ADMINISTRATIVE RULES

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DEPARTMENT OF TREASURY

MICHIGAN GAMING CONTROL BOARD

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These rules take effect 7 days after filing with the Secretary of State.

(By authority conferred on the Michigan gaming control board by section 4 of Initiated Law of 1996, MCL 432.204)

R 432.1812, R 432.1838, and R 432.1839 of the Michigan Administrative Code are amended as follows:

PART 8. CONDUCT OF GAMING/GAMING EQUIPMENT

R 432.1812 Live gaming inventory.

Rule 812. (1) The casino licensee must assign a unique number to each live gaming device, which will be known as the asset number.

(2) The casino licensee must maintain an inventory of live gaming devices. The inventory must include all of the following information:

(a) The asset number assigned to the live gaming device by the casino licensee.

(b) The type of game for which the live gaming device is designed and used.

(c) The location of each live gaming device.

(d) The manufacturer of the live gaming device.

(3) A casino licensee must submit the inventory report to the board on a form prescribed by the board within 10 days of the issuance of the casino license and on each subsequent anniversary date of the issuance of the casino license.

R 432.1838 Authorization for progressive electronic gaming devices.

Rule 838. (1) This rule authorizes the use of progressive electronic gaming devices within 1 casino if the electronic gaming devices comply with the requirements of these rules.

(2) A casino licensee or provider of a wide area progressive system must provide the board with the following information before using progressive electronic gaming devices in its casino:

(a) The serial numbers of the electronic gaming devices that are common to a single progressive link.

(b) The odds of hitting the progressive amount on each electronic gaming devicethat is attached to the link.

(c) The reset value of the progressive link.

(d) The rate of progression for the progressive link.

(e) How the rate of progression is split between the various progressive components.

(f) Other information deemed necessary by the executive director or the board to ensure compliance with the act and this part.

(3) Wide area progressive systems that link gaming devices in more than 1 casino may not be used without prior written board approval.

(4) The following provisions apply to progressive electronic gaming devices:

(a) A progressive electronic gaming device is an electronic gaming device that has a payoff that increases uniformly as the electronic gaming device is played.

(b) A progressive jackpot may be won where a certain preestablished criteria, which does not have to be a winning combination, is satisfied.

(c) A bonus game where certain circumstances are required to be satisfied before awarding a fixed bonus prize is not a progressive electronic gaming device and is not subject to this rule.

(5) A casino licensee or provider of a wide area progressive system must not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless 1 of the following circumstances exist:

(a) A player wins the jackpot.

(b) The casino licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed in these rules and the casino licensee documents the adjustment and the reasons for it.

(c) The casino licensee's gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee resumes gaming operations at the same establishment within a month.

(d) The casino licensee distributes the incremental amount to another progressive jackpot at the casino licensee's establishment if all the following circumstances exist:

(i) The casino licensee documents the distribution.

(ii) A machine offering the jackpot to which the casino licensee distributes the incremental amount does not require that more money be played on single play to win the jackpot than the machine from which the incremental amount is distributed.

(iii) A machine offering the jackpot to which the incremental amount is distributed complies with the board's minimum theoretical payout requirement.

(iv) The distribution is completed within 30 days after the progressive jackpot is removed from play or within a longer period as the board, for good cause, may approve.

(e) The board, for good cause, approves in writing, a reduction, elimination, distribution, or procedure not other described in this rule.

(6) The following provisions apply to permitting the transfer of a progressive jackpot that is in play:

(a) A progressive jackpot that is currently in play may be transferred to another progressive electronic gaming device on the casino floor under any of the following circumstances:

(i) Electronic gaming device malfunction.

(ii) Electronic gaming device replacement.

(iii) Other good reason deemed appropriate by the board to ensure compliance with the act and these rules.

(b) If the events set forth in subdivision (a) of this subrule do not occur, then the progressive award must be permitted to remain until it is won by a player or until transfer is approved by the board.

(7) The following provisions apply to recording, keeping, and reconciling the jackpot amount.

(a) A casino licensee must maintain a record of the amount shown on a progressive jackpot meter.

