

**MINUTES**  
**SPECIAL BOARD MEETING OF OCTOBER 20, 1998**  
**NEW YORK STATE RACING AND WAGERING BOARD**

A special meeting of the New York State Racing and Wagering Board was held on October 20, 1998, in the Executive Office, located at 1 Watervliet Avenue Extension, Suite 2, Albany, New York 12206.

The meeting was called to order at 10:10 a.m.

**In Attendance Were:**

Michael J. Hoblock, Jr., Chairman  
Bennett Liebman, Member  
Edward Martin, Executive Director  
Stephanie Donato, Secretary to the Board  
Daryll Messner, Director of Charitable Gaming

**Via Teleconference:**

Joseph Neglia, Member  
Robert Feuerstein, General Counsel  
Felix Hester, Assistant Counsel

**D. ITEMS TO BE APPROVED, DENIED OR DEFERRED BY THE BOARD**

**1. ADOPTION OF BELL JAR RULES**

After consideration of comments received, the Board approved the final adoption of the "Bell Jar" rules as previously published in the New York State Register issue of June 10, 1998.

A summary of the amendments is attached to these minutes.

The meeting adjourned at 10:20 a.m.

## SUMMARY OF THE AMENDMENTS TO 9 E NYCRR PART 5600

These amendments to 9 E NYCRR Part 5600 reflect the legislative changes by amendments to the General Municipal Law. The General Municipal Law was amended by Chapters 480, 177, 386 and 309 of the Laws of 1991, 1994, 1995 and 1996, respectively.

- Section 5603.7      Amendment to rule to reflect the legislative language in the original text.
- Section 5607.15     Amendment clarifies the new record keeping responsibilities of licensees for the sales of bell jar tickets, supplies and equipment consistent with the legislative changes in L.1996, c. 309.
- Section 5607.28     This section is deleted and replaced by the provisions of new section 5608 consistent with the legislative amendments in L.1996, c.309.
- Section 5608.1      New section. Restricts the sale and transfer of bell jar tickets between authorized organizations.
- Section 5608.2      New Section. Amendments set forth the licensing requirements for manufacturers of bell jar tickets to sell bell jar tickets, equipment and supplies in New York State. This section specifies the particular provisions for bar coding bell jar tickets and fares for sale. This section increased the penalty for willful violations of law making the offense a class E felony.
- Section 5608.3      New section. Amendments specify the standards for construction of bell jar tickets by manufacturers. The subparagraphs in this section provide for bell jar ticket paper thickness and game security against fraud.
- Section 5608.4      New Section. This section sets forth the process for approval of bell jar tickets to be offered for sale in New York State.
- Section 5608.5      New Section. This section sets forth the new licensing requirements for distributors of bell jar tickets, equipment and supplies. Section restricts sales of bell jar tickets, equipment and supplies by distributors and makes violations of the law a class E felony.
- Section 5608.6      New section. This section sets forth the requirement that licensed suppliers of bell jar tickets, equipment and supplies must keep complete and accurate records at their place of business. The penalty for failing to keep such records is a misdemeanor.

