

ARKANSAS REGISTER

Proposed Rule Cover Sheet



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Casino Gaming Rule 4.225 Amendment Summary

This proposed amendment sets forth requirements that a casino franchise holder must perform prior to opening a wagering account, in an attempt to ensure no person under 21 years of age opens up a wagering account.

Casino Gaming Rule 4.225 Mark Up

4.225 Wagering accounts.

1. Definitions. As used in this section:

- (a) "Director" means the Director of the Arkansas Racing Commission or the Commission's designee.
- (b) "Licensee" means any person to whom a valid Casino license has been issued.
- (c) "Secure personal identification" means a method of uniquely identifying a patron through which the licensee may verify access to, or use of, a wagering account.
- (d) "Wagering account" means an electronic ledger operated and maintained by a licensee for a patron in connection with the patron's use and play of any or all authorized games and gaming devices, including, but not limited to, race books, and sports pools, wherein information relative to such use and play is recorded on behalf of the patron including, but not limited to, the following types of transactions:
 - (1) Deposits;
 - (2) Withdrawals;
 - (3) Debits;
 - (4) Credits;
 - (5) Service or other transaction-related charges authorized by the patron; and
 - (6) Adjustments to the wagering account.

2. Except as otherwise specified in these Rules, as applicable, a licensee shall comply with the provisions of this section for the creation and use of wagering accounts for all forms of wagering.

3. Prior to the registration of a patron for a wagering account, the following requirements shall be met:

- (a) Only persons 21 years of age or above may register for a wagering account under these Rules. Any person that submits a birth date that indicates they are underage shall be denied the ability to register for a wagering account.
- (b) Identity verification shall be undertaken before a player is allowed to place a wager. Third-party service providers may be used for identity verification as allowed by the Commission.
 - (1) Identity verification shall authenticate the legal name, physical address and age of the individual at a minimum as required by the Commission.
 - (2) Identity verification shall also confirm that the person is not on any exclusion lists held by the licensee or the Commission to the extent disclosed to the licensee by the Commission or prohibited from establishing or maintaining a wagering account for any other reason under these Rules.
 - (3) Details of identity verification shall be kept in a secure manner.
- (c) The wagering account can only become active once age and identity verification are successfully completed, the patron is determined to not be on any exclusion lists as provided in these Rules or prohibited from establishing or maintaining an account for any other reason under these Rules, the patron has acknowledged the necessary privacy policies and terms and conditions, and the wagering account registration is complete.
- (d) A patron shall only be permitted to have one active player account at a time unless specifically authorized by the Commission.

(e) The system shall allow the ability to update passwords, registration information and the account used for financial transactions for each patron. A multi-factor authentication process may be employed for these purposes.

4. A player accesses their wagering account using a username (or similar) and a password or a secure alternative means for the patron to perform authentication to log in to the wagering account. Authentication methods are subject to the discretion of the Commission as necessary. The requirement does not prohibit the option for more than one method of authentication being available for a patron to access their wagering account.

(a) If the system does not recognize the username and/or password when entered, an explanatory message shall be displayed to the patron which prompts the patron to re-enter the information.

(b) Where a patron has forgotten their username and/or password, a multi-factor authentication process may be employed for the retrieval of the username/resetting of the password.

(c) Current account balance information and transaction options shall be available to the patron once authenticated.

(d) The wagering account shall support a mechanism that allows for an account to be locked in the event that suspicious activity is detected (e.g., too many failed attempts for login). A multi-factor authentication process may be employed for the account to be unlocked.

5. Franchise holders may operate ADW accounts for patrons wagering on horse and greyhound races pursuant to Ark. Code Ann. § 23-111-508(e)(1) and Ark. Code Ann. § 23-110-405(e)(1) and the rules promulgated by the Racing Commission thereunder, and not these Rules.

36. Scope of use of wagering accounts.

(a) Subject to paragraph (b) of this subsection, a licensee may establish and allow the use of wagering accounts for patrons' sports wagering activity with any licensed gaming establishment of the licensee.

(b) Before a licensee allows its wagering accounts to be used by patrons in connection with placing any wagers on sports events, the licensee must:

(1) Submit to the Commission a written proposal for implementation of such wagering accounts that addresses the following:

(I) The proper reporting of revenue;

(II) How minimum bankroll requirements will be satisfied;

(III) How the reserve requirements of this section will be satisfied;

(IV) Compliance with the Commission's minimum internal control procedures adopted pursuant to these Rules; and

(V) Any additional items or information as the Commission may require.