(b) A casino licensee must maintain supporting documents to explain any reduction in the payoff amount from a previous entry.

(c) A casino licensee must retain the records and documents for a period of 5 years unless otherwise provided by the board in writing.

(8) An electronic gaming device must either contain or be linked to a progressive display showing the current payoff to all players who are playing an electronic gaming device and who may potentially win the progressive amount.

(9) Except as otherwise authorized by the board, in writing, when 2 or more progressive electronic gaming devices are linked together, each electronic gaming device on the link must have the same probability of hitting the combination that will award the progressive jackpot or jackpots.

(10) The following provisions apply to the normal operating mode of the progressive controller:

(a) During the normal operating mode of the progressive controller, the controller must do both of the following:

(i) Continuously monitor each electronic gaming device attached to the controller to detect credits wagered.

(ii) Multiply the credits wagered by the programmed rate of progression to determine the correct amounts to apply to the progressive jackpot.

(b) The progressive display must be constantly updated as play on the link continues. It is acceptable to have a slight delay in the update if, when a jackpot is triggered, the jackpot amount is shown immediately.

(11) Both of the following provisions apply to the jackpot operating mode of the progressive controller:

(a) The progressive controller must send to the electronic gaming device the amount that was won. The electronic gaming device must update its electronic meters to reflect the winning jackpot amount consistent with this rule. In instances where the jackpot values are extremely high, the board may waive the requirements of this rule.

(b) If more than 1 progressive electronic gaming device is linked to the progressive controller, then the progressive controller or other approved attached device or system must automatically reset to the *reset* amount and continue normal play. During this time, the progressive meter or another attached approved device or system must display all of the following information:

(i) The identity of the electronic gaming device that caused the progressive meter to activate.

(ii) The winning progressive amount.

(iii) The new normal mode amount that is current on the link.

(12) The following provisions apply to the security of the progressive controller:

(a) A progressive controller linking 2 or more progressive electronic gaming devices must be housed in a double-keyed compartment in a location approved by the board. All keys must be maintained in accordance with the licensee's or provider of wide area progressive system's approved internal controls.

(b) The board must possess 1 of the keys.

(c) A list of the occupational licensees who have access to a progressive controller must be submitted to the board and updated continually.

(d) A progressive controller entry authorization log must be maintained within each controller. The log shall be on a form prescribed by the board and completed by an individual who gains entrance to the controller.

(e) Security restrictions must be submitted in writing to the executive director for approval not less than 60 days before their enforcement. All restrictions approved by the board will be made on a case-by-case basis in the case of a stand-alone progressive where the controller is housed in the logic area.

(13) A progressive controller or another approved attached device or system must keep all of the following information in nonvolatile memory, which must be displayed upon demand:

(a) The number of progressive jackpots won on each progressive level if the progressive display has more than 1 winning amount.

(b) The cumulative amounts paid on each progressive level if the progressive display has more than 1 winning amount.

(c) The maximum amount of the progressive payout for each level displayed.

(d) The minimum amount or reset amount of the progressive payout for each level displayed.

(e) The rate of progression for each level displayed.

(14) Both of the following provisions apply to limits on the jackpot of a progressive electronic gaming device:

(a) A casino licensee may impose a limit on the jackpot of a progressive electronic gaming device if the limit imposed is greater than the possible maximum jackpot payout on the electronic gaming device at the time the limit is imposed.

(b) A casino licensee must inform the public of the limits of a progressive electronic gaming device. The information must be contained in a prominently displayed notice.

R 432.1839 Electronic gaming device specifications and requirements.

Rule 839. (1) An electronic gaming device used in a casino must meet the specifications set forth in this rule.

(2) All of the following provisions apply to equipment approval:

(a) The board must approve an electronic or mechanical gambling game before use.

(b) Except as otherwise determined by the board, the following may not be used for gaming by any casino licensee without the prior written approval of the board:

(i) Bill acceptors or bill validators.

(ii) Token acceptors.

(iii) Progressive controllers.

(iv) Progressive displays.

(v) Associated gaming equipment as provided for in R 432.1842.

(c) The manufacturer and manufacturer Michigan supplier license number must be recorded on the slot inventory log.