- Section 5608.7 New section. This section sets forth the reporting requirements for manufacturers and suppliers of bell jar tickets, equipment and supplies for the filing of invoices and records for all tickets, equipment and supplies shipped into or sold for resale in New York State.
- Section 5608.8 New section. This section sets forth the inventory control provisions as well as the mechanism for return of defective bell jar tickets, equipment and supplies.
- Section 5608.9 New section. Provides that premises of licensed manufacturers and suppliers may be inspected by the board without notice during regular business hours. Additionally, manufacturers and suppliers may be required to provide certified physical inventory.
- Section 5608.10 New section. This section prohibits any licensee from selling or placing out for the public any deal of bell jar tickets that have not been randomly mixed such that the location or approximate location of winning bell jar tickets may be determined in advance of opening the tickets.
- Section 5608.11 New section. This section requires manufacturers to assign serial numbers to deals of bell jar tickets that may not be repeated on that manufacturer's form number of bell jar tickets for three years. Furthermore, licensed authorized organizations are prohibited from purchasing or possessing deals of bell jar tickets with game serial numbers identical to that of a game on the premises. There is an exception for partial deals already removed from play.
- Section 5608.12 New section. This section sets forth the new additional licensing fee to be paid by licensed authorized organizations to the board for bell jar ticket sales. The additional licensing fee was increased from 2% of the net proceeds to 5%. "Net proceeds" is also defined in this section.
- Section 5608.13 New section. This section defines "flares" for bell jar tickets.
- Section 5609.1 New section. This section sets forth the specifications for the manufacture, sale and distribution of bell jar ticket vending machines in New York State.
- Section (a) prohibits the sale, lease or loan of bell jar vending machines by a licensed supplier to anyone other than another licensed supplier, licensed authorized organization or a federally recognized Indian tribe or nation.

Section (b) prohibits the sale, lease or distribution of bell jar ticket vending machines by licensed suppliers to anyone other than licensed authorized organizations or federally recognized Indian tribe or nation.

Section (c) prohibits the purchase of bell jar ticket vending machines by licensed authorized organization from any entity other than a licensed supplier.

Section (d) prohibits the use of any bell jar ticket vending machine unless such machine has been certified and such certification has been filed with the board.

Section (e) sets forth the minimum specifications for electrical and mechanical operational components for bell jar ticket vending machines, provides mandatory age and use specifications, and prohibitions that bell jar ticket vending machines may not display advertising or approximate the appearance of slot machines.

Section 5610.1

New section. This section provides a grandfather clause for bell jar ticket vending machines that were purchased after the effective date of the Chapter 386 of the laws of 1995 but before the effective date of the current rules. Bell jar ticket vending machines falling within the time frame for the grandfather clause must also substantially satisfy the bell jar ticket vending machine specifications set forth in section 5609.

Section 5610.2

New section. This section provides a grandfather clause for coin-operated non-electrical dispensing devices in possession of licensed authorized organizations as of the effective date of the rules and manufactured prior to August 2, 1995.

Section 5611.1

New section. This section defines "coin-board" and sets the maximum prize limits for the game.

Section 5611.2

New Section. This section sets forth the operation of the coin-board game.

Section 5620.19

Amendments to this section make provisions for: the use of bell jar ticket vending machines for the sale of bell jar tickets; the increase in the prize amounts for bell jar ticket games; the clarification of the type of information required to be printed on the face of the bell jar tickets; and the specification for the use of bell jar ticket vending machines for more than one game form number of a deal of bell jar tickets.

- Section 5622.12 Amendment provides for an increase in the maximum value of the prizes that may be offered in all games of chance. Bell jar ticket single prizes were increased from \$250 to \$500. The series of prizes amount for merchandise wheel was increased from \$1,000 to \$10,000 during successive operations. Maximum prize for bell jar ticket series of prizes was increased from \$1,000 to \$3,000.
- Section 5622.13 Amendment redefines value of merchandise awarded as prizes for games of chance as the fair market value instead of retail value of the merchandise.
- Section 5622.22 Amendment to section to keep language consistent with maximum value of prizes which may be offered in games of chance.
- Section 5623.1 Section amended to delete provisions inconsistent with legislative changes for transfer of bell jar ticket equipment under the new bell jar ticket provisions.
- Section 5624.1 Amendment to the section provides for the new record keeping provisions for filing quarterly reports for the sale of bell jar tickets, equipment and supplies.
- Section 5624.3 Amendment directs licensees who sell bell jar tickets to file financial statement only with the board and deletes any references to filing with the clerk or department.
- Section 5624.5 Amendment deletes references to clerks or departments making finding of delinquency for failure to file financial statement and indicates that delinquency determination will be the board's responsibility.
- Section 5624.21 Amendment deletes veteran's organization from the one-third charitable donation requirement.