

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

(Substantial rewording of Rule 61D-14.048, F.A.C., follows. See Florida Administrative Code for present text.)

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 report shall 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 vs. actual jackpot comparison report with the dollar value totals for each jackpot;

(d) A statistical or theoretical payout percentage vs. 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.

(f) The Annual System Report shall be maintained either in electronic or print form.

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

(a) Have 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 Chapter 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 provide the slot machine licensee a method of incrementally increasing any slot machine jackpot reported to the FBMS and:

1. Recording 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; and

2. Providing positive reference to the specific slot machine single win jackpot reported and jackpot payment;

3. 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;

4. Shall 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 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 shall be equal to or greater than the 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.

(3) 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 shall be available 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, 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 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 the 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 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 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 for the purpose of this rule, 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 shall be capable of being verified through an audit or process of auditing 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. As applied in this rule, 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.
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 cashable amount of all tickets issued at a specified slot machine;
7. "Counts recorded" means the amounts 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" represents 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 printed date on a report;
11. "Denomination" means the individual per credit value allowed in a slot machine reflected in the current report;
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;

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-redemable 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.

(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. 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 than 8:00 AM the next business day upon completion of 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 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.

4. Daily Variance Report. The report requirements are:

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

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

(I) A variance means and exists when the record count(s) reflected on the Initial Revenue Report does not agree with 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 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 the COS the names of the individuals responsible for providing the required reports, in writing. 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 occupational 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.

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.

(b) 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 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.

(c) 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.

(d) 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, 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 _____.