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Legislative Document

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S.P. 871

In Senate, December 22, 2023

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

Submitted by the Department of Public Safety pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 20, 2023. Referred to the Committee on Veterans and Legal Affairs pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HICKMAN of Kennebec.

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

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

3 **13-B. Facility-based monitoring system.** "Facility-based monitoring system" means
4 an on-site computer system at a casino or slot machine facility that is accessible by the
5 department to which all slot machines at the casino or slot machine facility communicate
6 for the purpose of auditing capacity and real-time information retrieval of the details of any
7 financial event that occurs in the operation of the casino or slot machine facility, door
8 openings and closings, power failure and disabling of slot machines.

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 B, §11, is repealed.

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

12 J-1. Ensure the board or the director or staff has the ability to regulate, manage and
13 audit the operation, financial data and program information relating to slot machines
14 that enables the department to audit the operation, financial data and program
15 information of a casino or slot machine facility licensee, as required by the board, and
16 provide the department with the ability to monitor at any time on a real-time basis
17 wagering patterns, payouts, tax collection and compliance with rules adopted by the
18 board for the regulation and control of slot machines operated under this chapter;

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

21 K. ~~Maintain~~ Ensure the board or the director or staff has the ability to activate and
22 deactivate the operation of individual slot machines including via the central site a
23 facility-based monitoring system under authority of board staff or persons contracted
24 by the board;

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

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

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

32 N. Cause the central site a facility-based monitoring system to disable a slot machine
33 that does not meet registration requirements provided by this chapter or rules adopted
34 under this chapter or as directed by the department;

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

37 O. Cause the central site a facility-based monitoring system to disable a slot machine
38 and cause the department to seize the proceeds of that slot machine if the funds from
39 that slot machine have not been distributed, deposited or allocated in accordance with
40 section 1036;

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

3 **§1004. Central-site Facility-based monitoring system**

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

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

15 B. Use a widely accepted gaming industry protocol to facilitate slot machine
16 manufacturers' ability to communicate with the ~~central site~~ facility-based monitoring
17 system;

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

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

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

27 F. Provide redundancy to ensure that each component of the ~~network~~ facility-based
28 monitoring system is capable of operating independently if another component of the
29 ~~network~~ facility-based monitoring system fails and to ensure that all transactional data
30 is captured and secured; and

31 G. Have the ability to meet the reporting and control requirements set forth in section
32 1003, subsection 2, paragraphs A to F S.

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

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

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

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

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

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

9 **4. Monitoring and surveillance records and information.** Financial, statistical and
10 surveillance information obtained by the board or department from ~~the central site~~ a
11 facility-based monitoring system or surveillance devices is confidential and may not be
12 disclosed, except as provided in subsection 1, paragraph D. The board shall prepare and
13 make publicly available monthly and annual reports on the results of slot machine and table
14 game operations using the information described in this subsection pursuant to section
15 1003, subsection 2, paragraphs Q and R, as long as the board takes appropriate measures
16 to protect the confidentiality of specific information designated as confidential by this
17 section.

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

20 F. Must have technology compatible with the ~~central site~~ licensee's facility-based
21 monitoring system used by the board;

22 **SUMMARY**

23 This bill amends the laws relating to the auditing and security of slot machines by
24 replacing the requirement that the Department of Public Safety maintain a central site
25 monitoring system with a requirement that all slot machines communicate electronically
26 with an on-site facility-based monitoring system that is accessible by the department.