(d) The approval must describe, with particularity, the equipment or device approved.

(3) Both of the following provisions apply to testing:

(a) Both of the following must be tested before approval for use:

(i) An electronic gaming device.

(ii) Another device or other equipment as the executive director may deem necessary to ensure compliance with the act and this part.

(b) The board may take both of the following actions:

(i) Employ the services of an outside independent gaming test laboratory to conduct the testing.

(ii) Bill a licensee who requests approval of a device or equipment through any billing mechanism the board deems appropriate.

(4) An applicant who is served with a notice of denial under this rule may request a hearing to appeal the test results.

(5) An electronic gaming device must meet all of the following security and audit specifications:

(a) Be controlled by a microprocessor.

(b) Be connected and communicating to an approved casino central computer system.

(c) Have an internal enclosure for the circuit board that is locked or sealed, or both, before game play.

(d) After a power failure, be able to continue a game without loss of data.

(e) Have game data recall for the current game and the previous 4 games.

(f) Have a random selection process that satisfies the 99% confidence level using any of the following tests:

(i) Standard chi-squared.

(ii) Runs.
(iii) Serial correlation.
(iv) Another standard mechanical test for randomness as approved by the board.
(g) Clearly display applicable rules of play and the payout schedule.
(h) Display an accurate representation of each game outcome utilizing any of the following:
(i) Rotating reels.
(ii) Video monitors.
(iii) Another type of display mechanism that accurately depicts the outcome of the game.
(6) All of the following requirements apply to the control program:
(a) Electronic gaming device control programs must test themselves for possible corruption caused by failure of the program storage media.
(b) The test methodology must detect 99.99% of all possible failures.
(c) The control program must allow for the electronic gaming device to be continually tested during game play.
(d) Except as otherwise authorized by the board, the control program must reside in the electronic gaming device that is contained in a storage medium that is not alterable through use of the circuitry or programming of the electronic gaming device itself.
(e) The control program must check for all of the following:
(i) Corruption of RAM locations used for crucial electronic gaming device functions.
(ii) Information relating to the current play and final outcome of the 4 previous games.
(iii) Random number generator outcome.
(iv) Error states.
(f) Detection of corruption is a game malfunction that must result in a tilt condition that identifies the error and causes the electronic gaming device to cease further function.
(g) The control program must have the capacity to display a complete play history for the current game and the previous 4 games.
(h) The control program must display an indication of all of the following:
(i) The game outcome or a representative equivalent.
(ii) Bets placed.
(iii) Credits or tokens paid.
(iv) Credits or tokens cashed out.
(v) Any error conditions.
(vi) Any other information deemed necessary by the board to ensure compliance with the act and these rules.
(i) The control program must provide the means for on-demand display of the electronic meters utilizing a key switch on the exterior of the electronic gaming device.
(7) All of the following provisions apply to accounting meters:
(a) An electronic gaming device must be equipped with electronic meters.
(b) An electronic gaming device's electronic meters must tally totals to at least 8 digits and be capable of rolling over when the maximum value is reached.
(c) An electronic gaming device's control program must provide the means for on-demand display of the electronic meters utilizing a key switch on the exterior of the machine.
(d) Electronic meters must have an accuracy rate of 99.99% or better.
(e) The required electronic meters must comply with the following provisions:
(i) The tokens-in meter must cumulatively count the number of tokens that are wagered by actual tokens inserted or credits bet, or both.
(ii) The tokens-out meter must cumulatively count the number of tokens won that are paid by the hopper or credits won that are paid to the credit meter, or both.

(iii) The tokens-dropped meter must cumulatively count the number of tokens that have been diverted into a drop bucket and the credit value of all bills inserted into the bill validator for play.

(iv) The jackpots-paid meter must reflect the cumulative amounts paid by an attendant for progressive jackpots and nonprogressive jackpots.

(v) The games-played meter must display the cumulative number of games played.

(vi) A cabinet door meter must display the number of times the front cabinet door was opened.

(vii) The drop door meter must display the number of times the drop door or the bill validator door was opened.

(f) If an electronic gaming device is equipped with a bill validator, then the device must be equipped with a bill validator meter that records all of the following:

(i) The total number of bills that were accepted.

