

TITLE 15 GAMBLING AND LIQUOR CONTROL
CHAPTER 1 GAMES AND GAMING GENERAL PROVISIONS
PART 16 TRANSPORTATION, RECEIPT, AND PLACEMENT OF GAMING DEVICES

15.1.16.1 ISSUING AGENCY: New Mexico Gaming Control Board.
[N, 12/31/98; 15.1.16.1 NMAC - Rn, 15 NMAC 1.16.1, 10/15/00]

15.1.16.2 SCOPE: This rule applies to all persons licensed by the Gaming Control Board to sell, supply, ship, transport, distribute, or receive gaming devices.
[N, 12/31/98; 15.1.16.2 NMAC - Rn, 15 NMAC 1.16.2, 10/15/00]

15.1.16.3 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-8(C)(8) directs the board to adopt regulations governing the sale and distribution of gaming devices.
[N, 12/31/98; 15.1.16.3 NMAC - Rn, 15 NMAC 1.16.3, 10/15/00]

15.1.16.4 DURATION: Permanent.
[N, 12/31/98; 15.1.16.4 NMAC - Rn, 15 NMAC 1.16.4, 10/15/00]

15.1.16.5 EFFECTIVE DATE: December 31, 1998, unless a later date is cited at the end of a section.
[N, 12/31/98; 15.1.16.5 NMAC - Rn, 15 NMAC 1.16.5, 10/15/00; A, 1/31/02]

15.1.16.6 OBJECTIVE: The objective of this rule is to establish reporting procedures and standards for the transportation and receipt of gaming devices inside and outside New Mexico.
[N, 12/31/98; 15.1.16.6 NMAC - Rn, 15 NMAC 1.16.6, 10/15/00]

15.1.16.7 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 New Mexico Gaming Control Act.

B. "Gaming media" means any associated equipment that contains software that can only be used in a gaming machine, affects game outcome and is programmed by the gaming machine manufacturer. Gaming media includes, but is not limited to an EEPROM, EPROM, compact flash memory, flash RAM, CDROM or hard drive.

C. "Licensed premises" means the area that has been approved for gaming on the premises, that is under the direct control of a gaming operator licensee and from which the licensee is authorized to operate and permit the play of gaming machines.

D. "Person" means a legal entity or an individual.

E. "Premises" means the land together with all building's improvements and personal property located on the land.

F. "State" means the state of New Mexico.

G. "This title" means Title 15, Chapter 1 of the state administrative code.

[N, 12/31/98; 15.1.16.7 NMAC - Rn & A, 15 NMAC 1.16.7, 10/15/00; A, 2/28/05; A, 12/15/10]

15.1.16.8 RESTRICTION ON SALES, DISPLAY, DISTRIBUTION, TRANSPORTATION AND OPERATION OF GAMING DEVICES:

A. Except as otherwise provided in this chapter, no person shall sell, display, store, supply, ship, transport, or distribute any gaming device or associated equipment for use or play in the state, and no person shall sell, display, supply, ship, transport or distribute any gaming device or associated equipment out of the state, unless the person is licensed by the board as a distributor or manufacturer.

B. No licensee shall sell or transfer a gaming device to any person that could not lawfully own or operate the gaming device.

C. No purchaser or transferee shall operate a gaming machine without first obtaining a gaming operator's license in the manner set forth in this title, except that a gaming machine may be operated in a private residence so long as no person makes money for operating the gaming machine except through winnings as a player.
[N, 12/31/98; 15.1.16.8 NMAC - Rn, 15 NMAC 1.16.8, 10/15/00; A, 2/28/05; A, 12/15/10; A, 10/15/15]

15.1.16.9 TRANSPORTATION OF GAMING DEVICES INTO THE STATE:

- A.** No person shall initiate transport of any gaming device into the state other than a licensed manufacturer or distributor.
- B.** A gaming device is shipped or transported into the state when the starting point for shipping or transporting begins outside the state and terminates in the state.
- C.** A manufacturer or distributor licensee shipping or transporting one (1) or more gaming devices into the state shall notify the board's information systems division of the shipment prior to the time the shipment is made.
- D.** Notice of transportation of gaming device(s) shall be made on forms approved by the board for transportation of the type of gaming device(s) to be transported.
- E.** The transportation form shall, at a minimum, include the following information:

