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CHAPTER L-17

LOTTERIES COMMISSION ACT

GAMING CENTERS CONTROL REGULATIONS

Pursuant to section 15 of the *Lotteries Commission Act* R.S.P.E.I. 1988, Cap. L-17, Council made the following regulations:

1. (1) In these Regulations

- (a) “Act” means the *Lotteries Commission Act* R.S.P.E.I. 1988, Cap. L-17; Act
- (b) “approved premises” means approved premises
- (i) a licensed premises, or
- (ii) a ferry boat or vessel operated by Northumberland Ferries Limited while engaged in a regular scheduled ferry service between Prince Edward Island and Nova Scotia;
- (c) “bet or wager” means money or its equivalent representative of value that is risked on the outcome of a game of chance; bet or wager
- (d) “bill validator” means a device attached to or otherwise part of an electronic gaming device that will accept paper currency and credit the electronic gaming device for the amount accepted; bill validator
- (e) “Category A Gaming Center” means a facility or premises that is operated by the Corporation for the purpose of offering games of chance, including games of chance that utilize electronic gaming devices; Category A Gaming Center
- (f) “Category B Gaming Center” means an approved premises in which the Corporation, pursuant to a siteholder agreement with the licensee or Northumberland Ferries Limited, places and operates electronic gaming devices for the purpose of offering games of chance; Category B Gaming Center
- (g) “Commission” means the Prince Edward Island Lotteries Commission; Commission
- (h) “Corporation” means the Atlantic Lottery Corporation Inc.; Corporation designated
- (i) “designated” means, in respect of a coin, token, ticket or bill, a coin, token, ticket or bill that has been designated by the Corporation as acceptable for use in an electronic gaming device;

drop bucket	(j) “drop bucket” means a container located in a cabinet in a token or coin operated electronic gaming device for collecting coins or tokens inserted into the electronic gaming device by a player;
electronic bingo	(k) “electronic bingo” means a bingo type game of chance that is played <ul style="list-style-type: none"> (i) by a single player on an electronic gaming device, or (ii) by two or more players simultaneously, or in conjunction with each other, on or through one or more electronic gaming devices that are located <ul style="list-style-type: none"> (A) in the same gaming center, or (B) in different gaming centers and that are linked by an electronic communication system;
electronic gaming device	(l) “electronic gaming device” means a computer, video or electronic device, a video lottery terminal or a slot machine which allows a player to play for consideration, singly or in conjunction with other players, including players in different gaming centers, any game of chance, and includes a device used to play electronic bingo;
gaming center	(m) “gaming center” means any Category A Gaming Center and any Category B Gaming Center;
gaming floor	(n) “gaming floor” means, in respect of a Category A Gaming Centre, the area of the gaming center in which electronic gaming devices are available to patrons of the gaming center;
game of chance	(o) “game of chance” means a lottery scheme which is conducted and managed by the Corporation under the authority of paragraph 207(1)(a) of the <i>Criminal Code</i> (Canada);
licensed premises	(p) “licensed premises” means any premises for or in respect of which a liquor license has been issued and is in force;
licensee	(q) “licensee” means the person who holds a valid and subsisting liquor license in respect of a licensed premises;
liquor license	(r) “liquor license” means a license, other than a dining room license or tourist home license, that is issued under the <i>Liquor Control Act</i> R.S.P.E.I. 1988, Cap. L-14;
progressive electronic gaming device	(s) “progressive electronic gaming device” means an electronic gaming device that offers a progressive jackpot;
progressive jackpot	(t) “progressive jackpot” means a jackpot that increases in value as a result of cumulative play at an independent electronic gaming device or at interlinked electronic gaming devices at one or more gaming centers;
siteholder	(u) “siteholder” means

- (i) a licensee who is a party to a siteholder agreement, or
- (ii) Northumberland Ferries Limited if it is a party to a siteholder agreement;

(v) “siteholder agreement” means an agreement referred to in subsection 3(1); siteholder agreement

(w) “slot machine” means a mechanical or electronic machine as defined in section 198 of the *Criminal Code* (Canada); slot machine

(x) “surveillance area” means, in respect of a Category A Gaming Center, the area of the gaming center where personnel employed, and equipment used, to monitor and record activities within the gaming center are located; surveillance area

(y) “ticket acceptor” means a device attached to or otherwise part of an electronic gaming device that will accept the value of a ticket designed for use in the electronic gaming device and that will credit the electronic gaming device for the value of the ticket accepted; ticket acceptor

(z) “video lottery terminal” means a video gaming device, other than a slot machine, through which a player participates in a game of chance. video lottery terminal

