

February 9, 1992

Upon consideration of the issue, effective immediately retail licensees may deduct "additional payouts" in addition to, and in conjunction with, machine payouts in the calculation of Adjusted Gross Proceeds (AGP). "Additional payouts" include double jackpots, merchandise and other payments made directly as a result of a winning wager. Promotional giveaways not associated with a specific winning wager are not deductible from AGP.

One example of an "additional payout" would be where a licensee doubles its slot machine payouts on Mondays from 8 a.m. to 12 noon.

In order to include "additional payouts" in the calculation of AGP, retail licensees must notify the Division of Gaming of any proposed "additional payouts" three (3) days in advance of implementation of the payout, on a form available from the Division. In addition, licensees must clearly display the "additional payouts" on each affected machine at all times such payouts are in effect.

Finally, licensees have the burden to ensure the theoretical payback of each affected machine does not exceed the legal limit of 100 percent. Licensees must also track and document payouts for each machine, and have such documentation available for inspection.

For procedures on how to document "additional payout" amounts, contact the Division of Gaming-Audit Section at (303) 757-7555.