 - (1) the full name, address, and license number of the person making the shipment;
 - (2) the method of shipment and the name of the carrier, if any;
 - (3) the full name, address, and license number of the person to whom the devices are being sent and the destination of the shipment, if different from the address;
 - (4) the number of gaming devices in the shipment;
 - (5) the serial number of each gaming device;
 - (6) the model number and description of each gaming device;
 - (7) the expected arrival date of the gaming devices at their destination within the state; and
 - (8) such other information as required by the board.
- F.** Transportation forms shall be filled out completely and legibly, signed by the person completing the form and notarized. The completed forms shall be transmitted to the board's information systems division by faxing or e-mailing a copy of the form to the division.
- G.** The board's information systems division shall assign a control number to the transportation form and notify the manufacturer or distributor licensee shipping the device(s) of the assigned control number within three (3) business days of receipt of the completed transportation form.
- H.** The manufacturer or distributor shipping the gaming device to a licensee, may ship the gaming device to the receiving licensee upon receipt of the control number by the board. The shipping licensee shall note the assigned control number on the transportation form for the device and shall include the original transportation form in the shipment.
- I.** A manufacturer or distributor transporting a gaming machine for the purpose of sale for home use shall transport the gaming machine from the manufacturer or distributor's place of business in the state to the residence of the individual purchasing the gaming machine.
- J.** The manufacturer or distributor licensee shall not transport gaming machines with gaming media already installed in the machines.
- K.** A licensee receiving shipment of a gaming device shall notify the board's enforcement division of the receipt of the shipment. Following notification an agent of the board's enforcement division shall inspect the shipment and the transportation form included with the shipment to ensure that the transportation form accurately identifies the gaming device(s) included in the shipment.
- L.** A licensee receiving a shipment of gaming media or other associated equipment shall not remove the gaming media or associated equipment from the packaging in which it was shipped until an agent of the board has inspected the shipment and released it to the receiving licensee. A licensee receiving shipment of a gaming machine shall notify the board upon receipt of the shipment and shall not remove the gaming machine from the transporting vehicle until authorized by the board. A gaming machine transported into the state shall not be placed on the gaming floor for play until an agent of the board has inspected the gaming machine and released it for play. [N, 12/31/98; 15.1.16.9 NMAC - Rn & A, 15 NMAC 1.16.9, 10/15/00; A, 1/31/02; A, 2/28//05; A, 12/15/10; A, 10/15/15]

15.1.16.10 RECEIPT OF GAMING DEVICES IN THE STATE:

- A.** Any person in the state that receives a gaming device shall, upon receipt of the gaming device, provide the board with the following information on forms provided or approved by the board:

 - (1) the full name, address, and license number of the person receiving the gaming device;
 - (2) the full name, address, and license number of the person from whom the gaming device was received;
 - (3) the date of receipt of the gaming device;
 - (4) the serial number of each gaming device;

- (5) the model number and description of each gaming device;
- (6) the manufacturer of the gaming device;
- (7) the location where the gaming device will be placed and the license number of the licensed premises;
- (8) the expected date and time of installation of the gaming device at the new location; and
- (9) such other information as required by the board.

B. If the gaming machine is not to be placed in operation within five days of its receipt, the licensee who received the gaming device shall comply with the requirements of 15.1.16.11 NMAC relating to storage of gaming machines. The location where any gaming machine is stored shall be approved in advance by the board.

C. Prior to transporting a stored gaming machine from one location to another location within the state, the licensee shipping the gaming machine shall comply with the requirements of 15.1.16.11 NMAC relating to intra-state transportation of gaming machines.