(2) For greater certainty, these regulations do not apply to a game of chance involving a draw or ticket based form of lottery and any such lottery, if offered in a gaming center, is subject to the Atlantic Lottery Regulations (EC863/76). (EC409/05) Application

GAMING CENTERS

2. The Corporation may, with the written approval of the Commission, establish and operate Category A Gaming Centers. (EC409/05) Operation of Category A Gaming Centers

3. (1) Subject to subsection (2), the Corporation may, if it considers it appropriate to do so, enter into a siteholder agreement with a licensee or Northumberland Ferries Limited that authorizes the Corporation to operate a Category B Gaming Center by placing and operating electronic gaming devices in the licensed premises of the licensee or on a ferry boat or a vessel operated by Northumberland Ferries Limited. Siteholder Agreements

(2) The Corporation may not enter into a siteholder agreement with Restriction

- (a) a person other than a person referred to in subsection (1); or
- (b) a person referred to in subsection (1) if that person has commercial connections that, in the opinion of the Corporation, would be harmful to the operation, integrity or reputation of a game of chance.

Consideration (3) A siteholder shall receive, in consideration of participating in the operation of a Category B Gaming Centre, a percentage, set out in the siteholder agreement, which amount may not exceed twenty percent of the net proceeds, after payment of the goods and services tax and any other payable federal or provincial taxes, from each electronic gaming device located in the approved premises of the siteholder. (EC409/05)

ELECTRONIC GAMING DEVICES

Requirements 4. (1) The Corporation may not use or operate an electronic gaming device as part of a game of chance unless the electronic gaming device

- (a) subject to subsection (2), offers for play only games of chance that pay out as prizes not less than eighty percent of all amounts wagered on each game of chance played;
- (b) has an identification plate
 - (i) that contains
 - (A) the name of the manufacturer of the electronic gaming device, and
 - (B) the unique serial number of the electronic gaming device, and
 - (ii) that is securely affixed on the interior or exterior of the electronic gaming device;
- (c) does not permit a person who makes a wager on the electronic gaming device to claim a prize if the person disrupts the normal operation of the device after making the wager;
- (d) has a minimum of one electronic coin, token or ticket acceptor or bill validator that is designed
 - (i) to accept designated coins, tokens, tickets or bills, as the case may be, and to reject others, and
 - (ii) to prevent the use of cheating methods such as slugging, stringing or spooning;
- (e) is designed and constructed so that any logic boards, software and firmware installed in or forming part of the device are placed in a locked and sealed area within the electronic gaming device;
- (f) has no hardware switches installed that alter the pay tables or payout percentages in the operation of the electronic gaming device;
- (g) has a drop bucket or bill validation box that is housed in a locked compartment that is separated from, and does not give access to, other compartments of the electronic gaming device;
- (h) permits a person playing the device to withdraw for payment or reimbursement any accumulated or unused credits, money or money equivalents;
- (i) is programmed to display when not in use, a warning, acceptable to the Commission, to the effect that playing electronic gaming devices may lead to compulsive or addictive gaming behaviours;

- (j) is programmed or designed to divide all money it accepts into credit values determined by the Corporation; and
- (k) accepts a wager of one credit.

(2) Where an electronic gaming device malfunctions for a reason not attributable to the actions of a person playing the device, the Corporation

Refunds

- (a) shall ensure that player is refunded the amount of the initial wager made by the player on the device before it malfunctioned; and
- (b) is not liable to refund or pay to the player any winnings accumulated by the player on the device after the initial wager.

(EC409/05)

5. (1) The Corporation may not use or operate any progressive electronic gaming device as part of a game of chance, unless the progressive electronic gaming device

Progressive electronic gaming devices

- (a) has the characteristics required by section 4;
- (b) has a progressive jackpot meter that shows the progressive jackpot amount and that is conspicuously displayed at or near the progressive gaming device to which the jackpot applies;
- (c) is designed or programmed, in the event the electronic gaming device malfunctions or is replaced, to permit a progressive jackpot on the progressive gaming device to be transferred to another progressive electronic gaming device in the same gaming center;
- (d) is designed or programmed, when a maximum progressive jackpot is reached on the device, to retain the maximum progressive jackpot until the jackpot is won or transferred from the device to another device in accordance with clause (c); and
- (e) if linked with one or more other electronic gaming devices to create a linked progressive jackpot, is designed or programmed to offer persons playing any of the devices offering the linked progressive jackpot the same probability of hitting the combination that will award the linked progressive jackpot, adjusted for the number of credits played.