(ii) An accounting of the number of each denomination of bill accepted.

(iii) The total dollar amount of bills accepted.

(g) An electronic gaming device must have meters that continuously display all of the following information relating to the current play or monetary transaction:

(i) The number of tokens or credits wagered in the current game.

(ii) The number of tokens or credits won in the current game, if applicable.

(iii) The number of tokens paid by the hopper for a credit cashout or a direct pay from a winning outcome.

(iv) The number of credits available for wagering, if applicable.

(h) Electronically stored meter information required by this rule must be preserved after a power loss to the electronic gaming device and must be maintained for a period of not less than 180 days.

(8) All of the following provisions apply to clearing permanent meters:

(a) An electronic gaming device may not have a mechanism that causes the required electronic accounting meters to clear automatically when an error occurs.

(b) The required electronic accounting meters may be cleared only if approved by the board.

(c) Required meter readings, when possible, must be recorded before and after the electronic accounting meter is cleared.

(9) The following provisions apply to randomness events and randomness testing:

(a) Events in electronic gaming devices are occurrences of elements or particular combinations of elements that are available on the particular electronic gaming device.

(b) A random event has a given set of possible outcomes that has a given probability of occurrence called the distribution.

(c) Two events are called independent if both of the following conditions exist:

(i) The outcome of 1 event does not have an influence on the outcome of the other event.

(ii) The outcome of 1 event does not affect the distribution of another event.

(d) An electronic gaming device must be equipped with a random number generator to make the selection process. A selection process is considered random if all of the following specifications are met:

(i) The random number generator satisfies not less than a 99% confidence level using the standard chi-squared analysis.

(ii) The random number generator does not produce a statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets not less than 99% confidence level with regard to the runs test or any similar pattern testing statistic.

(iii) The random number generator produces numbers that are independently chosen without regard to any other symbol produced during that play. This test is the correlation test. Each pair of reels is considered random if the pair of reels meet not less than 99% confidence level using standard correlation analysis.

(iv) The random number generator reduces numbers that are chosen without reference to the series of outcomes in the previous game. This test is the serial correlation test. A reel stop position is considered random if it meets not less than 99% confidence level using standard serial correlation analysis.

(v) The random number generator and random selection process must be impervious to influences from outside the electronic gaming device, including, but not limited to, all of the following:

(A) Electromagnetic interference.

(B) Electrostatic interference.

(C) Radio frequency interference.

(vi) An electronic gaming device must use appropriate communication protocols to protect the random number generator and random selection process from influence by associated equipment that is conducting data communications with the electronic gaming device.

(10) All of the following provisions apply to safety requirements:

(a) Electrical and mechanical parts and design principles must not subject a player to physical hazards. An electronic gaming device must be underwriters laboratories-approved or the equivalent.

(b) Spilling a conductive liquid on the electronic gaming device must not create a safety hazard or alter the integrity of the electronic gaming device's performance.

(c) The power supply used in an electronic gaming device must be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.

(11) All of the following provisions apply to surge protector:

(a) A surge protector must be installed on each electronic gaming device.

(b) Surge protection can be internal to the power supply or external.

(c) A battery backup device must be installed and capable of maintaining the accuracy of required electronic meter information after power is discontinued from the electronic gaming device. The device must be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for 90 days.

(12) An on and off switch that controls the electrical current used to operate the electronic gaming device must be located in an accessible place and within the interior of the electronic gaming device.

(13) If an electronic gaming device is equipped with a token acceptor, then all of the following provisions apply to the token acceptor:

(a) An acceptor must be approved by the board to indicate that it meets the requirements of these rules.

(b) A token acceptor must be designed to accept designated tokens and to reject others.

(c) The token receiver on an electronic gaming device must be designed to prevent the use of cheating methods, including, but not limited to, any of the following:

(i) Slugging.

(ii) Stringing.

(iii) Spooning.

(d) A token that is accepted but not credited to the current game must be returned to the player by activating the hopper or crediting toward the next play of the electronic gaming device. The electronic gaming device control program must be capable of handling rapidly fed tokens so that frequent instances where a token is accepted but not credited to the current game are prevented.

