

Santa Clara Pueblo Gaming Commission



Gaming Device Licensing Regulations

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CHAPTER II - LICENSING

SECTION 7: LICENSING OF GAMING DEVICES, ASSOCIATED EQUIPMENT AND NEW GAMES

7.1	License Requirement	7-1
7.2	Approval of New Gaming Devices; Application and Procedures	7-1
7.3	Employment of Individual to Respond to Commission Inquiries.....	7-1
7.4	Commission Evaluation of New Gaming Devices.	7-2
7.5	Field Test of New Gaming Devices.....	7-2
7.6	Final Approval of New Gaming Devices.....	7-3
7.7	Approval to Modify Gaming	7-3
7.8	Commission Evaluation, Testing and Approval of Modifications.....	7-3
7.9	Conversions	7-3
7.10	License Fees.....	7-3
7.11	Duplication of Program Storage Media	7-4
7.12	Marking, Registration, and Distribution of Gaming Devices	7-4
7.13	Approval to Sell or Dispose of Gaming Devices	7-4
7.14	Maintenance of Gaming Devices.....	7-4
7.15	Summary Suspension of Approved Gaming Devices.....	7-4
7.16	Approval of New Games: Applications and Procedures.....	7-5
7.17	Field Trials of New Games.....	7-5
7.18	Final Approval of New Games.	7-5
7.19	Summary Suspension of Approved Games	7-5
7.20	Approval of Associated Equipment: Applications and Procedures	7-6
7.21	Evaluation of Associated Equipment.....	7-6
7.22	Field Trials of Associated Equipment.....	7-6
7.23	Maintenance of Associated Equipment.....	7-7
7.24	Retention of Records.....	7-7
7.25	Authorization, Purchase and Receipt of Gaming Devices, Equipment, and Supplies.	7-7

CHAPTER IV – LICENSING

SECTION 7: LICENSING OF GAMING DEVICES, EQUIPMENT AND NEW GAMES

7.1 License Requirement.

(1) No person may distribute, operate or place into operation any gaming device unless such person is licensed by the Commission to distribute or operate such gaming devices, and the distribution and/or use of the gaming device is strictly in compliance with the terms of the license and of these regulations, and no gaming device shall be available for use or play unless it has been licensed by the Commission to be operated at a gaming facility under the provisions of these regulations.

(2) No person may distribute, operate or place into operation any game unless such person is licensed by the Commission to distribute or operate such games, and the distribution and/or use of the games is strictly in compliance with the terms of the license and of these regulations and no game shall be available for use or play unless it has been licensed by the Commission to be operated at a gaming facility under the provisions of these regulations.

(3) All gaming devices and games offered by the Gaming Operation at the time these regulations are issued shall be deemed approved, after which a new gaming device or new game must have be approved according to these regulations or will be prohibited.

7.2 Approval of New Gaming Devices; Application and Procedures.

(1) The Gaming Operation shall not offer new gaming devices for play unless the gaming device has been approved by the Commission.

(2) A Gaming Operation shall not offer a new gaming device for play unless it has had the opportunity for evaluation and inspection by the Commission.

(3) Consideration for approval of a new gaming device must be made and processed in such manner and using such forms as the Commission may prescribe. Each application must include, in addition to such other items or information as the Commission may require:

- (a) The complete name and address of the manufacturer and the distributor of the gaming device, and a list of the jurisdictions in which the gaming device has been licensed or approved for use, or in which such approval has been applied for and is pending or has been rejected, together with the date and formal designation of any action by the regulatory authority in each such jurisdiction.
- (b) A complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the gaming device operates.
- (c) A statement under penalty of perjury that to the best of the manufacturer's knowledge, the gaming device meets the standards of Section 17 of these Regulations.

