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Building Better Business

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AGEM hails passage of Senate Bill 9 in Nevada

The Association of Gaming Equipment Manufacturers (AGEM) and its members are celebrating the passage by the Nevada Legislature of Senate Bill 9 that allows for variable-payback percentages in slot machines to enhance the player experience by bringing true skill-based gaming, arcade-game elements, hybrid games and other unique features and technologies to the casino floor for the first time.

Signed by Gov. Brian Sandoval, SB9 was supported by the Nevada Gaming Control Board and the Nevada Resort Association and represents the first time AGEM specifically initiated legislation in its 15-year history. To start the process, AGEM members, anchored by all of the world’s largest slot machine technology companies, were polled in early 2014 and asked to submit ideas on how to boost innovation that would require a change in Nevada law. The variable-payback concept was the overwhelming choice to be forwarded to the Nevada Committee To Conduct An Interim Study Concerning The Impact Of Technology Upon Gaming that met throughout 2014 and ultimately recommended that the AGEM concept advance to the Legislative level.

The Nevada Gaming Control Board and the Nevada Gaming Commission have led the process of writing and promulgating the rules and regulations that will guide this innovative new direction that AGEM believes will inject new life into the slot machine segment of the gaming industry and attract younger players that are accustomed to the arcade experience and different forms of non-gambling games in their daily lives.

“AGEM is especially proud to be the initiator and one of the driving forces behind the milestone event,” said Thomas Jingoli, AGEM President and Chief Compliance Officer of Konami Gaming. “We’d like to thank the Gaming Control Board and Chairman A.G. Burnett for supporting this initiative over the past year and we are excited that Nevada will be the first in the world to offer the full extent of this innovative new form of gaming.”

Variable-payback percentages would, for example, give all players a base game with an 88 percent payback, but if you’re particularly skilled at shooting down enemy planes in the bonus round or outracing your friends in a road rally, you could boost your payback to 98 percent, with the blended overall payback selected by operators falling somewhere in the middle. For the first time, players will know they can have a material financial impact on the outcome of the game.

Games will draw next generation of players

Advocates agree adding skill and arcade elements will attract the next generation of players who are accustomed to interactive video gaming experiences that are so ubiquitous in our everyday lives.

From a Nevada perspective, it’s clear younger visitors to Las Vegas are showing very little interest in the current offerings on the slot floor. The visitors to Las Vegas are trending younger, but despite overall visitation hitting record numbers, slot revenue has lagged behind.

Recently released 2013 Las Vegas Visitor profile and the gaming abstract reveal:

- In 2004, 87% of adult visitors gambled at least a little; in 2013, only 71% did
- In 2004, 29% of those surveyed were under 40; in 2013, 42% were under 40
- In 2009, 11% of visitors to Las Vegas were ages 21-29; in 2013, 19% were.
- In 2009, 16% of visitors to Las Vegas were ages 30-39; in 2013, 27% were.
- In May 2008, statewide slot revenue was $647 million; in May 2014, statewide slot revenue was $556 million

With the future of gaming upon us, operators will, as always, be able to select the base payback percentage and the maximum payback percentage, thereby controlling the blended payback percentage. Also, the skill-based feature will be available on selected games and not all games and operators will potentially be able to use the variable payback percentage option as a way to reward players at their discretion.

“I believe we will look back on the passage of SB9 as a monumental moment for the gaming industry and its overall evolution,” said Marcus Prater, AGEM Executive Director. “The slot floor will not transform overnight, but this will allow our industry to capitalize on radical new gaming concepts and technologies and give AGEM members the ability to unleash a new level of creativity for their casino customers.”
THE CASINO FLOOR OF THE FUTURE

MOBILE SPORTSBBOOK
LOGIN FOR GAMES

Poker
2 POSITIONS AVAILABLE

DANCE-DANCE SLOTS
APPROX. WAIT: 15 MIN.

BLACKJACK
FULL TABLE

BAR SLOTS
TEAM PLAY OPTION

PROGRESSIVE SLOTS
JACKPOT: $8,141,50

PINBALL SLOTS
RESERVE YOUR SPOT

MEGABUCKS
JACKPOT: $24,789,334

SPIN & WIN
GROUP PLAY

PREMIUM SLOTS
POSITIONS AVAILABLE

INTERACTIVE TABLE TOPS
TABLE 3 LOOKING FOR PLAYER

HANDHELD GAMING
MOBILE PHONE

ROAD RACE RICHES
PROGRESSIVE SLOT

SKILL ZONE
MIDWAY

HEADS UP DISPLAY: ON

HOLOGRAPHIC SLOTS
BOXING MODE