APPROVEDCHAPTERMARCH 19, 2024549BY GOVERNORPUBLIC LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD

TWO THOUSAND TWENTY-FOUR

S.P. 871 - L.D. 2070

An Act to Implement a Facility-based Monitoring System for Slot Machines

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the current contract between the Department of Public Safety, Gambling Control Board and the 3rd party operating the central site monitoring system on behalf of the Gambling Control Board expires on June 30, 2024; and

Whereas, it is necessary to enact the changes authorizing the transition from a central site monitoring system to a facility-based monitoring system before the expiration of the current contract; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 8 MRSA §1001, sub-§13-B is enacted to read:

13-B. Facility-based monitoring system. "Facility-based monitoring system" means an on-site computer system at a casino or slot machine facility that is accessible by the department to which all slot machines at the casino or slot machine facility communicate for the purpose of auditing capacity and real-time information retrieval of the details of any financial event that occurs in the operation of the casino or slot machine facility, door openings and closings, power failure and malfunction.

Sec. 2. 8 MRSA §1003, sub-§2, ¶J, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is repealed.

Sec. 3. 8 MRSA §1003, sub-§2, ¶J-1 is enacted to read:

J-1. Ensure the board or the director or staff has the ability to regulate, manage and audit the operation, financial data and program information relating to slot machines that enables the department to audit the operation, financial data and program information of a casino or slot machine facility licensee, as required by the board, and

provide the department with the ability to monitor at any time on a real-time basis wagering patterns, payouts, tax collection and compliance with rules adopted by the board for the regulation and control of slot machines operated under this chapter;

Sec. 4. 8 MRSA §1003, sub-§2, ¶**K**, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

K. <u>Maintain Ensure the board or the director or staff, in collaboration with the casino</u> <u>operator or slot machine operator, has</u> the ability to activate and deactivate the operation of <u>individual</u> slot machines via the central site monitoring system under authority of board staff or persons contracted by the board;

Sec. 5. 8 MRSA §1003, sub-§2, ¶M, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

M. Inform commercial track operators applying for a license to operate slot machines that any slot machines licensed by the board must be compatible with the central site <u>a</u> facility-based monitoring system of on-line monitoring used by the board;

Sec. 6. 8 MRSA §1003, sub-§2, ¶**N**, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

N. Cause the central site monitoring system to disable, in collaboration with the casino operator or slot machine operator, a slot machine to be disabled that does not meet registration requirements provided by this chapter or rules adopted under this chapter or as directed by the department;

Sec. 7. 8 MRSA §1003, sub-§2, ¶O, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

O. Cause the central site monitoring system to disable, in collaboration with the casino operator or slot machine operator, a slot machine to be disabled and cause the department to seize the proceeds of that slot machine if the funds from that slot machine have not been distributed, deposited or allocated in accordance with section 1036;

Sec. 8. 8 MRSA §1004, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

§1004. Central site Facility-based monitoring system

1. Generally. In order to facilitate the auditing and security programs required by section 1003, subsection 2 and in addition to the requirements of under section 1003, subsection 2, paragraphs J to O, all slot machines at a casino or slot machine facility must communicate electronically with the central site monitoring system required pursuant to section 1003, subsection 2, paragraph J licensee's facility-based monitoring system. The board shall select a central site monitoring system. The central site facility-based monitoring system, in addition to other functions the board determines necessary, must:

A. Be a fully operational slot machine control system that has the capability of supporting all slot machines licensed for operation in the State at the casino or slot machine facility and is capable of being upgraded to maintain a fully operational and proper reporting capability;

B. Use a widely accepted gaming industry protocol to facilitate slot machine manufacturers' ability to communicate with the <u>central site facility-based</u> monitoring system;

C. Have the capability to support progressive slot machines, both in-house and widearea, as approved by the board. For purposes of this paragraph, "progressive slot machine" means a slot machine or series of slot machines in which the payback amount to an individual player increases as that player continues to play the slot machine or slot machines;

D. Allow the slot machine operator to install independent player tracking systems to include cashless technology as approved by the board;

E. Be incapable of altering the statistical awards of slot machines, as designated by the slot machine manufacturer and approved by the board;

F. Provide redundancy to ensure that each component of the <u>network facility-based</u> <u>monitoring system</u> is capable of operating independently if another component of the <u>network facility-based monitoring system</u> fails and to ensure that all transactional data is captured and secured; and

G. Have the ability to meet the reporting and control requirements set forth in section 1003, subsection 2, paragraphs A to $\mp \underline{S}$.