(2) The Corporation shall ensure that the jackpot indicator of a progressive electronic gaming device is not turned back to a lesser amount unless

Turning back jackpot indicator

- (a) the amount shown on the progressive jackpot meter is paid to a player as a jackpot; or
- (b) it is necessary to do so to reflect any adjustment to the progressive jackpot meter needed
 - (i) to prevent the jackpot indicator from displaying an amount greater than the prize available to be won, or
 - (ii) to correct the progressive jackpot meter in the event the electronic gaming device malfunctions or is interfered with for apparently fraudulent purposes.

Record of malfunctions and adjustments

- (3) Where
- (a) a progressive electronic gaming device
 - (i) malfunctions, or
 - (ii) is interfered with for apparently fraudulent purposes; and
 - (b) the jackpot meter of the progressive electronic gaming device is corrected,
- the Corporation shall ensure that
- (c) the nature of the malfunction or interference, and the date and time it occurred or was discovered; and
 - (d) the amount of the correction made to the jackpot meter,
- is recorded by an electronic gaming device monitoring on-line data system. (EC409/05)

GAMES OF CHANCE AND RULES OF PLAY

Establishment of rules of play, prizes and limits

6. (1) Before the Corporation offers a game of chance for play in a gaming center, the Corporation shall establish
- (a) the rules of play;
 - (b) the payout percentage;
 - (c) the betting limit; and
 - (d) the prize and progressive jackpot limits,
- for the game of chance.

Corporation 's duties

- (2) The Corporation shall ensure that each game of chance offered for play at a gaming center
- (a) is played in accordance with the rules of play established for the game of chance pursuant to subsection (1);
 - (b) pays out prizes in accordance with the payout percentage established for the game of chance pursuant to subsection (1); and
 - (c) does not exceed the limits for betting, prizes and progressive jackpots established for the game of chance pursuant to subsection (1).

Posting of rules and notice of prizes and limits

- (3) The Corporation shall ensure that the rules of play and a notice of the betting, prize and progressive jackpot limits established by the Corporation for a game of chance are posted in the gaming center near the game of chance to which they apply or that the rules and information of the prize and limits are otherwise available for reference by a player or patron. (EC409/05)

CATEGORY B GAMING CENTERS

Restriction – granting credit

7. (1) No siteholder, employee of a siteholder or any other person acting on behalf of a siteholder, shall
- (a) grant credit;
 - (b) cash a cheque;

(c) give cash on a credit card; or
(d) make a loan,
to enable a person to play an electronic gaming device located in the approved premises of the siteholder.

(2) For greater certainty, subsection (1) does not apply to preclude a siteholder from making the services of an automatic banking machine available to persons on the approved premises of the siteholder.

Automatic bank machines

(3) No siteholder shall permit a person under the age of nineteen years to play an electronic gaming device that is operated by the Corporation on the licensed premises or on the ferry boat or vessel of the siteholder.

Restriction- play by persons under 19 years of age

(4) No siteholder, employee of a siteholder or other person acting on behalf of a siteholder shall pay a person under the age of nineteen years any of the proceeds of a winning play by that person.

Restriction- payment to persons under 19 years of age

(5) No siteholder shall permit any person to play an electronic gaming device that is operated by the Corporation on the licensed premises of the siteholder

Restriction - hours of operation

(a) between the hours of midnight and 11:00 am; or
(b) on Christmas Day, Good Friday or any Sunday,
without the prior written permission of the Commission.

(6) For greater certainty, subsection (5) does not apply to Northumberland Ferries Limited in respect of an electronic gaming device that is operated by the Corporation on a ferry boat or vessel operated by Northumberland Ferries Limited. (EC409/05)

Exception

CATEGORY A GAMING CENTERS

8. (1) The Corporation shall ensure that every Category A Gaming Center has a video surveillance system that monitors and records

Video systems

- (a) all electronic gaming devices within the gaming center with sufficient clarity to permit identification of persons playing, and in the immediate vicinity of, each electronic gaming device; and
(b) all transactions and activities within the area of the gaming center where money and money equivalents are counted, handled, transported, stored and safeguarded, with sufficient clarity to permit identification of all persons handling the money or money equivalents.

(2) The Corporation shall ensure that

Access and lighting

- (a) access to all equipment used to monitor and record activities within a Category A Gaming Center is limited to surveillance personnel and personnel authorized by the Corporation to have access in the presence of surveillance personnel; and

(b) adequate lighting is present in all areas of a Category A Gaming Center to enable clear video recordings with images of sufficient clarity to permit identification of the persons and electronic gaming devices present in the gaming center and the activities carried out in the immediate vicinity of each electronic gaming device.

