

RESOLUTION 2010-170

A RESOLUTION ADOPTING AN EMERGENCY RULE REGARDING SERVER-BASED GAMING

The Indiana Gaming Commission (“Commission”) adopts the following resolution pursuant to the authority granted under IC 4-33, IC 4-35, and pursuant to 68 IAC 1-2-6.

The Commission has considered the following factors:

1. Pursuant to IC 4-33-4-3, IC 4-35-4-2, and IC 4-22-2-37.1, the Commission has the authority to adopt emergency rules.
2. IC 4-33-4-3(a)(8) and IC 4-35-4-2(a)(6) authorize the Commission to adopt emergency rules if the Commission determines that: (1) the need for a rule is so immediate and substantial that rulemaking procedures under 4-22-2-13 through 4-22-2-36 are inadequate to address the need; and (2) an emergency rule is likely to address the need.
3. The Commission is aware that many technological advances have been made in the areas of server-hosted and server-supported gaming, and that Indiana casinos would like to begin utilizing those technologies within a short period of time in order to gain the benefits of these advances.
4. The Commission recognizes that new regulations are required to properly regulate and supervise server-hosted and server-supported gaming in order to ensure the integrity of gaming in Indiana.
5. The Commission finds that the need for a new rule regarding server-hosted and server-supported gaming is immediate and substantial such that rulemaking procedures under IC 4-22-2-24 through IC 4-22-2-36 are inadequate to address the needs and that the attached emergency rule is likely to address the need.
6. Once adopted by the Commission, Commission staff will follow appropriate procedures to publish the emergency rule. The emergency rule will become effective upon filing with the Legislative Services Agency, and will continue to be effective for ninety (90) days thereafter. If necessary, the Commission will renew the effectiveness of the emergency rule for an additional ninety (90) days pending completion of the formal promulgation process.
7. While the emergency rule is in effect, the Commission will proceed with the non-emergency promulgation process, including IC 4-22-2-24 through 4-22-2-36.

**NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING
COMMISSION, THAT THE FOLLOWING RESOLUTION IS ADOPTED:**

SECTION 1: SCOPE

This resolution applies to all casino licensees, operating agents, gambling game licensees, supplier licensees, and trustees.

SECTION 2: DEFINITIONS

The definitions set forth in IC 4-33, IC 4-35, and 68 IAC 1-1 apply to this resolution.

SECTION 3: ADOPTION OF THE EMERGENCY RULE

Pursuant to IC 4-22-2-37.1, the Commission adopts the attached rule as an emergency rule for the initial ninety (90) day period as well as for the optional ninety (90) day extension period. The Commission further adopts any stylistic, grammatical, typographical, or other non-substantive changes that the Commission or the Legislative Services Agency may make to this emergency rule. The Commission shall file the proposed emergency rule and submit it for publication with the Legislative Services Agency.

SECTION 4: EFFECTIVE DATE

The emergency rule adopted in Section 3 of this resolution is to become effective upon filing with the publisher.

SECTION 5: EXPIRATION DATE

This resolution expires upon the final expiration of the emergency rule adopted herein.


ADOPTED, THIS THE 16th DAY OF SEPTEMBER, 2010.

THE INDIANA GAMING COMMISSION



Tim Murphy, Chair

ATTEST:



Marc Fine, Secretary

TITLE 68 INDIANA GAMING COMMISSION

Emergency Rule

LSA Document #10-____(E)

DIGEST

Temporarily enacts regulations for server-supported and server-hosted Electronic Gaming Devices at Indiana casinos. Statutory Authority: IC 4-33-4-2; IC 4-33-4-3; IC 4-35-4-2; IC 4-35-4-3. Effective upon filing.

SECTION 1. (a) The following definitions apply throughout this rule, unless the context clearly indicates otherwise:

(1) “Control program” means the software that operates the player terminal’s functions, including but not limited to the paytable, game program, game logic, random number generator, denominations, and user interface elements for the game.

(A) A control program may run independently on the player terminal, or it may require information generated by the server to function.

(B) A control program may exist on a server or on a player terminal.

(2) “Data library” means the electronic repository of all approved data files that may be downloaded to player terminals or utilized to facilitate game play on a SSEGS or SHEGS, including control programs, firmware, peripheral firmware, configuration data, and any other software that may be downloaded to a player terminal.

(3) “Electronic multiplayer table system” means a combination of:

(A) one or more servers; and

(B) multiple player terminals;

that function collectively for the purpose of electronically simulating multiplayer table game operations either without a live host, or with a live host whose duties are limited to the functions described in 68 IAC 1-1-82.

