entitled "Annual System Report" shall be created yearly from stored database information. The Annual System Report shall be maintained either in electronic or print form and consist of the following individual reports:

(a) The net win/revenue report for each slot machine;

(b) A comparison report for bills, tickets or vouchers accepted by the slot machine with dollar value totals for each type;

(c) A metered verses actual jackpot comparison report with the dollar value totals for each jackpot;

(d) A statistical or theoretical payout percentage verses actual payout percentage comparison with variances report;

(e) A record of events report recording the errors referenced in subsection 61D-14.044(11), F.A.C., and hand-paid jackpots for each slot machine.

1. The record of events report shall:

a. Reflect all errors and hand-paid jackpots for each slot machine;

b. Reflect a separate category for any dollar value amounts in excess of the slot machine single win jackpot prize reported from a slot machine, authorized by the slot machine licensee and paid to winners of slot machine gaming; and

c. Be maintained either in electronic or print format;

2. The facility based monitoring system (FBMS) shall be capable of producing the record of events report reflecting all categories of required information on or before October 31, 2008.

(2) The slot machine licensee shall use a FBMS to capture and record every handpay message from each slot machine. Before implementing the FBMS, the licensee shall ensure the FBMS:

(a) Has been certified by an independent testing laboratory licensed by the state; and

(b) Approved by the division based upon:

1. The certification provided by the independent testing laboratory licensed by the state; and

2. The requirements of Chapter 551, F.S. and Chapters 61D-14, and 15, F.A.C.

(3) The FBMS shall meet the following requirements:

(a) Handpay messages shall be created for single wins and accumulated credit cash outs, which result in handpays;

(b) The FBMS shall:

1. Provide the slot machine licensee a method of incrementally increasing any slot machine jackpot reported to the FBMS;

2. Record any jackpot payment that is greater than the slot machine reported single win jackpot amount. The recorded amount shall appear separate from the amount of the single win jackpot reported by the slot machine to the FBMS on a separate meter and in any reports;

3. Provide positive reference to the specific slot machine single win jackpot reported and jackpot payment;

4. Be capable of reporting all single win jackpot and any jackpot payment that is greater than the slot machine reported single win jackpot amount as required by this rule on or before October 31, 2008.

(c) The slot machine licensee shall include within its system of internal controls required pursuant to Rule 61D-14.058, F.A.C. all approval and processing requirements for incrementally increasing any slot machine jackpot reported to the FBMS;

(d) The FBMS shall send a message to a slot machine licensee supervisor for every single win event that is equal to or greater than the federal tax reporting threshold. The mandatory federal tax reporting threshold pursuant to 26 Code of Federal Regulations, Section 7.6041-1 applies to all single win events equal to or greater than \$1,200.

1. The FBMS message shall notify a slot machine licensee supervisor that:

a. The slot machine licensee supervisor must select a jackpot amount that is equal to or greater than the

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slot machine reported single win jackpot amount.

b. An Internal Revenue Service form W2G or 1042-S is required for each win event equal to or greater than \$1,200.

2. The slot machine licensee shall process the necessary tax reporting form and any reports either using the FBMS or created manually.

3. The federal tax reporting threshold shall not be overridden.

(d) The FBMS shall require a slot machine licensee supervisor to select a jackpot amount equal to or greater than the slot machine reported single win jackpot amount in order for the FBMS jackpot payment process to authorize payment and produce all associated documents required for the payment.

(e) The FBMS shall:

1. Separately track and report any jackpot payment that is greater than the slot machine reported single win jackpot amount;

2. Not use the prize amount paid in excess of the slot machine reported single win jackpot in any report associated with the slot machine payout percentage for which the minimum is set pursuant to Section 551.104(4)(j), F.S..

(f) An original jackpot payout form shall not be voided without the written authorization of a supervisor; and

(g) The following information shall be required for all jackpot payout forms printed by the FBMS:

1. Type of form;

2. Numeric form identifier that increments per event;

3. Date and time;

4. Slot machine asset number;

5. The lowest value wager that can be made on the game;

6. Amount of jackpot, accumulated credit, and additional pay;

7. A \$1,200 payout message referenced in paragraph (b);

8. Additional payout;

9. Total before taxes and taxes withheld; and

10. Amount paid to the patron.

(4) The following reports shall be created and reconciled with all validated/redeemed tickets:

(a) Ticket issuance report;

(b) Ticket redemption report;

(c) Ticket liability report for tickets that have been issued and not redeemed;

(d) Ticket drop variance report;

(e) Transaction detail report from the ticket validation system that shows all tickets created by a slot machine and all tickets redeemed by a ticket validation terminal or other slot machines; and

(f) Cashier report that details individual tickets, and the sum of the tickets paid by cashier/change booth or redemption terminal.

