

TITLE 15 GAMBLING AND LIQUOR CONTROL
CHAPTER 1 GAMES AND GAMING GENERAL PROVISIONS
PART 12 USE OF TOKENS UNDER THE GAMING CONTROL ACT

15.1.12.1 ISSUING AGENCY: New Mexico Gaming Control Board.
[N, 12/31/98; 15.1.12.1 NMAC – Rn, 15 NMAC 1.12.1, 2/14/02]

15.1.12.2 SCOPE: This rule applies to all gaming operator licensees, licensed manufacturers and distributors of gaming devices, and applicants for such licenses under the Gaming Control Act.
[N, 12/31/98; 15.1.12.2 NMAC – Rn, 15 NMAC 1.12.2, 2/14/02]

15.1.12.3 STATUTORY AUTHORITY: Section 60-2E-7(B)(3) of the Gaming Control Act authorizes the board to develop, adopt and promulgate all regulations necessary to implement and administer the provisions of the Gaming Control Act. Section 60-2E-40 requires that the board approve any tokens to be used in the conduct of gaming.
[N, 12/31/98; 15.1.12.3 NMAC – Rn, 15 NMAC 1.12.3, 2/14/02]

15.1.12.4 DURATION: Permanent.
[N, 12/31/98; 15.1.12.4 NMAC – Rn, 15 NMAC 1.12.4, 2/14/02]

15.1.12.5 EFFECTIVE DATE: December 31, 1998, unless a later date is cited at the end of a section.
[N, 12/31/98; 15.1.12.5 NMAC – Rn & A, 15 NMAC 1.12.5, 2/14/02]

15.1.12.6 OBJECTIVE: The objective of this rule is to establish specifications and operating requirements for the use of tokens in the play of licensed gaming machines.
[N, 12/31/98; 15.1.12.6 NMAC – Rn, 15 NMAC 1.12.6, 2/14/02]

15.1.12.7 DEFINITIONS: Unless otherwise defined below, terms used in this rule have the same meanings as set forth in the Gaming Control Act:

- A.** “Act” means the Gaming Control Act.
 - B.** “person” means a legal entity or individual.
 - C.** “State” means the State of New Mexico.
 - D.** “token” means a metal representative of value issued and sold by a gaming operator licensee for use in its licensed gaming machines on its licensed premises.
- [N, 12/31/98; 15.1.12.7 NMAC – Rn, 15 NMAC 1.12.7, 2/14/02]

15.1.12.8 USE OF TOKENS:

- A.** No person may sell, distribute, or offer for play any gaming machine that accepts tokens for play, unless the tokens are approved in advance by the board as required in this rule.
- B.** Tokens carry a monetary value evidencing a debt owed to their holder by the licensee that issued them. They are the property of the licensee and no other person.
- C.** A gaming operator licensee that operates gaming machines that use tokens must:
 - (1)** issue tokens only to patrons of the gaming operator licensee’s gaming establishment;
 - (2)** take reasonable steps to prevent the issuance to its patrons of tokens of other gaming operator licensees;
 - (3)** post in conspicuous places on the licensed premises signs notifying patrons that federal law prohibits the use of the gaming operator licensee’s tokens outside of the gaming establishment for any monetary purpose and that the tokens are the property of the licensee;
 - (4)** post in conspicuous places on the licensed premises signs that read, “Tokens issued by another gaming operator may not be wagered or redeemed at this gaming establishment”; and
 - (5)** develop and implement a system of internal procedures and controls, satisfactory to the board, for the receipt and storage of tokens. The system must include, but is not limited to, checking tokens upon receipt from the manufacturer, reporting deviations or defects to the board, recording the number and denomination of tokens received, and providing for secured storage of the tokens.
- D.** A gaming operator licensee must not:

- (1) accept tokens as payment for any other goods or services offered by the gaming operator licensee's gaming establishment;
 - (2) give tokens in exchange for any transaction other than for use in the play of licensed gaming machines;
 - (3) redeem its tokens if presented by any person the gaming operator licensee has reason to believe is not a patron of its gaming establishment, except an employee of another gaming operator licensee who represents that the tokens were unknowingly, inadvertently or unavoidably received by that operator, or an employee of the gaming operator licensee who presents the tokens in the normal course of employment; or
 - (4) issue, use, permit the use of, or redeem tokens issued by another gaming operator licensee.
- [N, 12/31/98; 15.1.12.8 NMAC – Rn, 15 NMAC 1.12.8, 2/14/02]

15.1.12.9 APPLICATION FOR APPROVAL OF TOKENS:

A. A gaming operator licensee may not issue, sell or redeem any token unless the board has issued written approval of the specifications of the token and of a sample of the token. A gaming operator licensee may not issue, sell or redeem any token that is a modification of a previously approved token unless the board has issued written approval of the modification.

B. Applications for approval of tokens and modifications to previously approved tokens must be made on forms provided or approved by the board. Only a gaming operator licensee or a licensed manufacturer may apply for such approval. The application must include:

- (1) an exact drawing of the front, back, and edge of the proposed token, drawn to actual size or to scale larger than actual size showing the measurements of the proposed token. The drawing must show the proposed token's diameter and thickness and any logo, design or wording to be contained on the token, all of which must be depicted on the drawing as they will appear, both as to size and location, on the actual token;
- (2) written specifications for the proposed token;
- (3) the name and address of the manufacturer of the proposed token;
- (4) the intended use for the proposed token; and
- (5) any other information required by the board.

C. If the board determines, in the board's discretion, that based on the information provided in the application the proposed token conforms with the requirements of this rule, the board will notify the applicant in writing. The applicant then must submit a sample of the proposed token in final manufactured form to the board. The applicant may be required to conduct a field test of the token in the gaming machine in which the token will be used. If the board determines that the manufactured sample conforms to the requirements of this rule and the information submitted in the application, the board will approve the token and notify the applicant in writing. The board may retain all samples of tokens.

[N, 12/31/98; 15.1.12.9 NMAC – Rn, 15 NMAC 1.12.9, 2/14/02]

15.1.12.10 SPECIFICATIONS FOR TOKENS:

A. Tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, rules, and policies of the United States, the State, and other states to prevent counterfeiting of the tokens. Tokens must not resemble any current or past coinage of the United States or any other country.

B. Only one-dollar and five-dollar tokens will be approved. Tokens must meet the following size and content specifications:

- (1) one-dollar tokens must be disk-shaped and must measure from 1.460 through 1.470 inches in diameter and from .098 through .104 inch thick;
- (2) five-dollar tokens must be disk-shaped and must measure from 1.750 inches through 1.760 inches in diameter and from .119 through .125 inch thick;
- (3) tokens must not be manufactured from material possessing sufficient magnetic properties to allow them to be accepted by any coin mechanism other than that of a gaming machine; and
- (4) tokens must not be manufactured from a three-layered material consisting of copper-nickel alloy clad on both sides of a pure copper core nor from a copper-based material unless the total of alloying materials is at least 20 percent of the token's weight.

C. Tokens must meet the following inscription specifications:

- (1) the name of the issuing establishment must be inscribed on each side of the token;
- (2) the city in which the gaming establishment is located must be inscribed on one side of the token;
- (3) the value of the token must be inscribed on each side of the token;
- (4) the words "Not Legal Tender" must be inscribed on one side of the token; and

(5) a statement, approved by the board, notifying a patron that the token will be accepted to activate play only in gaming machines operated by the gaming operator licensee that issued the token, must be inscribed on one side.

[N, 12/31/98; 15.1.12.10 NMAC – Rn, 15 NMAC 1.12.10, 2/14/02]

15.1.12.11 ISSUANCE AND REDEMPTION OF TOKENS:

A. Tokens may be issued to a patron only from a cashier’s cage, token dispenser, gaming employees on the licensed premises, or from a gaming machine as change or winnings.

B. Tokens may be redeemed only at a cashier’s cage on the licensed premises of the gaming operator licensee that issued the tokens.