[N, 12/31/98; 15.1.16.10 NMAC - Rn, 15 NMAC 1.16.10, 10/15/00; A, 2/28/05; A, 12/15/10]

15.1.16.11 TRANSPORTATION OF GAMING DEVICES BETWEEN LOCATIONS IN THE STATE:

A. Manufacturer licensees, distributor licensees, and, subject to the limitations set forth in this rule, gaming operators licensees, are authorized to transport gaming devices within the state.

B. Except as otherwise provided in this rule, any authorized person transporting a gaming device from one location to another in the state for any purpose shall notify the board before transporting the gaming device and provide the following information on forms provided or approved by the board:

- (1) the full name, address, and license number of the person transporting the gaming device from its current location;
- (2) the reason for transporting the gaming device;
- (3) the full name, address, and license number of the person to whom the gaming device is being sent and the destination of the gaming device if different from that address;
- (4) the name and address of the carrier and the method of transport;
- (5) the model and serial number of the gaming device;
- (6) the gaming device license number, if any;
- (7) the manufacturer of the gaming device;
- (8) the expected date and time of delivery or installation of the gaming machine at the new location;
- (9) such other information as the board may require.

C. This section 15.1.16.11 NMAC does not apply to the movement of gaming machines within the same location. Such relocation is subject to board approval pursuant to rule 15.1.16 NMAC.

D. A gaming operator licensee shall sell or transfer a gaming machine only to another gaming operator licensee or to a licensed distributor or manufacturer. The gaming operator licensee shall notify the board in advance by providing the information required by this section.

[N, 12/31/98; 15.1.16.11 NMAC - Rn, 15 NMAC 1.16.11, 10/15/00; A, 2/28/05; A, 10/15/15]

15.1.16.12 APPROVAL TO DISTRIBUTE GAMING DEVICES OUTSIDE OF THE STATE:

A. Manufacturers and distributors located in the state shall not sell, ship, transport, or distribute a gaming device out of the state without the prior approval of the board. Applications for approval to sell, ship, transport, or distribute gaming devices out of the state shall be made, processed, and determined in such manner and using such forms as the board may provide or approve. Each application shall include:

- (1) the full name, state of residence, and address of the purchaser;
- (2) the full name, state of residence, and address of the person to whom shipment is being made, if different than the purchaser;
- (3) the destination;
- (4) the number of gaming devices to be shipped;
- (5) the serial number of each gaming device;
- (6) the model number of each gaming device and year manufactured;
- (7) the denomination of each gaming device, if applicable;
- (8) the expected date and time of shipment;
- (9) the method of shipment and name and address of the carrier; and
- (10) a statement by the purchaser under penalty of perjury that the gaming devices shall be used only for lawful purposes.

B. Manufacturers and distributors shall not ship gaming devices to any destination where possession of gaming devices is illegal.

C. An agent of the board may inspect all gaming devices before distribution outside of the state. Manufacturers and distributors shall make the gaming devices available for inspection upon request.

D. If the board does not deny the application for approval to distribute gaming devices outside of the state within 15 working days of receipt of a complete application, the application shall be deemed approved. [N, 12/31/98; 15.1.16.12 NMAC - Rn, 15 NMAC 1.16.12, 10/15/00; A, 2/28/05]

15.1.16.13 REGISTRATION AND STORAGE OF GAMING MACHINES:

A. A gaming operator licensee who maintains one or more gaming machines in storage in excess of the number of machines the licensee is statutorily authorized to operate shall register those machines with the board on forms approved by the board within 72 hours of the receipt of such machine.

B. Each machine registered by a gaming operator licensee shall be subject to an annual registration fee equal to the amount of the current gaming machine licensure fee. Registration of each gaming machine shall expire on the December 31st of each year, and shall be renewable by re-registration and payment of a fee equal to the amount of the current gaming machine licensure renewal fee.

C. A gaming operator licensee that maintains registered gaming machines in storage shall adhere to the following conditions:

(1) The licensee shall ensure that each stored machine is registered with the board and that registration fees are current.

(2) Gaming media shall be stored in a limited access area separate from stored gaming machines and accessible only by restricted keys

(3) The licensee shall maintain each machine in a safe and secure locked, limited access storage area with restricted keys.