(4) The FBMS shall produce the following additional financial and player reports:

(a) A liability report that shall include the previous days starting value of outstanding cashless liability, aggregate cashless-in and out totals, and the ending value of cashless liability;

(b) A cashless meter reconciliation summary and detail report that shall reconcile each participating slot machine's cashless meter or meters against the FBMS's records of cashless activity;

(c) A cashier summary and detail report that shall include the amount of player electronic buy-ins and cash-out, the amount of each transaction, and the date and time of each transaction; and

(d) A report of all jackpot payments processed that are greater than the slot machine reported single win jackpot amount. This report shall in separate categories:

1. Report the value of the original jackpot; and

2. Report the value of the additional amount awarded in the payment of that single win jackpot to the patron.

(5) Each slot machine licensee is required to provide the following standard daily facility activity

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reports:

(a) In addition to those definitions listed in Rule 61D-14.001, F.A.C., the following definitions specifically apply to the report data elements required as part of this rule:

1. “Actual Hold Percentage” means the net revenue divided by credits-in, expressed as a dollar value.
2. “Audit” means, the process of verifying the accuracy of total and cumulative values relative to reported slot machine gaming revenue transaction results.
3. “Auditable” means the quality of a reported record or numeric representation that is capable of being verified through an audit of slot machine records. This process shall include the ability to verify the accuracy of a numeric result through the analysis and comparison of individual discrete slot machine game transactions leading up to, and resulting in, a final total or cumulative numeric result.
4. “Bill in” means the total amount of currency inserted;
5. “Bill variance” means the difference between the soft count and “Bill in” total from the slot machine through the FBMS;
6. “Cashable value” means the cash value of all tickets issued at a specified slot machine;
7. “Counts recorded” means the number of the counts that are entered into the facility based monitoring system for reconciliation;
8. “Credits (coin) in” means the total amount of credits wagered on a slot machine (the word “coin” is a reference to a similar industry standard term applicable to those slot machines that accept coins);
9. “Credits (coin) out” means the total amount of credits paid by a slot machine (the word “coin” represents a similar industry standard term applicable to those slot machines that accept coins);
10. “Date” means the numeric day of the month when a report is created and printed on that report;
11. “Denomination” means the individual per credit value of a gaming transaction allowed in a slot machine reflected in the current report i.e. a “1 cent game” or a “25 cent game”;
12. “Employee identification number” means the alpha numeric or numeric number assigned to the member of a slot machine licensee facility staff to identify that employee in addition to an individual signature;
13. “Error message” means the message displayed on a slot machine or slot machine interface system denoting some internal error relative to the normal operating functionality of that device;
14. “Excess Jackpot Payment” means a jackpot prize payment that is greater than the slot machine single win jackpot amount reported to the FBMS.
15. “Final Revenue Report” means the audited revenue report from the FBMS after the soft count is completed and entered;
16. “Handpaid jackpot day” means the dollar amount of jackpots paid manually for the period shown;
17. “Handpaid jackpot” means the dollar amount of a jackpot paid manually;
18. “Hard meter readings” means the numeric information that is manually observed and recorded by a slot machine licensee employee from the internal hard meters;
19. “Initial Revenue Report” means an unedited revenue report from the FBMS prior to the soft count;
20. “Jackpot actual” means the total single win jackpot amount reported from a slot machine and displayed on the FBMS for a given business day;
21. “Jackpot win” means the total amount of single win jackpot won in dollars from a winning combination on a slot machine;
22. “Location Number” means the numeric identification of a position on the gaming floor normally associated with the proposed or actual location of a particular gaming device;
23. “Name” means the full name of an employee in addition to that employee’s slot machine occupational license number;

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24. "Net revenue" (net win) means an expression in terms of dollars found in the following mathematical computation: credits-in minus credits-out, minus handpaid jackpots paid, minus non-redeemable credits, plus winnings withheld, plus 30 days unclaimed tickets and vouchers;

25. "Single win jackpot" means that jackpot win in dollars reported by a slot machine to the FBMS as a result of a jackpot won by a winner of slot machine gaming.