An on-site computer system that is accessible by the department through read-only access and was in operation as of January 1, 2024 at a casino or slot machine facility operated by a person licensed under section 1011 is considered a facility-based monitoring system under this chapter.

2. Third-party contractor. If the board contracts with a 3rd party to operate the central site monitoring system, the 3rd party must meet, as determined by the board, the suitability requirement described in section 1016, subsection 2.

3. Initial acquisition of central site monitoring system. The board shall select the central site monitoring system presenting the lowest overall cost alternative, taking into consideration the capital costs, operating costs and impact on gross slot machine revenues, that is capable of satisfying the requirements of this section and section 1003, as determined by the board.

Sec. 9. 8 MRSA §1006, sub-§1, ¶**D**, as enacted by PL 2005, c. 11, §1, is amended to read:

D. Financial, statistical and surveillance information related to the applicant or licensee that is obtained by the board or department from the central site <u>a facility-based</u> monitoring system or surveillance devices, except that such records or information may be disclosed with the written consent of the licensee as the facility-based monitoring system operator;

Sec. 10. 8 MRSA §1006, sub-§3, as enacted by PL 2005, c. 11, §1, is repealed.

Sec. 11. 8 MRSA §1006, sub-§4, as amended by IB 2009, c. 2, §28, is further amended to read:

4. Monitoring and surveillance records and information. Financial, statistical and surveillance information obtained by the board or department from the central site <u>a</u>

<u>facility-based</u> monitoring system or surveillance devices is confidential and may not be disclosed, except as provided in subsection 1, paragraph D. The board shall prepare and make publicly available monthly and annual reports on the results of slot machine and table game operations using the information described in this subsection pursuant to section 1003, subsection 2, paragraphs Q and R, as long as the board takes appropriate measures to protect the confidentiality of specific information designated as confidential by this section.

Sec. 12. 8 MRSA §1020, sub-§2, ¶**F**, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

F. Must have technology compatible with the central site <u>licensee's facility-based</u> monitoring system used by the board;

Sec. 13. 8 MRSA §1020, sub-§4, as amended by PL 2019, c. 614, §4, is further amended to read:

4. Examination <u>Certification</u> of slot machines and associated equipment. The board shall, in cooperation with the department, examine <u>approve qualified independent</u> <u>laboratories for certification of</u> slot machines and slot machine associated equipment of from slot machine distributors and gambling services vendors seeking registration as required in this chapter. The board shall require the slot machine distributor or gambling services vendor seeking examination and approval <u>certification</u> of the slot machine or slot machine associated equipment to pay <u>the board-approved independent laboratory</u> the anticipated cost of the examination <u>certification</u> before the examination occurs certification is completed. After the examination occurs, the board shall refund overpayments or charge and collect amounts sufficient to reimburse the board for underpayments of actual cost. The board may contract for the examinations of slot machines and slot machine associated equipment as required by this section adopt rules to establish the approval process to verify certifications, approve shipments and inspect slot machines. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 14. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC SAFETY, DEPARTMENT OF

Gambling Control Board Z002

Initiative: Reduces allocations for contracted services related to a central site monitoring system for slot machines.

OTHER SPECIAL REVENUE FUNDS All Other	2023-24 \$0	2024-25 (\$500,000)
OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	(\$500,000)

Sec. 15. Effective date. This Act takes effect June 30, 2024.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.