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| Record | <p>(3) The Corporation shall maintain a written record in the surveillance area of</p> <ul style="list-style-type: none"> (a) all persons entering and exiting the surveillance area; and (b) a summary of any monitored activities that are unusual, illegal or suspected of being illegal, including the date and time of the surveillance. |
| Retention of tapes and maintenance of log | <p>(4) The Corporation shall</p> <ul style="list-style-type: none"> (a) retain the master tapes of all surveillance recordings for a minimum of seven days; and (b) maintain a written log of all surveillance equipment malfunctions and keep that log for a period of six months after the last date of entry. |
| Disposal of tapes - restriction | <p>(5) The Corporation shall not dispose of surveillance videotape recordings of illegal or suspected illegal activities until all issues with respect to those activities are resolved. (EC409/05)</p> |
| Persons under 19 years of age | <p>9. (1) No person under nineteen years of age shall</p> <ul style="list-style-type: none"> (a) enter the gaming floor of a Category A Gaming Center; or (b) purchase or play any lottery products offered at a Category A Gaming Center. |
| Duty of Corporation | <p>(2) The Corporation shall take all reasonable precautions to ensure that persons under nineteen years of age</p> <ul style="list-style-type: none"> (a) are prevented from entering the gaming floor of a Category A Gaming Center; and (b) are not sold lottery products in a Category A Gaming Centre. |
| Refusal of access | <p>(3) The Corporation may refuse a person access to a Category A Gaming Center or have a person removed from such a gaming center if the person</p> <ul style="list-style-type: none"> (a) submits a written request to the Corporation that he or she be refused access to the gaming center; (b) has acted in a way that the Corporation believes would adversely affect public confidence that gaming center operations are free from criminal or corrupting elements; or (c) appears to be intoxicated. |
| Removal of a person | <p>(4) The Corporation may remove from a Category A Gaming Center a person who conducts himself or herself in a disruptive manner.</p> |

(5) If a person is removed from a Category A Gaming Center for conducting himself or herself in a disruptive manner, the Corporation shall Idem

- (a) refuse that person access to that Category A Gaming Center for
 - (i) a period of not less than the remainder of the business day, or
 - (ii) any longer period that the Corporation may determine; and
- (b) advise the person as to the length of the period he or she will be refused access.

(6) No person who has been refused access to a Category A Gaming Center shall enter or attempt to enter the gaming center during the period for which he or she is refused access. (EC409/05) Entry -restriction

10. The Corporation shall implement policies and procedures concerning clearly posting and making available for reference by players or patrons at a Category A Gaming Center information respecting Information on problem gaming behaviour

- (a) problem gaming and the characteristics of problem gaming behaviour; and
- (b) appropriate intervention and treatment programs for those persons who may be concerned they are experiencing, or may in the future experience, a problem with gaming. (EC409/05)

11. (1) The Corporation shall not, directly or indirectly, grant credit to or make loans to, individuals playing games of chance in a Category A Gaming Center. Granting credit - restriction

(2) For greater certainty, subsection (1) does not apply to preclude the Corporation from making the services of an automatic banking machine available to persons in a Category A Gaming Center. (EC409/05) Automatic banking machines

12. (1) The Corporation shall ensure that any advertising or publicity for a Category A Gaming Center: Advertising

- (a) does not depict minors; and
- (b) is not addressed to minors unless the advertising or publicity is intended to
 - (i) promote abstinence or moderation in playing games of chance, or
 - (ii) advise of the detrimental effects or consequences of excessive gaming.

(2) The Corporation shall not promote Category A Gaming Centers through any means of advertising or publicity that gives a person an unrealistic perception of a player's chance of winning. (EC409/05) Promotion-restriction

13. No person, without permission of the Corporation, shall use a camera, photographic equipment or video camera within a Category A Gaming Center. (EC409/05) Cameras

Hours of operation **14.** The Commission shall determine the number of days in each week and the number of hours during each day that a Category A Gaming Center may be open for business. (EC409/05)

GENERAL

Devices that assist in predicting or influencing outcomes **15.** No person shall use any electrical, mechanical, telecommunications or other device in association with playing a game of chance offered at a gaming center if the device could assist in predicting or influencing the outcome of the game of chance. (EC409/05)

Offence and penalty **16.** Every person who contravenes sections 7, 13, or 15 or subsections 9(1) or (6) is guilty of an offence and is liable, on summary conviction, to a fine of not less than \$5,000. (EC409/05)