26. "Slot drop" means the total bills and tickets accepted by a slot machine for that reported period of activity;

27. "Slot machine serial number" means a pre-designated and nonduplicative number marked on a specific slot machine by the manufacturer;

28. "Slot machine number" means a pre-designated and nonduplicative number a slot machine licensee assigns to each of its slot machines that is used to designate a specific slot machine within a slot machine licensee's facility;

29. "Soft count" mean a count of all currency and slot machine tickets after the drop occurring in the secured soft count room and recorded in the facility soft count report.

30. "Soft meter reading" means the numeric information that is electronically collected from the slot machine's internal memory and either printed by the FBMS or manually recorded by a slot machine licensee employee;

31. "System access code" means all required FTP addresses, user identification, and passwords necessary to permit an authorized individual to electronically deliver reports and records to the division using the DBPR FTP service.

32. "Ticket drop" means the count amount that equals the total dollar value of tickets inserted in the slot machine for that reporting period;

33. "Ticket in" means the total dollar value of the tickets reported as redeemed at each slot machine for a reporting period;

34. "Ticket out" means the total dollar value of tickets reported as issued at each slot machine for that reporting period;

35. "Ticket variance" means the amount of difference between the ticket drop and the total "ticket in" reported in the FBMS;

36. "Total drop" means that number which equals the total of bill drop combined with the total ticket drop for that reporting period;

37. "Total variance" means the numeric difference reported between the actual count of tickets and cash and the metered drop reported from the FBMS;

38. "Win variance" means the numeric difference expressed in a dollar amount between the reported net revenue shown in the FBMS when compared to the count from the drop.

39. (b) Six detailed reports shall be produced and delivered to the division daily pursuant to the individual report schedule prescribed in this rule. The slot machine licensee shall be responsible for each report's creation and delivery to the division. The reports may be completed either as manual reports or automated reports. The information reflected in each report shall be auditable and the slot machine licensee and all individuals responsible for preparing these reports shall be accountable for all statements and rationale provided in the reports. Each numeric result reported to the division shall be verifiable through a complete audit of supporting records as necessary to confirm the accuracy of slot machine gaming revenue.

The six reports are:

1. Initial Revenue Report. The report requirements are:

a. The slot machine licensee shall produce and deliver an Initial Revenue Report to the division within six (6) hours after the close of each gaming day.

b. The Initial Revenue Report shall reflect the results of the preceding day's net revenue.

2. Final Revenue Report. The report requirements are:

a. The slot machine licensee shall produce and deliver a Final Revenue Report to the division no later

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than 8:00 AM the next business day upon completion of the auditing process for the individual Final Revenue Report.

b. The Final Revenue Report will reflect the final results of the preceding day's business activity to include net revenue.

3. Jackpot Slip Report (meter vs. actual) or Jackpot Fill Activity Report. The requirements are:

a. The slot machine licensee shall produce and deliver a Daily Jackpot Slip Report to the division no later than 8:00 AM the next business day.

b. The Jackpot Slip Report (meter vs. actual) or Jackpot Fill Activity Report shall reflect a comparison of the amount of the jackpot activity that is shown on FBMS meter and the actual jackpot paid.

4. Daily Variance Report. The report requirements are:

a. The slot machine licensee shall produce a Daily Variance Report providing any audited variance including adjustments of the preceding day's business activity due to those variances.

b. For purposes of this subsection, the following definitions apply:

(I) A "variance" is any discrepancy between the record count(s) reflected on the Initial Revenue Report and the Final Revenue Report.

(II) An "adjustment" means a change in the reporting system made to reconcile or amend the recorded count(s) in the FBMS to resolve variances identified in the Initial and Final Revenue Reports.

c. The slot machine licensee shall:

(I) Complete an audit and explanation of all variances between the categories of reported information reflected on the Initial Revenue Report and the Final Revenue Report.