7.3 Employment of Individual to Respond to Commission Inquiries. Each manufacturer

of any gaming device that is licensed by the Commission, or for which a license has been applied for, shall employ or retain an individual who understands the design and function of each of such gaming device who shall respond within the time specified by the Commission to any inquiries from it concerning the gaming device or any modifications to the gaming device. Each manufacturer shall on or before December 31st of each year report in writing the name of the individual designated for the next calendar year pursuant to this section and shall report in writing any change in the designation within 15 days of the change.

7.4 Commission Evaluation of New Gaming Devices. Upon receiving an application for licensing of a new gaming device, the Commission may require transportation of not more than two working models of such new gaming device to the Commission for review and inspection. The person seeking approval of the gaming device must pay the cost of the inspection and investigation. The Commission may dismantle the models and may destroy electronic components in order to fully evaluate the device. The Commission may require that the applicant or the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

7.5 Field Test of New Gaming Devices.

- (1) The Commission shall make a preliminary, nonbinding determination whether a new gaming device meets the standards set forth in these regulations. If the Commission makes a preliminary determination that a new gaming device has met the standards set forth in these regulations, it may allow or require that one or more models of the gaming device be tested at a licensed gaming facility for not less than 60 nor more than 180 days under terms and conditions that it may approve or require. Upon written request of the applicant, the Commission may allow the test period to be continued for up to an additional 90 days beyond the 180 days maximum field test period for the purpose of allowing the application for approval of the new gaming device to be acted upon by the Commission.
- (2) An applicant or manufacturer shall not modify a gaming device during the test period without the prior written approval of the Commission.
- (3) The Commission may order termination of the test period, if it determines, in its sole and absolute discretion, that the manufacturer or applicant has not complied with the terms and conditions of the order allowing or requiring a test period or if the new gaming device fails to meet the standards set forth in these regulations. The applicant may object to the termination of the test period by filing a written objection with the Commission. The filing of an objection shall not stay the order terminating the test. If the Commission fails to order resumption of the test within 60 days of the written objection, the objection will be deemed denied. If the Commission sustains the objection, the testing may be resumed under terms that may be approved or required by the Commission.

7.6 Final Approval of New Gaming Devices. After completing its evaluation and inspection of the new gaming device, the Commission shall notify, the Gaming Operation and the manufacturer, in writing of its decision to approve or disapprove the new gaming device. In considering whether a new gaming device will be given final approval, the Commission shall consider whether approval is consistent with the public policy of the Pueblo. Commission approval of a gaming device does not constitute certification of the device's safety.

7.7 Approval to Modify Gaming Devices.

- (1) Modifications to gaming devices may only be made by licensed manufacturers who have received prior written approval of the Commission.
- (2) A manufacturer shall not modify a gaming device unless the device, as modified, meets the standards set forth in these regulations. The Commission may waive all or some of the standards set forth in these regulations if the modification is necessary to prevent cheating or malfunction.
- (3) Applications for approval to modify a gaming device must be made and processed in such manner and using such forms as the Commission may prescribe. Each application must include, in addition to such other items or information that the Commission may require:
 - (a) A complete, comprehensive, and technically accurate description and explanation of the modification in both technical and lay language signed under penalty of perjury; and
 - (b) Unless the standards set forth in these regulations have been waived pursuant to section 7.7(b), a statement under penalty of perjury that to the best of the manufacturer's knowledge, the gaming device, as modified, meets the standards set forth in these regulations.

7.8 Commission Evaluation, Testing and Approval of Modifications. The Commission may impose the same evaluation, field testing and approval requirements on modified gaming devices as it imposes on new gaming devices under the provisions of sections 7.4, 7.5, and 7.6. The provisions of sections 7.4, 7.5, and 7.6 of these regulations shall apply fully to such evaluation, field testing, and approval of modified gaming devices.

7.9 Conversions. The Gaming Operation may convert a gaming device from one approved game configuration to another approved gaming configuration, but the enterprise shall maintain complete and accurate records of all such conversions. This issuance of a new license shall not be required.

7.10 License Fees.

- (1) License fees are established by the Commission and may be changed without prior notice at any time, for any gaming device license. The Commission will determine and publish notice of an approved

fee schedule to include license renewal fees.

