

States weigh rules for new kind of slot machine

By Philip Marcelo, AP

BOSTON – It's like "Guitar Hero" that pays you back, if you're any good.

At least, that's the pitch gambling regulators across the country are hearing as they consider whether to allow casinos to offer slot machines that mimic video and arcade games in an effort to attract younger gamblers.

The latest is Massachusetts, where the state Gaming Commission released draft regulations governing the new machines on Thursday.

Marcus Prater, executive director of the Association of Gaming Equipment Manufacturers, a Nevada-based industry trade group, says so-called "skill-based" slot machines are meant to appeal to millennials who tend to skip over traditional machines because they see them as old-fashioned.

"This is something totally new," he said. "Players have never had the option, in any market in the world, to influence the outcome of the game."

But anti-gambling activists say the machines have the potential be more addictive than their predecessors because they blur the line between children's games and wagering.

"They're trying to find new ways to get people hooked on gambling," says Les Bernal, national director of the Massachusetts-based Stop Predatory Gambling. "It's an incredibly predatory business for that reason."

What the industry considers "skill-based" slot machines runs the gamut.

Some manufacturers have unveiled machines giving gamblers the option of playing classic video games like "Space Invaders" and "Pac Man" as a sort of bonus round to earn more betting credits in between typical slot machine play.

Others are toying with gambling versions of arcade games like pinball and video game console products like "Guitar Hero." Still others are developing casino gambling versions of popular smartphone games like "Angry Birds" and "Words with Friends."

Keith Whyte, executive director of the D.C.-based National Council on Problem Gambling, is also concerned treating and preventing gambling addiction will become more challenging, a problem he suggests states will need to address if they permit the new games.

"There are a lot of smart people who get themselves into trouble as they believe they can beat the game," he says.

Christopher Moyer, spokesman for the American Gaming Association, says there's no evidence to suggest such games would be more addictive than current machines.

Prater says it's too soon to pass judgment. The new machines are still in development and haven't hit casino floors.

But that hasn't stopped states from considering how to regulate them. So far, two states – Nevada and New Jersey – have laws and regulations in place.

Pennsylvania lawmakers are also considering legislation allowing them, while policymakers in New York, Maryland and other states have discussed the issue.

Massachusetts' 2011 casino law already included a provision allowing for skill-based machines, so only regulations are needed.

Thursday's proposed rules are modeled after Nevada's, allowing

for gambling machines that determine outcome not just based solely on chance but also on the skill, or a combination of both.

Todd Grossman, the Massachusetts Gaming Commission's deputy general counsel, said the proposed regulations are broadly written so as not to create an "artificial barrier" to gambling manufacturers trying to test out new concepts. "We're moving into uncharted territory, to a degree," he said.

Wynn, MGM and Penn National Gaming – Massachusetts's three licensed casino operators – say they're reserving comment until they've had a chance to carefully review the eight-page proposal.

David Schwartz, director of the Center for Gaming Research at the University of Nevada-Las Vegas, says the evolution of slot machines is necessary as the amount casinos collect from them has generally not kept up pace with table games.

But Alan Woinski, president of Gaming USA Corp., a New Jersey-based gambling consultancy, predicts the latest generation of gambling machines is still at least a year away.

"Anything out there so far is just from companies trying to be the first, but with a less than stellar project, or it's the major manufacturers taking their first crack at it," he said.