(II) Provide a written explanation of each variance which shall be recorded in the report provided to the division in conjunction with Rule 61D-14.065(3)(m), F.A.C., to identify the source or rationale for the variance.

d. If adjustments are made in the report, the slot machine licensee shall include in its report a copy of an audit trail report (list of all transactions recorded for the adjustment) from the FBMS indicating the identity of the person who made the adjustment in the system and written explanation supporting each adjustment in the report and the supervisor's signature authorizing that adjustment.

e. The slot machine licensee shall provide further explanation of variances and adjustments when requested by the division.

5. Daily Expired Ticket Report. The report requirements are:

a. The slot machine licensee shall produce and deliver a Daily Expired Ticket Report to the division no later than 8:00 AM the next business day.

b. The Daily Expired Ticket Report shall reflect the final results of the preceding day's business activity to include all meter readings and counts recorded, date, ticket number, slot or machine number, denomination, and cashable value.

6. Daily Jackpot Report. The report requirements are:

a. This report shall be produced on or before October 31, 2008.

b. The slot machine licensee shall produce and deliver a daily jackpot report to the division no later than 8:00 AM the next business day.

c. The Daily Jackpot Report shall reflect each jackpot awarded during the prior business day to include the single win jackpot amount reported by each slot machine to the FBMS, any associated excess jackpot payment associated with the single win jackpot amount reported, and the total amount of the jackpot prize paid to the winner of slot machine gaming.

(6) Each slot machine licensee shall provide electronic copies of all reports required pursuant to Chapter 551, F.S., Chapter 61D-14, F.A.C., and those additional reports requested by the Division. All reports shall be submitted using the Department of Business and Professional Regulation (DBPR) File Transfer Protocol (FTP) services. These FTP services shall provide a simple and secure means of updating required reports and data files via the internet between the slot machine licensee and the division.

(a) The Chief of Slot Operations (COS) shall provide the system access code assignments to each employee that has been designated to the COS by a slot machine licensee. These designated employees

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shall be the individual employees the slot machine licensee has appointed as responsible for making and/or submitting reports pursuant to Chapter 551, F.S. or Chapter 61D-14, F.A.C.

(b) Each slot machine licensee shall designate in writing to the COS a primary and as many additional individuals the slot machine licensee deems appropriate, who shall be responsible for producing, processing and delivering all reports required pursuant to Chapter 551, F.S., Chapter 61D-14, F.A.C. and other special reports to the division.

1. The slot machine licensee shall:

a. Designate only individuals responsible for the required report processing who possess a current slot machine occupational license; and

b. Provide in writing to the COS the names of the individuals responsible for providing the required reports. The slot machine licensee shall provide the COS any update to the names of individuals responsible for reporting within five work days of any changes.

2. The COS shall use the slot machine licensee's written designation of responsible personnel as the basis for assigning each system access code.

4. Each system access code shall be individually assigned to a named slot machine licensee employee. An individual shall not be permitted to submit FTP reports until the system access code is provided to that individual.

5. One individual shall not permit another individual employee to use the first individual's DBPR FTP service access code. Individuals assigned a DBPR FTP system access code who permit another employee to use that system access code may be subject to disciplinary action as a violation of this rule.

6. The slot machine licensee shall report to the COS the compromise or loss of any system access code within 24 hours of the discovery of the compromise. The slot machine licensee shall include procedures in its system of internal controls to instruct all slot machine licensee employees to cease use of a compromised system access code immediately upon discovery of its compromise.

7. Each slot machine occupational licensee issued a system access code is individually responsible for the security and proper use of that system access code. The slot machine occupational licensee shall immediately report the compromise or loss of any system access code issued to the individual licensee to his/her slot machine licensee facility employer. The slot machine licensee shall:

a. Immediately report the compromise or loss of any system access code within 24 hours of discovery of compromise; and

b. Take all appropriate action to preclude further use of that system access code.

8. Upon notification, the COS shall issue a replacement system access code within three business days to replace a compromised system access code. The division shall not take disciplinary action regarding the loss or compromise of a system access code when:

a. The procedures for preventing the sharing of the system access code required under this rule are followed; and

b. The compromise of the system access code is reported pursuant to this subsection.

(c) All required reports shall be submitted to the division FTP service electronic address on or before the due date and time for each report as specified in the applicable portion of Chapter 551, F.S., Chapter 61D-14, F.A.C. and other special requests for information from the division. The slot machine licensee shall notify the COS immediately of any FTP report processing delays or errors to permit timely resolution.

