

Part 3 Chapter 12: MANUFACTURERS AND DISTRIBUTORS

This section was reformatted to conform with the other sections of this book.

Rule 12.1 Definitions

As used in this regulation, unless the context otherwise requires:

- (a) "Cashless wagering system" means the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering with other than chips, tokens or legal tender of the United States.
- (b) "Conversion" means a change in a gaming device from one pre-approved configuration to another pre-approved configuration or from one approved mode of play to another approved mode of play.
- (c) "Distributor" is any person that sells, leases, markets, offers, or otherwise distributes any gaming device or cashless wagering system for use or play in this state or sells, leases, or otherwise distributes any gaming device or cashless wagering system from a location within this state.
- (d) "Distributor of associated equipment" is any person that sells, leases, markets, offers, or otherwise distributes associated equipment in this state for use by licensees.
- (e) "Executive Director" means the Executive Director of the Mississippi Gaming Commission or his designee.
- (f) "Game outcome" is the final result of the wager.
- (g) "Inter-casino linked system" means an inter-casino linked system including the collective hardware, software, communications technology and other associated equipment used to link and monitor games or devices located at two or more licensed gaming establishments. Systems that solely record a patron's wagering activity among affiliated properties are not inter-casino linked systems.
- (h) "Inter-casino linked system modification" means a change or alteration to an inter-casino linked system made by an operator who has been previously approved by the commission to operate that system. With regard to inter-casino linked systems that link progressive payout schedules, the term includes, but is not limited to:
 - 1. A change in a system name or theme; or
 - 2. A change in gaming device denomination.
- (i) "Manufacturer" is any person that manufactures, assembles, produces, programs, or makes modifications to any gaming device or cashless wagering system for use or play in this state or for distribution outside of this state.
- (j) "Manufacturer of associated equipment" is any person that manufactures, assembles, or produces any associated equipment, including inter-casino linked systems, for use by licensees.
- (k) "Modification" means a change or alteration in a gaming device that affects the manner or mode of play of the device. The term includes a change to control or graphics programs and, except as provided in (4) and (5) below, in the theoretical hold percentage. The term does not include:
 - 1. A conversion;
 - 2. Replacement of one component with another, pre-approved component;
 - 3. The rebuilding of a previously approved device with pre-approved components;

4. A change in the theoretical hold percentage of a mechanical or electromechanical device, provided that the device as changed meets the standards of Rule 12.5(b) of this regulation; or
 5. A change in the theoretical hold percentage of an electronic device which is the result of a top award jackpot or bonus jackpot payment which is paid directly by an attendant and which is not accounted for by the device.
- (l) "On-line slot metering system" means the collective hardware, software and other associated equipment used to monitor, accumulate, and record meter information from gaming devices within a licensed establishment.
- (m) "Operator" means any person or entity holding a license to operate an inter-casino linked system in this state, or a person or entity holding a license to operate a gaming operation that operates an inter-casino linked system of affiliates.
- (n) "Prepaid Access Instrument" means a card, code, electronic serial number, mobile identification number, personal identification number or similar device that allows patron access to funds that have been paid in advance and can be retrieved or transferred at some point in the future through such a device. A Prepaid Access Instrument must be distributed by a licensed gaming operator or its affiliates and only Prepaid Access Instruments distributed by the licensee or its affiliates may be used to fund a wagering account at that licensee's location or the location of its affiliates. The Prepaid Access Instrument may only be used in conjunction with an approved wagering account and may not be funded by payroll direct deposit.
- (o) "Randomness" is the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.
- (p) "Theme" means a concept, subject matter and methodology of design.
(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.4 Approval Of Gaming Devices; and the Operation of New Inter- Casino Linked Systems; Applications And Procedures.

