

Skill-based slot machines inch closer to Nev. casinos

By Kimberly Pierceall, AP

Arcade-style slot machines that might require skill to win could be in Nevada casinos as early as next year, according to one game maker's estimate now that a single regulatory vote remains.

The Nevada Gaming Control Board on Wednesday recommended legal language that would allow slot machines requiring skill to win or a combination of talent and luck.

The changes still need approval by the Nevada Gaming Commission before taking effect. That five-member regulatory board is expected to discuss the new language at a Sept. 17 hearing, a couple weeks ahead of the annual Global Gaming Expo, where slot makers will show off their latest innovations in Las Vegas.

If the changes are approved, "the store is open for business, so to speak," said Gamblit Gaming CEO Eric Meyerhofer. His company has been developing skill-based games that can be played by multiple players in the style of "Angry Birds" and "Battleship," among others.

Meyerhofer estimated that once the game submission process is approved and technical standards are written, casinos could offer skill-based video gambling by early or mid-2016.

The changes would also simplify rules that have governed the themes of casino games for years and were primarily aimed at limiting their appeal to children. Under the proposal, nothing will be allowed that is obscene or offensive based on race, religion, nationality, gender or sexual orientation, and game makers can't use themes based on products that are primarily

marketed to people younger than 21 years old.

Casino revenue has fallen from a peak of nearly \$12.9 billion in 2007 to about \$11 billion in 2014, with slot proceeds alone plunging 20 percent, and the industry is betting gamblers, particularly younger ones, want to do more than press a button and passively watch reels spin. They want skill-based games like the popular titles on their smartphones or video game consoles, except with real money on the line, video game and slot machine makers say.

In order to deliver on arcade-style games, the Association of Gaming Equipment Manufacturers pushed lawmakers this year to encourage innovation and direct the Gaming Control Board to make the regulations that govern games of chance more nimble and to allow elements of skill.

It's not yet known what the games may look like except for what companies have shown off in development, including a digital pinball machine and first-person shooter games that award points for targets hit.

Of a few adopted suggestions the manufacturer's group made to the board, one allows the chairman flexibility to waive the technical standards for a game if shown a good reason to do so, "since we don't truly know how radical some of the new concepts may be," said Marcus Prater, the executive director of the Association of Gaming Equipment Manufacturers.