(d) All reports required pursuant to Chapter 551, F.S. and Chapter 61D-14, F.A.C. shall be available to the division in hard copy form, upon request.

(7) Each slot machine licensee shall provide electronic copies of all form DBPR PMW-3660, Slot Operations Monthly Remittance Report, and the form DBPR PMW-3670 Slot Operations Cumulative Monthly Remittance Report which are adopted and incorporated by Rule 61D-15.001, F.A.C. and are required pursuant to Chapter 551, Florida Statutes, Chapter 61D-14, F.A.C., and those additional reports requested by the Division. Each report shall be submitted using department FTP services. These FTP services shall provide a simple and secure means of updating required reports and data files via the internet between the slot machine licensee and Division.

(a) The Revenue and Financial Analysis Section of the division shall provide the system access code to each designated employee of each slot machine licensee required to make reports pursuant to Chapter 551, Florida Statutes or Chapter 61D-14, F.A.C.

(b) Electronic signature procedures shall be used to attest to the accuracy of reports on form DBPR PMW-3660, Slot Operations Monthly Remittance Report, and the form DBPR PMW-3670 Slot Operations Cumulative Monthly Remittance Report which are adopted and incorporated by Rule 61D-15.001, F.A.C.

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1. Slot machine licensees shall designate individuals responsible for the accuracy and submission of the form DBPR PMW-3660, Slot Operations Monthly Remittance Report, and the form DBPR PMW-3670 Slot Operations Cumulative Monthly Remittance Report which are adopted and incorporated by Rule 61D-15.001, F.A.C. in writing to the Division Revenue Management Office.

2. The Revenue and Financial Analysis Section of the division shall assign a separate and discrete system access code for the purpose of electronically submitting reports to the Revenue and Financial Analysis Section of the division.

3. Individual licensees submitting form DBPR PMW-3660, Slot Operations Monthly Remittance Report, and the form DBPR PMW-3670 Slot Operations Cumulative Monthly Remittance Report which are adopted and incorporated by Rule 61D-15.001, F.A.C. electronically shall enter or type their name at the appropriate location on each form upon submission. The licensee's name and the submission of the report using the unique discrete user name and password assigned to that individual licensee shall constitute the individual's electronic signature and have the same force and effect under oath as if that signature were entered on the form manually.

(c) Each slot machine licensee shall designate, in writing, to the Revenue and Financial Analysis Section of the division, each individual person, by name and slot machine license number, who shall be responsible for producing, processing and delivering the reports required pursuant to Chapter 551, Florida Statutes, Chapter 61D-14, F.A.C. and other special reports to the division.

1. The required designation of responsibility shall be provided upon the first required report date from the slot machine licensee's facility upon notification to begin and continue FTP report procedures from the Revenue and Financial Analysis Section of the division. The slot machine licensee shall notify the Revenue and Financial Analysis Section of the division of any change in slot machine licensee report processing responsibility within five work days of that change.

2. The Revenue and Financial Analysis Section of the division shall use the required designation of responsibility notification as the basis for assigning individual and system access codes.

3. Each system access code shall be individually assigned to a named slot machine licensee employee properly licensed by the division.

4. Individuals assigned division FTP service system access codes shall not permit other individuals to use their individually assigned access codes. Individuals assigned a division FTP service code who permit another employee to use that code shall be subject to disciplinary action of the division.

5. The slot machine licensee and the individual licensee shall report the compromise or loss of any system access code issued to the Revenue and Financial Analysis Section of the division immediately upon discovery of compromise in writing.

6. The slot machine licensee and its employees shall cease use of a compromised system access code immediately upon discovery of compromise. Reports required during the interim period between compromise of a current system access code and issue of a new system access code shall be submitted by facsimile until a new system access code is provided to the slot machine occupational licensee.

7. Each slot machine occupational licensee issued a system access code is individually responsible for the security and proper use of that access information.

8. Upon notification, the Revenue and Financial Analysis Section of the division shall issue a replacement system access code, within five work days, when it is properly reported that a previously issued system access code has been compromised.

9. The division shall not take disciplinary action regarding the loss or compromise of a system access code when:

a. The procedures for preventing the sharing of the system access code required under this rule are followed; and

b. The compromise of the system access code is reported pursuant to this subsection.