- (a) A manufacturer or distributor shall not distribute a gaming device in this state and a licensee shall not offer a gaming device for play unless it has been approved by the Commission or is offered for play pursuant to a field test ordered by the Executive Director.
- (b) An operator of an inter-casino linked system shall not install and operate a new inter-casino linked system in this state and a licensee shall not offer any gaming device or game for play that is part of such a system unless operation of the inter-casino linked system and all gaming devices or games that are part of or connected to the inter-casino linked system have been approved by the Executive Director or are offered for play pursuant to a field test ordered by the Executive Director.
- (c) Applications for approval of a new gaming device or to operate a new inter-casino linked system must be made and processed in such manner and using such forms as the Executive Director may prescribe. Only licensed manufacturers may apply for approval of a new gaming device. Only operators may apply for approval to operate a new inter-casino linked system. Each application must include, in addition to such other items or information as the Executive Director may require:

1. A complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device or inter-casino linked system operates, signed under penalty of perjury;
2. A statement under penalty of perjury in such form as required by the Executive Director, that to the best of the manufacturer's knowledge, the gaming device meets the standards of Regulations Part 3, Chapter 12 and Part 8, or, in the case of an inter-casino linked system, that to the best of the operator's knowledge, the system meets the standards of Regulations Part 3, Chapter 12 and Part 8;
3. In the case of a gaming device, a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming device, submitted on electronically readable, unalterable media;
4. In the case of a gaming device, a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables; and
5. In the case of an inter-casino linked system:
 - i. An operator's manual;
 - ii. An internal control system;
 - iii. A hold harmless agreement;
 - iv. A graphical representation in such form as required by the Executive Director of the system theme and all related signage; and
 - v. Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann.* § 75-76-33

Rule 12.5 Minimum Standards For Gaming Devices.

All gaming devices submitted for approval:

- (a) Must be electronic in design and operation and must be controlled by a microprocessor or the equivalent. Microcontrollers are allowed.
- (b) Must theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which must not be less than eighty percent (80%) or greater than one hundred percent (100%) for each wager available for play on the device. Gaming devices that may be affected by player skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.
- (c) Must use a random selection process to determine the game outcome of each play of a game. The random selection process must meet 95 percent confidence limits using a standard chi-squared test for goodness of fit.
 1. Each possible permutation or combination of game elements which produce winning or losing game outcomes must be available for random selection at the initiation of each play.

2. For gaming devices that are representative of live gambling games, the mathematical probability of a symbol or other element appearing in a game outcome must be equal to the mathematical probability of that symbol or element occurring in the live gambling game. "Equal to" shall mean within the thousandths of a percent – i.e., .001% to .009%. For other gaming devices, the mathematical probability of a symbol appearing in a position in any game outcome must be constant.
 3. The selection process must not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play.
- (d) Must display an accurate representation of the game outcome. After selection of the game outcome, the gaming device must not make a variable secondary decision which affects the result shown to the player.
 - (e) Must display the rules of play and payoff schedule.
 - (f) Must not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage.
 - (g) Must be compatible to on-line data monitoring.
 - (h) Must contain an irremovable identification plate containing the following information, appearing on the exterior of the device:
 1. Manufacturer;
 2. Serial Number; and
 3. Model Number.
 - (i) Must have equipment that enables the device to communicate with a central computer system accessible to the Commission, using an industry standard protocol data format approved by the Executive Director.
 - (j) Must be capable of continuing the current game with all current game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current wager and all credits appearing on the screen prior to the malfunction shall be returned to the patron.
 - (k) Must have attached a locked compartment separate from any other compartment of the device for housing a drop bucket.
 - (l) Must have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual payout and requires an attendant to reactivate the device.
 - (m) Must meet the Technical Standards adopted pursuant to Regulation Part 8.
(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.6 Minimum Standards for Inter-Casino Linked Systems.

All inter-casino linked systems submitted for approval:

- (a) Shall have a method to secure data transmissions between the games and devices and the main computer of the operator, as approved by the Executive Director;
- (b) Gaming devices connected to a common payoff schedule shall:
 1. All be of the same denomination; or
 2. If of different denominations, equalize the expected value of winning the payoff schedule on the various denominations by setting the odds of winning the payoff

schedule in proportion to the amount wagered or by requiring the same wager to win the payoff schedule regardless of the device's denomination. The method of equalizing the expected value of winning the payoff schedule shall be conspicuously displayed on each device connected to the inter-casino linked system;

(c) Shall display the rules of play and the payoff schedule;

(d) Shall meet the applicable minimum standards for internal control; and

(e) Shall meet the Technical Standards adopted pursuant to Regulation Part 8. Any percentage changes to the rate of progression of the primary meter shall be submitted for approval of the Executive Director.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.16 Approval To Distribute Gaming Device out of Mississippi; Applications and Procedures.