C. Each gaming operator licensee must promptly redeem its own tokens from its patrons by cash or check drawn on the gaming operator licensee’s account and dated the day of the redemption, except where tokens were obtained or used unlawfully.

D. Each gaming operator licensee may demand the redemption of its tokens from any individual in possession of them. Upon such demand, the individual must redeem the tokens upon presentation of an equivalent amount of cash by the gaming operator licensee.

[N, 12/31/98; 15.1.12.11 NMAC – Rn, 15 NMAC 1.12.11, 2/14/02]

15.1.12.12 DISCONTINUED TOKENS:

A. Any gaming operator licensee that permanently removes tokens from use or replaces approved tokens at its gaming establishment or ceases gaming activities must prepare a plan for redeeming discontinued tokens that remain outstanding at the time of discontinuance. The licensee must submit the plan, in writing, to the board at least 30 days before the proposed removal, replacement or closure. The board may approve the plan or require reasonable modifications as a condition of approval. Upon approval, the gaming operator licensee must implement the plan as approved.

B. In addition to any other provision required by the board, the plan must provide for:

(1) redemption of outstanding, discontinued tokens for at least 90 days after removal or replacement of the tokens or closure of the gaming establishment, or for such other period as the board requires;

(2) redemption of the tokens at the licensed premises or at such other location as approved by the board;

(3) posting in a conspicuous place on the licensed premises notice of discontinuance of the tokens and redemption and the relevant times and locations at which tokens may be redeemed; and

(4) destruction or such other disposition of the discontinued or replaced tokens as set forth in section 15.1.12.14 of this rule.

[N, 12/31/98; 15.1.12.12 NMAC – Rn, 15 NMAC 1.12.12, 2/14/02]

15.1.12.13 COUNTERFEIT TOKENS:

A. The gaming operator licensee must notify the board immediately upon the discovery of counterfeit tokens indicating a loss in excess of \$500.

B. The board or its agent may take possession of the counterfeit tokens. The board will determine the disposition of any counterfeit token, including, but not limited to, destruction of the counterfeit token in accordance with this rule.

C. Unless the board or its agent instructs in writing or a court of competent jurisdiction orders otherwise in a particular case, the gaming operator licensee must destroy or otherwise dispose of counterfeit tokens discovered in the gaming establishment as set forth in section 15.1.12.14 NMAC of this rule.

[N, 12/31/98; 15.1.12.13 NMAC – Rn, 15 NMAC 1.12.13, 2/14/02]

15.1.12.14 DESTRUCTION OF DISCONTINUED OR COUNTERFEIT TOKENS:

A. Discontinued and counterfeit tokens must be disposed of in a manner that makes them incapable of use. The gaming operator licensee must notify the board, in writing, at least 30 days before the discontinued or counterfeit tokens are to be disposed of or destroyed. The notice must include the following information:

(1) the number and denominations of the tokens to be destroyed or otherwise disposed of;

(2) for counterfeit tokens, the date on which the tokens were discovered;

(3) the date, place, and method of destruction or other disposition;

(4) the names of the occupational licensees who will carry out the destruction or other disposition on behalf of the gaming operator licensee; and

(5) any other information deemed necessary by the board.

B. Unless the board notifies the gaming operator licensee within 30 days of receipt of the notice required by this section, the method of destruction or other disposition will be deemed approved.

C. At least two people, one of whom is an agent of the board, must be present when the discontinued or counterfeit tokens are destroyed, unless otherwise approved by the board.

D. The person seeking to dispose of such tokens must submit to the board, within 10 days of disposal, a sworn affidavit verifying the date, time, place, and manner of disposal and persons witnessing the disposal.
[N, 12/31/98; 15.1.12.14 NMAC – Rn, 15 NMAC 1.12.14, 2/14/02]

15.1.12.15 RETENTION OF RECORDS: Each gaming operator licensee must retain the records required by this rule within the State for at least five years.

[N, 12/31/98; 15.1.12.15 NMAC – Rn, 15 NMAC 1.12.15, 2/14/02]

HISTORY OF 15.1.12 NMAC: [RESERVED]