(d) All reports required shall be submitted to the division FTP service electronic address on or before the due date and time for each report as specified in the applicable portion of Chapter 551, Florida Statutes, Chapter 61D-14, F.A.C. and other special requests for information from the division. The slot machine licensee shall notify the Chief of Slot Operations and Revenue and Financial Analysis Section of the division immediately of any FTP report processing delays or errors to permit timely resolution.

(e) All reports required by rule shall be available upon request to the Division in hard copy form.

(8) Nothing in this rule shall be interpreted to limit the ability of the division or FDLE to request reports from the facility based monitoring system as authorized by Chapter 551, F.S., and Chapter 61D-14,

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F.A.C.

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(d), (e), (i), 551.104(4)(f) FS.

History—New 6-25-06, Amended _____.

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61D-14.100 Determination and Imposition of Penalty.

(1) When the division finds any licensee or permitholder guilty of the grounds set forth in Chapter 551, F.S., and Chapters 61D-14 and 61D-15, F.A.C., it shall enter an order imposing one or more of the following penalties:

(a) Refusal to grant, or to grant with restrictions, an application for a license.

(b) Issuance of a Notice of Noncompliance.

(c) Suspension or permanent revocation of a license.

(d) Imposition of a fine not to exceed \$5,000 for each count or separate offense.

(e) Imposition of a penalty not to exceed \$100,000 for each count or separate offense, upon determination that a licensee's violation was a willful violation of any provision of Chapter 551, F.S., or Chapter 61D-14, F.A.C.

(f) Placement of the licensee on probation for a period of time and subject to such conditions as the division may specify.

(2) All administrative penalties imposed and collected shall be deposited into the Pari-Mutuel Wagering Trust Fund of the division.

(3) If a licensee fails to pay penalties imposed by order of the division, the division may suspend, revoke, or refuse to renew the licensee's license.

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(a), (4)(b), (5), 551.104(1), (4)(a), (b), (10)(b), 551.106(4), 551.107(5)(a), (b), (6)(a), (b), (c), (11), 551.109(1), (2), (3), (4), (5), 551.117 FS. History – New

61D-14.101 Time for Payment of Fines.

When the division imposes a fine in a disciplinary or initial licensure proceeding, the licensee shall pay the fine within 30 days from the effective date of the division's final order, unless specifically provided otherwise.

Specific Authority 551.103(1), (4)(b), 551.122 FS.

Law Implemented 551.103(1)(a), (4)(b) FS. History – New

61D-14.102 Individual Violations and Fine Schedule.

(1) The following violations are designated as individual violations:

(a) Failure to display occupational license while present in slot machine gaming areas in violation of Section 551.107(3), F.S.

(b) Failure to apply to upgrade license prior to performing the professional level duties in violation of Rule 61D-14.012(1), F.A.C.

(c) Failure to notify the division in writing of any change of employment to a different slot machine licensee or to any business entity licensed pursuant to Rule 61D-14.006, F.A.C., prior to commencing the new employment in violation of Rule 61D-14.012(2), F.A.C.

(d) Failure to notify the division in writing of any change in their name or their physical or mailing address within seven days of the date the name or address or physical location changed in violation of Rule 61D-14.012(3), F.A.C.

(e) Failure to obtain two approval signatures, at least one of which is a supervisor, and/or failure to record all changes to the ticket or voucher in a log according to the rule in violation of Rule 61D-14.040(6), F.A.C.

(f) Failure to maintain a log or logs by surveillance in the surveillance room in violation of Rule 61D-14.056, F.A.C.

(g) Failure to use a count room exclusively for counting funds received from the wagering operations of pari-mutuels and slot machines and/or conduct counts for slot machine operations at a separate time from the count for pari-mutuels in violation of Rule 61D-14.063(1), F.A.C.

(h) Licensee's failure to use and/or follow written procedure for slot cash storage box count as required under the rules in violation of Rule 61D-14.065, F.A.C.

(i) Licensee's failure to report any discrepancy discovered during slot cash storage box count pursuant to the rules in excess of \$500 and/or provide a detailed written report explaining the problem and the

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corrective action taken within 48 hours of the count being complete in violation of Rule 61D-14.065(3)(m), F.A.C.

(j) Failure to allow the division and FDLE unrestricted access to all facilities and/or systems in violation of Section 551.104(4)(e) and (f), F.S.