(2) The gaming enterprise must comply with a request for a licensing fee provided on an invoice to cover the cost of regulatory maintenance and functions. The failure to pay any licensing fee when reasonably requested may result in denial of the gaming device license. The licensing fee shall be paid by the gaming enterprise by check.

(3) The Commission reserves the right to waive or adjust any gaming device license fee. The decision of the Commission regarding such requests shall be final and non-appealable.

7.11 Duplication of Program Storage Media. The Gaming Operation shall not duplicate the contents of program storage media in any gaming device unless its duplication process has received written approval of the Commission.

7.12 Marking, Registration, and Distribution of Gaming Devices.

(1) A manufacturer or distributor shall not distribute a gaming device to any licensed gaming facility, and the Gaming Operation shall not take delivery of a gaming device, unless the gaming device has:

(a) Documentation of gaming device registration pursuant to the provisions of the Gaming Device Act of 1962, 15 U.S.C §1173

(b) A serial number for each gaming device, permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the gaming device and on a removable metal plate attached to the cabinet of the device; and

(2) Each Gaming Operation shall keep a list of the date of each delivery of gaming devices, the serial numbers of the gaming devices, and the name of the manufacturer of each gaming device, and shall provide such list to the Commission immediately upon its request.

7.13 Approval to Sell or Dispose of Gaming Devices. The Gaming Operation shall not dispose of a gaming device without the prior written approval of the Commission, unless the device is sold or delivered to a licensed manufacturer or distributor, in which case approval is deemed granted. Applications for approval to sell gaming devices must be made, processed and determined in such manner and using such forms as the Commission may prescribe.

7.14 Maintenance of Gaming Devices. The Gaming Operation shall not alter the operation of approved gaming devices and shall maintain the gaming devices in suitable condition. The Gaming Operation shall keep a written list of all repairs made to gaming devices that include replacement of parts that affect the game outcome and shall make the list available for inspection by the Commission upon its request.

7.15 Summary Suspension of Approved Gaming Devices. The Commission may issue a

summary order, with or without notice to the manufacturer, distributor, gaming enterprise or management contractor, suspending approval of a gaming device if it determines that the device does not operate:

- (1) In the manner certified by the manufacturer pursuant to Section 7.2(3)(b); or
- (2) As approved by the Commission.

7.16 Approval of New Games; Applications and Procedures.

- (1) The Gaming Operation shall not offer a game for play unless the game has been approved by the Commission.
- (2) A Gaming Operation shall not offer a new game for play unless it has had the opportunity for evaluation and inspection by the Commission.
- (3) Consideration for approval of a new game must be made and processed in such manner and using such forms as the Commission may prescribe. Each application must include, in addition to such other items or information as the Commission may require:
 - (a) The complete name and address of the manufacturer and the distributor of the gaming device, and a list of the jurisdictions in which the gaming device has been licensed or approved for use, or in which such approval has been applied for and is pending or has been rejected, together with the date and formal designation of any action by the regulatory authority in each such jurisdiction.
 - (b) A description of the new game, including the rules of play, the proposed schedule of payouts, and a statistical evaluation of the theoretical percentages of the game.

7.17 Field Trials of New Games.

- (1) The Commission may allow or require that a new game be tested at a gaming facility for not more than 180 days under terms and conditions that it may approve or require.
- (2) The Commission may order termination of the test period if it determines, in its sole and absolute discretion, that the developer of the new game or the Gaming Operation offering the game for play has not complied with the terms and conditions of the order allowing or requiring a test period.

7.18 Final Approval of New Games. After completing its evaluation and inspection of the new game, the Commission shall notify, the Gaming Operation and the developer of the new game seeking to offer the game for play, in writing of its decision to approve or disapprove the new game. In considering whether a new game will be given final approval, the Commission shall consider whether approval is consistent with the public policy of the Pueblo. Commission approval of a game does not constitute certification of the device's safety.