(4) “Host-assisted electronic multiplayer table system” means a combination of:

(A) one or more servers; and

(B) multiple player terminals

that function collectively for the purpose of electronically simulating multiplayer table game operations with the assistance of a dealer or live host whose duties are not limited to the functions described in 68 IAC 1-1-82.

(5) “Player terminal” means the device that a patron utilizes to interact with a game on any SHEGS, SSEGS, electronic multiplayer table system, or host-assisted electronic multiplayer table system. The term includes but may not be limited to a device on which or from which a player does one or more of the following:

(A) Places a wager.

(B) Views graphics from the game.

- (C) Hears audio from the game.
- (D) Provides input to the game.
- (E) Receives notification of the outcome of a game.

(6) "Server" means the host computer that is the primary source of the system controls and information for player terminals.

(7) "Server-supported electronic gaming system" or "SSEGS" means:

- (A) a combination of one or more servers and one or more player terminals that:
 - (i) are linked by a computer network that facilitates the transfer of the control program from the server or servers to the player terminals; and
 - (ii) do not electronically simulate multiplayer table game operations;
- (B) wherein each player terminal is capable of complete player functionality if disconnected from the system; and
- (C) the outcome of the game is determined at the time of patron play by a random number generator that resides in the player terminal.

(8) "Server-hosted electronic gaming system" or "SHEGS" means:

- (A) a combination of one or more servers and one or more player terminals that:
 - (i) are linked by a computer network; and
 - (ii) do not electronically simulate multiplayer table game operations;
- (B) wherein the player terminals are not capable of player functionality if they are disconnected from the system; and
- (C) the outcome of the game is determined at the time of patron play by a random number generator that resides on the server or servers.

(b) A casino licensee may utilize a SSEGS or SHEGS for gaming that:

- (1) Has been tested and approved by the commission under 68 IAC 2-6-2, 3, 3.1, and 4; and
- (2) complies with the rules laid out in 68 IAC 2-6-5, 6(a), 6(b), 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 30.1, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 46, and any other applicable standards adopted by the commission.

(c) Notwithstanding any other provision of this SECTION, 68 IAC 2-6-5(10) does not apply to a SSEGS or SHEGS.

(1) The par sheet for each game on a SSEGS or SHEGS must be submitted to the commission before the game is placed into service.

(d) Notwithstanding any other provision of this SECTION, 68 IAC 2-6-6(c) does not apply to a SSEGS or SHEGS.

(1) Any conversion must be made in accordance with SECTION 3 and SECTION 4 of this emergency rule. (e) Notwithstanding any other provision of this SECTION, 68 IAC 2-6-8(d) does not apply to a SSEGS or SHEGS.

(f) Notwithstanding any other provision of this SECTION, 68 IAC 2-6-21(e) does not apply to a SSEGS or SHEGS.

(1) Any changes to the rules of play must be made in accordance with SECTION 3 and SECTION 4 of this emergency rule.

SECTION 2. (a) Before a casino licensee may utilize a SSEGS or SHEGS for gaming, the following must occur:

- (1) The casino licensee must submit to the commission a copy of internal controls related specifically to the SSEGS or SHEGS.
- (2) The commission must approve the internal controls.

(b) This section incorporates by reference in the following manner GLI Standard #21 – Standards for Client-Server Systems (version 2.1, released May 18, 2007, which is available from the commission’s office in Indianapolis, Indiana or at <http://www.gaminglabs.com/downloads/GLI%20Standards/GLI-21%20v2.1.pdf>, and does not include any later amendments or editions):

- (1) A SHEGS or a SSEGS must meet the minimum technical standards for a client-server system as outlined by GLI Standard #21.
- (2) A SSEGS must meet the minimum technical specifications for a server supported game system as outlined in GLI Standard #21
- (3) A SHEGS must meet the minimum technical specifications for a server based game system as outlined GLI Standard #21
- (4) In the event of a conflict between GLI Standard #21 and this emergency rule or any other standards that the commission specifically adopts, the provisions outlined in this emergency rule and any other standards that the commission specifically adopts shall prevail.

(c) Before a casino licensee may utilize a SSEGS or SHEGS for gaming, the licensee must obtain approval from the executive director to undergo a trial period of the desired system for a period of time that the executive director shall specify.