(k) Assigning duties of more than one department listed in Rule 61D-14.015(3), F.A.C., and its subsections to a single person in violation of Rule 61D-14.015(4), F.A.C.

(l) Assigning duties to an employee that would enable that employee to both perpetuate an error or commit fraud and conceal evidence of the error or fraud in the course of their duties in violation of Rule 61D-14.015(4), F.A.C.

(m) Failure to provide notification to compulsive or addictive gamblers of the availability to request voluntary exclusion from the slot machine licensee's facility in violation of Rule 61D-14.019(4), F.A.C.

(n) Failure to notify the division or FDLE of the presence of an excluded person in the gaming area and/or request excluded person to immediately leave and/or notify the appropriate law enforcement agency and the division if such person fails to comply in violation of Rule 61D-14.020(5)(a), (b), and (c), F.A.C.

(o) Failure to employ or use printed circuit boards with markings and/or other characteristics required under the rule in violation of Rule 61D-14.028 F.A.C.

(p) Serving complimentary or reduced-cost alcoholic beverages to persons playing a slot machine that are not served for at least the same cost as alcoholic beverages served to the general public at a bar within the facility in violation of Section 551.121(1), F.S.

(q) Failure to retain all surveillance recordings for at least 30 days in areas designated by rule and seven days for areas otherwise designated by rule and/or failing to maintain log by surveillance personnel with the date, times and identification of person monitoring or changing the recording medium in a recorder in violation of Rule 61D-14.055, F.A.C.

(r) Failure to perform RAM clears according to Rule 61D-14.044, F.A.C.

(s) Failure to sign out and sign in all keys according to internal controls and Rule 61D-14.053, F.A.C.

(2) Fine Schedule Applied:

<u>Offense</u>	<u>Minimum</u>	<u>Maximum</u>
<u>First</u>	<u>Letter of Concern</u>	<u>Fine \$100</u>
<u>Second</u>	<u>Fine \$50</u>	<u>Fine \$1,500 and/Or Suspension of License</u>
<u>Third</u>	<u>Fine \$250</u>	<u>Fine \$2,000 and/Or Suspension of License</u>
<u>Fourth</u>	<u>Fine \$500 and/or Probation of License</u>	<u>Fine \$5,000 and/ Or Revocation of License</u>

Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(a), (4)(b), (5), 551.104(1), (4)(a), (b), (10)(b), 551.106(4), 551.107(5)(a), (b), (6)(a), (b), (c), (11), 551.109(1), (2), (3), (4), (5), 551.117 FS. History – New _____.

61D-14.104 Citation Authority.

(1) The violations noted in Rule 61D-14.102, F.A.C., are designated as having no substantial threat to the public or if there is a substantial threat to the public, such potential for harm has been removed prior to the issuance of the citation and the appropriate penalties for specific violations. The citation form is set forth in the rules, Form DBPR PMW-3475, Uniform Non-Disciplinary Citation, adopted and incorporated by Rule 61D-15.001, F.A.C., to document the cited offense, concurrence or non-concurrence of the licensee and final division action.

(2) The procedures described herein apply only for the offense of the alleged violation. Subsequent violations(s) beyond the fourth infraction of the same rule or statute by the same person or entity shall require the division to take appropriate administrative action pursuant to Chapter 120, F.S.

(3) Citations are to be served upon the subject either by personal service or by certified mail, return receipt, to the last known business or resident address of the subject upon final signature approval by the Chief of Slot Operations.

(4) The Subject has 30 days from the date the citation becomes a final order to pay the fine and costs, unless otherwise noted in the citation. All fines and costs are to be made payable to the "Pari-Mutuel

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Wagering Trust Fund” and sent to: Division of Pari-Mutuel Wagering, 1940 North Monroe Street, Tallahassee, Florida 32399. A copy of the citation shall accompany payment.

(5) The licensee may reject the citation. If the licensee chooses to reject a division citation or if the licensee fails to comply with the penalty, the division shall then, upon receipt of the rejection, determine appropriate disciplinary procedures to include taking appropriate administrative action pursuant to Chapter 120, F.S.

(6) The division shall maintain a report record containing the citations upon which payment was made, along with the subject’s name, violation, fine and timely payment of fine.

Specific Authority 551.103(1), (4)(b), 551.122 FS.