(a) Manufacturers and distributors shall not distribute gaming devices out of this state without the prior, written approval of the Executive Director or his designee. Applications for approval to distribute gaming devices out of this state must be made, processed, and determined in such manner and using such forms as the Executive Director may prescribe. Each application must include, in addition to such other items or information as the Executive Director may require:

1. The full name, state of residence, address, telephone number, social security number, and driver's license number of both the purchaser and the person to whom the shipment is being made, if neither is currently licensed by the commission. If the purchaser or person to whom the shipment is being made does not have a social security number or driver's license number, the birth date of the purchaser or person to whom the shipment is being made may be substituted;

2. The name and permanent address of the purchaser or person to whom the shipment is being made if either is currently licensed by the Commission;

3. The destination, including the port of exit if the destination is outside the continental United States;

4. The number of devices to be shipped;

5. The serial number of each device;

6. The model number of each device and year each device was manufactured, if known;

7. The denomination of each device;

8. The expected date and time of shipment;

9. The method of shipment and name and address of carrier;

10. A statement by the purchaser under penalty of perjury that each device will be used only for lawful purposes, unless the purchaser is currently licensed by the commission or the destination is outside the United States.

(b) Manufacturers and distributors shall not ship gaming devices to a destination where possession of a gaming device is unlawful.

(c) Manufacturers and distributors shall, on or before December 31st of each year, give the Commission a copy of their registration with the United States Attorney General pursuant to the provisions of the Gaming Devices Act of 1962, 15 U.S.C. 1173, for the ensuing year.

(d) An agent of the Commission may inspect all gaming devices prior to distribution into or out of this state. Manufacturers and distributors shall make the gaming devices available for such inspection.

(e) If the Executive Director does not deny the application for approval to distribute gaming devices into or out of this state within 10 working days of receipt of a complete application, the application will be deemed to be approved.

(f) A manufacturer or distributor shall keep a record of all shipments made of parts specifically designed for use in a gaming device. The record must include the information set forth in subsection (a), if applicable. A manufacturer or distributor shall not ship parts specifically designed for use in a gaming device to a destination where possession of a gaming device is unlawful.

(g) A fee of \$100 per slot machine will be assessed by the Mississippi Gaming Commission (MGC) when an approved slot machine is transferred to or from a licensed operator. Notifications must be submitted to the MGC Laboratory (on approved forms provided by the MGC) for processing and billing.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.17 Approval To Sell Or Dispose Of Gaming Devices.

A licensee, other than a manufacturer and distributor, shall not dispose of gaming devices without the prior written approval of the Executive Director, unless the devices are sold or delivered to its affiliated companies or a licensed manufacturer or distributor, in which case approval is deemed granted. A licensee shall not request approval to sell or deliver gaming devices to a person other than its affiliated companies or a licensed manufacturer or distributor unless the devices have been marked pursuant to Rule 12.15 of this regulation. Applications for approval to sell or dispose of gaming devices must be made, processed, and determined in such manner and using such forms as the Executive Director may prescribe. Each application must include the information required by Rule 12.16 of this regulation in addition to such other items or information as the Executive Director may require.

(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.18 Maintenance Of Gaming Devices.

A licensee shall not alter the operation of approved gaming devices and shall maintain the gaming devices in a suitable condition. Each licensee shall keep a written list of repairs made to gaming devices offered for play to the public that require a replacement of parts that affect the game outcome and shall make the list available for inspection by the Executive Director upon his request. All parts that are integral to the playing of the gaming device, related to the actual game outcome, or associated equipment of the machine must be sold by a licensed manufacturer or distributor. These parts include software, artwork, and other integral components whose installation may be considered a modification of the machine by the MGC. Simple parts that do not constitute a modification of a gaming device or associated equipment (such as simple hardware, bolts, screws, light bulbs, etc.) may be sold by a non-licensed vendor but must be equivalent in performance, specifications and dimensions as the original equipment. The

Executive Director reserves the right to make a determination as to whether any seller of gaming device parts and equipment must be licensed by the Commission.
(Adopted: 09/25/1991; Amended: 09/15/04.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.21 Approval Of Associated Equipment; Applications And Procedures.