(4) Gaming machine keys for stored machines shall be maintained in an area separate from the stored gaming machine.

(5) The licensee shall supply the with board with a list of individuals having access to the storage areas, and shall update the list if any changes are made.

(6) The licensee shall maintain continuous recorded surveillance of the storage area.

(7) The licensee shall make the storage area available for inspection upon request of the board or one of its agents.

(8) The licensee shall develop internal controls acceptable to the board to ensure the safety and security of stored gaming machines.

D. The licensee shall notify the board in writing prior to movement of a gaming machine out of storage for any reason. A gaming machine from storage shall be subject to licensing requirements and fees required by 15.1.5.18 and 15.1.5.21 NMAC except that an additional gaming machine license fee shall not be required until the license is renewed.

E. A gaming operator licensee that maintains one or more gaming machines solely for the solely to provide spare parts is not required to license such machines or pay a registration fee, but shall register such machines on forms approved by the board.

F. Each racetrack gaming operator shall maintain an inventory of all gaming machines on its premises and shall identify them as operable or non-operable, and in storage or in use. The licensee shall provide such information to the board upon request.

G. A distributor or manufacturer that maintains a physical presence in the state and which maintains gaming machines in storage shall not be required to license such machines or pay a registration fee, or to keep its storage facility under surveillance, but shall otherwise comply with Subsection C of this section.

[N, 12/31/98; 15.1.16.13 NMAC - Rn, 15 NMAC 1.16.13, 10/15/00; A, 2/28/05; 15.1.16.13 NMAC - N, 12/15/10]

15.1.16.14 PLACEMENT OF GAMING MACHINES:

A. All gaming machines at a licensed premises shall be physically located as follows:

(1) in an area that is at all times monitored by the owner, manager, or a gaming employee to prevent access or play of the gaming machines by persons under the age of 21;

(2) in an area that ensures that public access to the gaming machines is restricted to persons legally entitled to play the gaming machines at the licensed premises; and

(3) in the sight and control of the owner, manager, or a gaming employee.

B. The initial placement of gaming machines on a licensed premises shall be approved by the board in accordance with the business plan submitted by the applicant pursuant to board rule 15.1.5 NMAC.

C. Any relocation of the gaming machine within the licensed premises constitutes modification of the licensed premises and requires prior approval by the board pursuant to rule 15.1.6 NMAC.

D. Licensed manufacturers and distributors may store and display, and persons certified pursuant to this title shall repair, gaming machines only at locations approved in advance by the board.
[N, 12/31/98; 15.1.16.14 NMAC - Rn, 15 NMAC 1.16.14, 10/15/00; A, 1/31/02; A, 2/28/05; 15.1.16.14 NMAC - Rn, 15.1.16.13 NMAC, 12/15/10]

15.1.16.15 DISPOSAL OF GAMING MACHINES:

A. A gaming machine shall be disposed of only with the board's approval and only if the manner of disposition makes the machine incapable of use or operation. Any person seeking to dispose of a gaming machine shall notify the board in writing prior to disposal and provide the following information:

- (1) the full name, address, and license number of the person seeking to dispose of the gaming machine;
- (2) the serial number of the gaming machine;
- (3) the model number and description of the gaming machine;
- (4) the manufacturer of the gaming machine;
- (5) the gaming machine license number;
- (6) the gaming machine's hard meter readings;
- (7) the location of the gaming machine;
- (8) the proposed manner, time, and place of disposal; and
- (9) any other information required by the board.

B. Unless the board notifies the person seeking to dispose of the gaming machine within 30 days of receipt of the notice required by this section, the method of disposal shall be deemed approved.

C. The person seeking to dispose of a gaming machine shall submit to the board, within 10 days of disposal, a sworn affidavit verifying the date, time, place, and manner of disposal and the names of all persons witnessing the disposal.

[15.1.16.15 NMAC - Rn, 15.1.16.14 NMAC, 12/15/10]

HISTORY OF 15.1.16 NMAC: [RESERVED]