(2) Obtain the written administrative approval from the Commission subject to such conditions or limitations that the Commission may impose.

47. Operation and maintenance of wagering accounts by third-parties.

(a) A licensee may use a licensed cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on behalf of the licensee provided such wagering accounts are used only for purposes of accepting wagers under these Rules from patrons physically present within the State of Arkansas when initiating the wager.

(b) A licensed cash access and wagering instrument service provider or a licensed manufacturer that acts on behalf of a licensee to operate and maintain wagering accounts shall be subject to the provisions of this section applicable to such services to the same extent as the licensee.

(c) A licensee continues to have an obligation to ensure, and remains responsible for compliance with, this Rule, the Amendment and all other Rules of the Commission regardless of its use of a licensed cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on its behalf.

(d) A licensed cash access and wagering instrument service provider or a licensed manufacturer acting on behalf of a licensee, and with the consent of the licensee and the patron, may use a patron's personal identification information to administer all other wagering accounts created for that patron on behalf of additional licensees.

58. A licensee may create a wagering account for a patron only after it has registered the patron, either remotely or in person, as follows:

(a) Obtained, recorded, and verified:

- (1) The identity of the patron;
- (2) The patron's date of birth;
- (3) The patron's physical address; and
- (4) The patron's social security number, ITIN or equivalent means of identification acceptable to the Commission.

(b) Have the patron affirm:

- (1) That the information provided by the patron to the licensee to open the wagering account is accurate;
- (2) That the patron has reviewed and acknowledged the rules and procedures established by the licensee for use of the wagering account;
- (3) That the patron has been informed of and acknowledged that they are prohibited from allowing any other person not assigned to the wagering account access to or use of their wagering account; and
- (4) That the patron consents to the monitoring and recording by the licensee and the Commission of the use of the wagering account.

(c) Determined that the patron is not on the list of excluded persons.

69. Once a wagering account is created, a secure personal identification for the patron authorized to use the wagering account shall be implemented by the licensee that is reasonably designed to prevent the unauthorized access to, or use of, the wagering account by any person other than the patron for whom the wagering account is established.

10. A licensee shall not allow a wagering account to be created anonymously or in a fictitious name. Patrons may, while using or playing a game or gaming device, represent themselves using a name other than their actual name or may remain anonymous.

811. Funds may be deposited by a patron into the patron's wagering account as follows:

- (a) Cash deposits made directly with the licensee;
- (b) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the licensee;

- (c) Transfers from a patron's safekeeping or front money accounts otherwise held by the licensee;
- (d) Debits from the patron's debit instrument, prepaid access instrument, or credit card;
- (e) Transfers from another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;
- (f) Funds derived from the extension of credit to the patron by the licensee; or
- (g) Any other means approved by the Commission.

912. Funds may be withdrawn by a patron from their wagering account as follows:

- (a) Issuance of cash directly to the patron by the licensee;
- (b) Issuance of a personal check, cashier's check, money order, or wire transfer by the licensee made payable to the patron and issued directly or mailed to the patron;
- (c) Transfers to the patron's safekeeping or front money accounts held by the licensee;
- (d) Credits to the patron's debit instrument, prepaid access instrument, or credit card;
- (e) Transfers to another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;
- (f) As repayment of outstanding credit owed by the patron to the licensee; or
- (g) Any other means approved by the Commission.

4013. Credits to a wagering account may be made by the following means:

- (a) Deposits;
- (b) Amounts won by the patron;
- (c) Transfers from a game or gaming device;
- (d) Promotional credits, or bonus credits provided by the licensee and subject to the terms of use established by the licensee and as long as such credits are clearly identified as such;
- (e) Adjustments made by the licensee following the resolution of a dispute; or
- (f) Any other means approved by the Commission.

414. Debits to a wagering account may be made by the following means:

- (a) Withdrawals;
- (b) Amounts wagered by the patron;
- (c) Transfers to a game or gaming device;
- (d) Adjustments made by the licensee following the resolution of a dispute;
- (e) Service or other transaction-related charges authorized by the patron; or
- (f) Any other means approved by the Commission.

4215. Unless there is a pending unresolved player dispute or investigation, a licensee shall comply with a request for a withdrawal of funds by a patron from the patron's wagering account in accordance with the terms of the wagering account agreement between the licensee and its patron.

4316. A licensee shall not allow a patron to electronically transfer funds from their wagering account to any other patron's wagering account.