Law Implemented 551.103(1)(a) FS. History – New _____.

61D-14.105 Disciplinary Guidelines.

(1) When the division finds an applicant, licensee, or permitholder whom it regulates under Chapter 551, F.S., has committed any of the acts set forth in Chapter 551, F.S., and/or the pertinent rules Chapter 61D-14, F.A.C., it shall, if accepted by the licensee or proved pursuant to the procedures of Chapter 120, F.S., issue a final order imposing appropriate penalties as recommended in these disciplinary guidelines.

(a) The use of terms to describe the offenses within the individual guidelines is intended to be only a general description of the offense.

(b) For an accurate description of the actual offense, the reader should refer to the statutory or rule disciplinary provisions.

(c) The maximum penalties set forth in any individual offense guideline include all of the less severe penalties that would fall in between the minimum and the maximum penalties stated.

(2) Based on consideration of aggravating or mitigating factors present in an individual case, except for explicit statutory minimum and maximum penalty requirements, the Chief of Slot Operations may exercise discretion to deviate from the penalties recommended herein. The Chief of Slot Operations shall consider as aggravating or mitigating factors the following:

(a) The length of time the licensee has held a license in this state;

(b) The actual damage, physical or otherwise, caused by the violation and the reversibility of the damage;

(c) The deterrent effect of the penalty imposed;

(d) The effect of the penalty upon the licensee;

(e) Efforts by the licensee towards rehabilitation;

(f) The actual knowledge of the licensee pertaining to the violation;

(g) Attempts by the licensee to correct or stop the violation or refusal by the licensee to correct or stop the violation; and/or

(h) Any other relevant mitigating or aggravating factor under the circumstances.

(3) Penalties imposed by the division pursuant to subsections (2) and (4) may be imposed in combination or individually based upon the division’s evaluation of the assigned criteria and are as follows:

(a) Issue of a reprimand or letter of concern which may be imposed in any disciplinary case, regardless of whether the penalty is referenced in any individual offense guideline;

(b) Imposition of an administrative fine not to exceed \$5,000.00 for each count;

(c) Suspension of a license. Suspension of a license will be a progressive measure with a minimum of three working/scheduled days and a maximum of five working/scheduled days;

(d) Probation Term. Terms of the probation will be a progressive measure with increments of three months, six months and one year;

(e) Revocation of a license which shall be permanent, unless specified otherwise in the final order;

(f) Denial of an application for licensure, any violation of a provision of Chapter 551, F.S., and associated rules may be the basis for denial or issuance of licensure with restrictions or conditions; and

(g) Costs. The licensee is responsible for payment of all costs related to compliance with an order taking disciplinary action.

(4) The provisions of subsections (1) through (2) above are not intended and shall not be construed to limit the ability of the division to informally dispose of disciplinary actions by stipulation, agreed settlement or consent order pursuant to Section 120.57(4), F.S.

(5) The provisions of subsections (1) through (2) above are not intended and shall not be construed to limit the ability of the division to pursue or recommend the pursuit of collateral civil or criminal actions when appropriate.

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Specific Authority 551.103(1), 551.122 FS.

Law Implemented 551.103(1)(a), (4)(b), (5), 551.104(1), (4)(a), (b), (10)(b), 551.106(4), 551.107(5)(a), (b), (6)(a), (b), (c), (11), 551.109(1), (2), (3), (4), (5), 551.117 FS. History – New

61D-14.106 Post Final Order Actions.

(1) Any licensee whose license or permit has been revoked or suspended by the division shall:

(a) Immediately surrender the revoked or suspended license to the division or its authorized representatives.

(b) Hold the license surrendered for the duration of the suspension period. The licensee shall:

1. Refrain from misrepresenting the status of his/her license to continue to perform his/her responsibilities within his/her establishment in any way;

2. Be prohibited from receiving any compensation from any person, group, partnership, or corporate owner for services provided to any person subsequent to the licensure revocation or during the period of licensure suspension.

(2) This subsection is not intended to preclude a revoked or suspended licensee from receiving fees to which he/she is entitled as a result of services performed prior to the effective date of his/her suspension or revocation, but which are received subsequent to revocation or during the period of suspension.

Specific Authority 551.103(1), (4)(b), 551.122 FS.

Law Implemented 551.103(1)(a) FS. History – New