(e) If an electronic gaming device is equipped with a token acceptor, it must accept or reject a token on the basis of any of the following:

(i) Metal composition.

(ii) Mass.

(iii) Composite makeup.

(iv) Equivalent security.

(f) An electronic gaming device must have a suitable detector for determining the direction and speed of token travel in the receiver. If a token traveling at an improper speed or direction is detected, then the electronic gaming device must enter a tilt condition and display an error condition that requires attendant intervention to clear.

(14) All of the following provisions apply to bill validators:

(a) An electronic gaming device may have a bill validator installed into which a patron may insert currency in exchange for an equal value of electronic gaming device credits. The patron must be able to obtain an equal number of tokens for the amount of currency that was inserted into the bill validator.

(b) A bill validator may accept any of the following:

(i) One dollar ($1.00) bills.

(ii) Five dollar ($5.00) bills.

(iii) Ten dollar ($10.00) bills.

(iv) Twenty dollar ($20.00) bills.

(v) Fifty dollar ($50.00) bills.

(vi) One hundred dollar ($100.00) bills.

(vii) EZpay tickets/vouchers.

(c) A bill acceptor may be for any single denomination or combination of denominations.

(d) A bill validator must have software programs that enable the validator to differentiate between genuine and counterfeit bills to a high degree of accuracy.

(e) A bill validator must be equipped with a bill validator drop box to collect the currency inserted into the bill validator. The bill validator drop box must comply with all of the following requirements:

(i) The bill validator drop box must be housed in a locked compartment separate from any other compartment of the electronic gaming device.

(ii) The bill validator drop box must be accessible by a key that will access only the bill validator drop box and no other area of the electronic gaming device.

(iii) The bill validator drop box must have a slot opening through which currency can be inserted.

(iv) The bill validator drop box must be identifiable to the electronic gaming device from which it was removed.

(v) The bill validator drop box must have a separate lock to access the contents of the bill validator drop box. The key to the lock must not access any other area of the electronic gaming device.

(15) Both of the following provisions apply to an automatic light alarm:

(a) A light must be installed on the top of the electronic gaming device and must automatically illuminate when the door to the electronic gaming device is opened or when associated equipment that may affect the security or operation of the electronic gaming device is exposed~~,~~ if the equipment is physically attached to the gaming device.

(b) A bar-top electronic gaming device must have a light alarm or an audio door alarm, or both, installed. The alarm must be designed to activate when the machine is entered.

(16) All of the following provisions apply to access to the interior *of an electronic gaming device*:

(a) The internal space of an electronic gaming device must not be readily accessible when the door is closed.

(b) All of the following must be in a separate locked or sealed area within the electronic gaming device:

(i) Logic boards.

(ii) Program storage medium.

(iii) RAM.

(c) Access to the area described in subdivision (b) of this subrule is not allowed without prior notification to the board at the casino.

(d) The board must be allowed immediate access to the locked or sealed area. A casino licensee must maintain its copies of the keys to electronic gaming devices in accordance with the licensee's approved internal controls.

Unauthorized tampering or entrance into the logic area without prior notification in accordance with subdivision (c) of this subrule is grounds for disciplinary action.

(17) An electronic gaming device must have its logic boards and any computer chips that store memory secured in a locked enclosure within the electronic gaming device that must be sealed with evidence tape. The locked enclosure for logic boards and computer chips within the electronic gaming device must be sealed with evidence tape by an employee of the board or the Michigan state police assigned to assist the board.

(18) All of the following provisions apply to hardware switches:

(a) A hardware switch may not be installed if it alters the pay tables or payout percentages in the operation of an electronic gaming device.

(b) A hardware switch may be installed to control any of the following:

(i) Graphic routines.

(ii) Speed of play.

(iii) Sound.

(iv) Other approved cosmetic play features.

(c) A machine may have multiple percentage settings if the settings do not violate these rules and if the settings are accessed through software switches approved by the board.

(19) Both of the following provisions apply to multigames:

(a) A gaming device that offers a menu of more than 1 game to the player is a "multigame." A multigame may have various games with configurable percentages. A multigame may be approved by the board if, in addition to any other requirements in these rules, electronic meters with at least 8 digits are available upon display for each game offered on the menu:

(i) Credits wagered or equivalent.