(a) A manufacturer or distributor of associated equipment shall not distribute associated equipment unless it has been approved by the Executive Director. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the Executive Director may prescribe. Each application must include, in addition to such other items or information as the Executive Director may require:

1. The name, permanent address, social security number, and driver's license number of the manufacturer or distributor of associated equipment unless the manufacturer or distributor is currently licensed by the commission. If the manufacturer or distributor of associated equipment is a corporation, the names, permanent addresses, social security numbers, and driver's license numbers of the directors and officers must be included. If the manufacturer or distributor of associated equipment is a partnership, the names, permanent addresses, social security numbers, driver's license numbers, and partnership interest of the partners must be included. If social security numbers or driver's license numbers are not available, the manufacturer's or distributor's birth date may be substituted;
2. A complete, comprehensive and technically accurate description and explanation in both technical and lay language of the associated equipment or a modification to previously approved associated equipment and its intended usage, signed under penalty of perjury;
3. Detailed operating procedures for the associated equipment; and
4. Details and results of all tests performed and the standards under which such tests were performed, together with a confirmation that the associated equipment is functioning as represented, signed under penalty of perjury.

(b) Except as otherwise provided in subsection (c), any associated equipment that, when installed, will allow a patron to use a debit or credit instrument for the purpose of making electronic funds transfer from an independent financial institution or other entity to a gaming device through a cashless wagering system is expressly prohibited. Any such capability shall be fully and completely disabled. No approval of any kind constitutes a waiver of this provision.

(c) The Executive Director may grant approvals pursuant to subsection (a) with respect to the use of a Prepaid Access Instrument in conjunction with an approved wagering account.
(Adopted: 09/25/1991; Amended: 09/15/2004.)

Source: *Miss. Code Ann. § 75-76-33*

Rule 12.26 Storage of Gaming Equipment

(a) All licensees shall store gaming equipment only in locations approved by the Commission.

1. The Commission shall approve the location of any proposed storage area or facility prior to utilization of the storage area or facility.
2. The Commission shall conduct an inspection of the storage area or facility prior to utilization of the storage area or facility and periodically for security compliance.

3. All associated equipment that requires licensure may only be stored in counties where gaming is legal.
- (b) Minimum standards for off-site storage facilities:
1. The storage facility must have security panels or bars over any windows, or windows must be equipped with an alarm system;
 2. Gaming equipment must not be visible from the exterior of the facility;
 3. The gaming storage area must be monitored either by security personnel or a professional alarm system;
 4. Slot machines must be dropped and currency boxes removed prior to storage, and slot machines shall be housed separately from other gaming equipment within the storage facility;
 5. CPU boards and/or other sensitive gaming devices or supplies shall be maintained in a separate secured key controlled area with limited access.
- (c) Minimum standards for on-site storage facilities:
1. Gaming equipment must not be visible from the exterior of the facility;
 2. The gaming storage area must have surveillance coverage to detect the movement(s) of personnel within the storage area;
 3. Slot machines must be dropped and currency boxes removed prior to storage; and
 4. If CPU boards are being maintained in the slot machine, the boards must be secured by a lock.
- (d) The licensee must provide the following information to the Commission:
1. A list of key holders who have access to the storage area or facility;
 2. An access list of personnel who are permitted in the storage facility or in the gaming storage area prior to the storing of gaming equipment. Only necessary personnel should have access to this area;
 3. A list of key control procedures should be established and provided for approval prior to storing equipment;
 4. An inventory of all slot machines shall be maintained at the storage facility that includes manufacturer, serial number, and date of storage on a form approved by the Commission. Information on movement of the machines should be included in the inventory log; and
 5. Immediate notification of vandalism or theft of gaming equipment.

(Adopted: 09/15/2004.)

Source: *Miss. Code Ann.* § 75-76-33