- (1) During the trial period, the casino licensee must submit monthly reports to the executive director concerning the SSEGS or SHEGS. The reports shall contain, at a minimum:
 - (A) the total coin in and coin out for the system and for each player terminal;
 - (B) any hardware or software modifications that the casino licensee or the system supplier performed, including any software or control program uploads from the server to a player terminal of a SSEGS, and any software or control program modifications on the server of a SSEGS or SHEGS;
 - (C) any jackpot of \$10,000 or greater;
 - (D) any system, software, or hardware errors encountered; and
 - (E) any variances involving the system.
- (2) During the trial period, the casino licensee must report any variances to the commission within 48 hours of the variance.
- (3) During the trial period, the casino licensee must report any jackpot that is greater than \$10,000 to the commission within 24 hours of the jackpot.
- (4) The executive director may at any time:
 - (A) suspend the trial period for a temporary period of time; or
 - (B) prohibit further use of a SSEGS or SHEGS by a casino licensee.

SECTION 3. (a) All SSEGS and SHEGS must utilize a data library.

(b) Additions, deletions, and any other changes to the data library on the server must be approved in advance by the executive director or the executive director's designee.

(c) Data files eligible for inclusion in the data library must be approved in advance in accordance with 68 IAC 2-6-2, 3, 3.1 and 4.

(d) Any changes that are made to the data library, including but not limited to the addition, change, or deletion of control programs, must be stored in an unalterable audit log, which shall include:

- (1) time and date of the access and/or event;
- (2) log-in name; and
- (3) data files added, changed, or deleted.

SECTION 4. (a) All changes made by a casino licensee that affect game play or control programs on a player terminal must be made in accordance with the procedures outlined in this SECTION.

(1) For purposes of this SECTION, changes that affect game play or control programs on a player terminal include:

- (A) a change in payout percentage;
- (B) a change in denomination;
- (C) a change in the rules of the game;
- (D) a change in the game theme;
- (E) a change in line count configuration;
- (F) a change in coins per line;
- (G) any change that affects the payable of a player terminal; or
- (H) any other change that the commission or the executive director deems to have

the potential to materially alter a player's gaming experience.

(2) Changes may only be made in the presence of a gaming agent, and require split passwords, with the gaming agent possessing one-half of a password, and the casino licensee possessing the other half of the password.

(3) Changes may be pre-scheduled up to seven (7) days in advance only if entry or cancellation of the scheduled change requires the security measures specified in subdivision (2).

- (A) Records must be kept that describe
 - (i) whether a scheduled change was executed or cancelled; and
 - (ii) the nature and details of the scheduled changes.

(4) Before a change described in subdivision (1) is made, the player terminal that is the subject of the change must have no credits outstanding and must not been utilized by any patron for four minutes. After those four minutes have elapsed, the player terminal must enter an inactive state where patrons cannot utilize the terminal, and the terminal must display a message for a minimum of one minute indicating that changes are being made to the player terminal and play is not currently permitted on the machine.

(5) After a change described in subdivision(1) is made, before a patron may utilize a player terminal, an enforcement agent must verify the signature or signatures of the control programs using a device or software that is provided by Commission's authorized independent gaming laboratory.

(b) Any record of activity between a server and a player terminal that involves:
(1) the downloading of control programs or the adjustment of player terminal settings and configurations; or
(2) the activation of previously downloaded control programs or game content; or
(3) any other change that affects game play or control programs on a player terminal must be stored in an unalterable audit log, which shall identify with particularity the player terminal or terminals to which the control program was download and, if applicable, the program it replaced; and changes to the player terminal settings or configurations.

(c) The EGDS database must be simultaneously updated when any change that affects game play or control programs on a player terminal is made.

SECTION 5. (a) For the purposes of accounting and audit, each player terminal shall count as one unit to be reported on all tax returns submitted to the commission.

(1) if multiple denominations were used on one player terminal during a reporting period, only the lowest denomination must be used for reporting.

(b) Both the server or servers and the player terminal or player terminals of the SSEGS or SHEGS shall reside within the physical confines of a single casino gambling operation.

(c) The server and any device or computer that is used to make changes to the server must be stored in a room that is secured and locked.

(d) The server, and any device or computer connected to the server must be on a private network that is only used for gaming operations, and must not be connected to the internet, and must not be connected to any device that is connected to the internet.

SECTION 6. (a) The executive director or the commission may approve deviations from the provisions of this rule if the executive director or the commission determines that the:

(1) procedure or requirement is impractical, or burdensome; and

(2) alternative means of satisfying the procedure or requirement:

(A) fulfill the purpose of the rule;

(B) are in the best interest of the public and the gaming industry in Indiana; and

(C) do not violate IC 4-33 or IC 4-35.

(b) If a licensee wishes to request a deviation from the provisions of this rule, the licensee must do so in writing.