(ii) Credits won or equivalent.

(b) If the method of configuring the game menu may be accomplished by entering a configuration mode of the device, then the method employed must meet both of the following standards:

(i) The method has sufficient safeguards to prevent unauthorized access.

(ii) The method does not result in data loss or corruption of data sent to the casino central computer system.

(20) All of the following provisions apply to the display of rules of play:

(a) The rules of play for an electronic gaming device must be displayed on the face or screen of the electronic gaming device.

(b) The rules of play must be approved by the board.

(c) The board may reject the rules if the board determines that the rules are any of the following:

(i) Incomplete.

(ii) Conflicting.

(iii) Confusing.

(iv) Misleading.

(d) The rules of play must be kept under glass or another transparent substance.

(e) The rules of play may not be altered without prior approval from the board.

(f) Stickers or other removable devices may not be placed on the electronic gaming device face unless their placement is approved or required by the board.

(21) The following must not subject a player to physical hazards:

(a) Electrical parts.

(b) Mechanical parts.

(c) Design principles of the electronic gaming device and its component parts.

(22) Electronic gaming device power supply filtering must be sufficient to prevent disruption of the electronic gaming device by a repeated switching on and off of the AC power.

(23) The following provisions apply to error conditions and automatic clearing:

(a) An electronic gaming device must be capable of detecting and displaying all of the following conditions:

(i) Power reset.

(ii) Door open.

(iii) Inappropriate token-in if the token is not automatically returned to the player.

(b) The conditions listed in subdivision (a) of this subrule must be automatically cleared by the electronic gaming device upon initiation of a new play sequence.

(24) The following provisions apply to error conditions and clearing by an attendant:

(a) An electronic gaming device must be capable of detecting and displaying all of the following error conditions that an attendant may clear:

(i) Token-in jam.

(ii) Token-out jam.

(iii) Hopper empty or timed-out.

(iv) RAM error.

(v) Hopper runaway or extra token paid out.

(vi) Program error.

(vii) Reverse token-in.

(viii) Reel spin error of any type, including a misindex condition for rotating reels. The specific reel number must be identified in the error indicator.

(ix) Low RAM battery, for batteries external to the RAM itself, or low power source.

(b) A description of the electronic gaming device error codes and their meanings must be contained inside each electronic gaming device.

(25) If an electronic gaming device is equipped with a hopper mechanism, then all of the following provisions apply to the hopper mechanism:

(a) The hopper must be designed to detect all of the following and force the electronic gaming device into a tilt condition if 1 of the following occurs:

(i) Jammed tokens.

(ii) Extra tokens paid out.

(iii) Hopper runaways.

(iv) Hopper empty conditions.

(b) The electronic gaming device control program must monitor the hopper mechanism for the error conditions specified in subdivision (a) of this subrule in all game conditions.

(c) All tokens paid from the hopper mechanism must be accounted for by the electronic gaming device, including, to the extent possible, tokens paid as extra tokens during a hopper malfunction.

(d) Hopper pay limits must be designed to permit compliance by a casino licensee with all applicable taxation laws, rules, and regulations.

(26) An electronic gaming device that is capable of a bidirectional communication with internal or external associated equipment must use a communication protocol that ensures that erroneous data or signals will not adversely affect the operation of the electronic gaming device.

(27) An electronic gaming device must meet all of the following maximum and minimum theoretical percentage payouts during the expected lifetime of the electronic gaming device:

(a) The electronic gaming device must pay out not less than 80%, and not more than 100%, of the amount wagered unless otherwise approved by the board.

(b) The theoretical payout percentage must be determined using standard methods of the probability theory. The percentage must be calculated using the highest level of skill where player skill impacts the payback percentage.

(c) An electronic gaming device must have a probability of obtaining the maximum payout of more than 1 in 50,000,000.

(28) Except in the case of a total memory failure, and if the machine is still operable, an electronic gaming device must be capable of continuing the current play with all the current play features after an electronic gaming device malfunction is cleared.