7.19 Summary Suspension of Approved Games. The Commission may issue a summary

order, with or without notice to the manufacturer, distributor, gaming enterprise or management contractor, suspending approval of a game if it determines that the game does not operate:

- (1) In the manner certified by the developer pursuant to Section 7.15(3)(b); or
- (2) As approved by the Commission.

7.20 Approval of Associated Equipment; Applications and Procedures.

(1) Unless otherwise waived pursuant to section 7.2, the Gaming Operation shall not commence use of any associated equipment unless it has been approved by the Commission. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the Commission may prescribe. Each application must include, in addition to such other items or information as the Commission may require:

- (a) The name and address of the manufacturer and the distributor of the associated equipment, and a list of the jurisdictions in which such manufacturer and distributor are licensed by any gaming regulatory authority, together with the number, date and other formal designation of each such license;
- (b) A complete, comprehensive and technically accurate description and explanation in both technical and lay language of the associated equipment and its intended usage, signed under penalty of perjury;
- (c) Detailed operating procedures for the use of the associated equipment; and
- (d) Details of all tests performed on the associated equipment and the standards under which such tests were performed.

(2) Upon written request from the Gaming Operation, the Commission may, in its sole and absolute discretion, waive the approval requirement for associated equipment upon such terms and conditions that it may approve or require.

7.21 Evaluation of Associated Equipment. The Commission may require transportation of not more than 2 working models of associated equipment for review and inspection. The Commission may dismantle the associated equipment and may destroy electronic components in order to fully evaluate the equipment. The Commission may require the manufacturer or distributor of the equipment to provide specialized equipment or the services of an independent technical expert to evaluate the equipment.

7.22 Field Trials of Associated Equipment.

(1) The Commission may allow or require that the associated equipment be tested at a licensed gaming establishment for not more than 180 days under the terms and conditions that it may approve or require. The Commission may allow an additional test period upon written request of the manufacturer or distributor of the associated equipment.

- (2) A manufacturer of associated equipment shall not modify associated equipment during the test period without the prior written approval of the Commission.
- (3) The Commission may order termination of the test period, if it determines, in its sole and absolute discretion, that the manufacturer or distributor of the associated equipment or the licensed Gaming Operation has not complied with the terms and conditions of the order allowing or requiring a test period.

7.23 Maintenance of Associated Equipment. The Gaming Operation shall not alter the manner in which associated equipment operates without prior written approval of the Commission.

7.24 Retention of Records. All records required to be maintained by this section must be maintained for no less than 5 years.

7.25 Authorization, Purchase and Receipt of Gaming Devices, Equipment and Supplies.

- (1) The Gaming Operation must establish and have in place procedures to assure that management informs and obtains from the Commission required vendor and equipment authorization prior to the purchase of gaming machines, gaming equipment parts (including but not limited to bill validators, bill and coin sensors, hoppers, and monitors) and gaming supplies (including but not limited to game chips, dice, and cards). In any such notification management shall include:
 - (a) Complete vendor information;
 - (b) Detailed information on the device(s), equipment or supplies being ordered; and
 - (c) A copy of the management approved purchase requisition.
- (2) Upon receipt of any vendor shipment in subsection (1)(a) and before placing a particular item into use, the Commission must be notified. The Gaming Operation shall include a copy of the authorization form, the packing list and all other documents pertaining to the items ordered.
- (3) In addition to the above requirements, when the supplies are chips, tokens, cards and dice a Commission official must be present to witness and sign off for the receipt of the supplies as they are unpacked and placed into the casino inventory.
- (4) In addition to the above requirements, when gaming devices are to be shipped, vendors will submit to the Commission a description of the equipment, the serial numbers of each gaming device, the sellers' information, purchase application and bill of lading no less than ten (10) business days prior to the shipment of such equipment. Upon receipt and before placement of any gaming machine on the gaming floor the Commission must have a vendor supplied ITL certification letter as well as the PAR sheets for each new game.