

Connections: Exploring Gaming’s New Frontiers

The Semantics of Video Lottery

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One of the more interesting aspects of Video Lottery is that things are not always as they appear to be on the surface. As a global industry that generates billions of dollars, euros, kronors and kroners, casual observers might assume that all Video Lottery operators/regulators speak a universal language when, in fact, nothing could be further from the truth.

In its earliest manifestations, Video Lottery in North America usually meant a ‘player interactive’ video-based gaming machine that dispensed paper coupons instead of coins or tokens. In 1985, Montana passed the “Video Poker Machine Act” followed four years later by South Dakota - the United States’ first true “Video Lottery” program. Beginning in 1989, South Dakota’s “Video Lottery Terminals” (or VLTs) offered electronic versions of poker, blackjack (21), keno, and bingo games, paying winnings via printed voucher which must be redeemed on the day of play.

At that time, the prevailing school of thought was that a ‘softer’ video screen would find wider societal acceptance than the operation of a mechanical stepper-reel device, principally in areas far removed from traditional casinos. Payouts in paper ‘tickets’ helped to contour the legal logic in jurisdictions where coin-spewing ‘slot machines’ were prohibited.

As the industry evolved, so did the perception (and definition) of what actually constituted ‘Video Lottery’. For instance, Oregon and Rhode Island charted different courses for their programs (both inaugurated in 1992); Oregon offered a variety of poker games in numerous licensed locations across the state while Rhode Island chose to install VLT versions of poker and blackjack only in its two pari-mutuel wagering facilities. Within several years, both states expanded their video offerings to include versions of popular ‘slot machine’ line games as a means to attract a wider patron base.

Delaware jumped on the Video Lottery bandwagon in 1995, its legislature broadening the definition of a VLT to include devices that “may use spinning reels or video displays or both, and may or may not dispense coins or tokens directly to winning players”, or in other words, traditional stepper-reel slot machines (albeit those connected to a lottery-controlled monitoring system). West Virginia followed Delaware’s lead in 1999, amending its

VLT regulations to permit actual “slot machines” at four licensed racetracks that did not require “video simulation” and dispensed coins instead of vouchers.

Across the Atlantic, Video Lottery was taking on a different form. In Sweden, Svenska Spel began offering spinning reel-type VLTs under the name “Jack and Miss Vegas” in 1997 and is today designing a ‘next generation’ VLT that features games uniquely tailored to Swedish patrons and styled for placement in restaurants and clubs. Neighboring Norway went with a slightly different approach – permitting a variety of video games, including a derivation of SWP or Skill With Prize games (the winning of a prize determined only by the player’s skill and with an element of chance) but no spinning reel variations. Soon, Norway will be unique in the Video Lottery fraternity by providing an interface to place traditional lottery wagers on its interactive Video Lottery Terminals – a bold concept bound to catch the attention of lotteries worldwide.



The North American Association of State and Provincial Lotteries (NASPL), today defines a ‘Video Lottery Terminal (VLT)’ as: “Electronic games of chance played on a video screen. They often simulate popular casino games such as blackjack, poker, or spinning-reel slot machines. Unlike slot machines, video lottery terminals do not dispense money. Rather, a winning player is provided a ticket that is redeemed by the retailer for prizes.”

Yet, this ‘NASPL’ definition would seem to exclude both Delaware and West Virginia (racetrack) VLTs, and possibly even the

New York Lottery’s “Video Gaming Machines” - interactive player terminals that display the outcome of an ‘electronic instant lottery’ game determined at the central system level. So, even the experts have difficulty in reaching consensus on what constitutes Video Lottery.

Recently, these terminology boundaries were blurred even more as several U.S. jurisdictions introduced ‘Virtual Blackjack’ tables within the confines of existing VLT legislation. What were once seas of blinking and beeping gaming machines are now interspersed with ‘real’ five-position gaming tables and personable video ‘dealers’ ... interacting with their ‘live’ clientele via a large display.

Lawmakers and critics alike grappled with the legal definition of these devices; however, the Rhode Island Attorney General’s opinion seems to have ‘reset the bar’ once again, determining that “multi-station machines ... are not a different ‘type’ of gambling from that already approved. Indeed these machines are clearly Video Lottery Terminals (VLTs) ...”

Today, the accepted paradigm of a ‘Video Lottery Terminal’ may very well be “any form of electronic gaming device as defined and authorized by a legislative body.” The nature of the device itself does not convey Video Lottery ‘status,’ this determination is made by lawyers and lawmakers - usually in the enabling legislation. As the public’s acceptance of Video Lottery increases, jurisdictions often seek to enhance revenue by modifying and/or expanding their own official definitions – either legislatively or through updated interpretations of existing laws.

The introduction of Server-Based Gaming (SBG) will again challenge regulators, politicians and legislative architects to rewrite the glossary of Video Lottery. Hopefully, future technocrats will work together to create a uniform set of SBG terminology or the end result may well be a new wave of conflicting definitions. In the gaming world, “different strokes for different folks” only leads to confusion ... we collectively need to convince policy makers that a common language is in everyone’s best interest. ♦

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