

PROPOSED REGULATION 14

**MANUFACTURERS, DISTRIBUTORS, OPERATORS OF
INTER-CASINO LINKED SYSTEMS, GAMING
DEVICES, NEW GAMES, INTER-CASINO
LINKED SYSTEMS, ON-LINE SLOT METERING SYSTEMS, CASHLESS
WAGERING SYSTEMS AND ASSOCIATED
EQUIPMENT**

(Draft Date: 01/08/10)

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14.010 Definitions. As used in this regulation, unless the context otherwise requires:

1. "Assume Responsibility" means to acquire complete control over, or ownership of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

2. "Cashless wagering system" means the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering with other than chips, tokens or legal tender of the United States. The term does not include any race and sports

computerized bookmaking system that accepts pari-mutuel wagers, or any other race and sports book systems that do not accept wagering instruments or process electronic money transfers. This type of associated equipment is further defined in NRS 463.014.

32. "Chairman" means the chairman or other member of the state gaming control board.

4. "Control Program" means any software, source language or executable code which affects the result of a wager by determining win or loss. The term includes, but is not limited to, software, source language or executable code associated with the:

(a) Random number generation process;

(b) Mapping of random numbers to game elements displayed as part of game outcome;

(c) Evaluation of the randomly selected game elements to determine win or loss;

(d) Payment of winning wagers;

(e) Game recall;

(f) Game accounting including the reporting of meter and log information to on-line slot metering system;

(g) Monetary transactions conducted with associated equipment;

(h) Software verification and authentication functions which are specifically designed and intended for use in a gaming device;

(i) Monitoring and generation of game tilts or error conditions; and

(j) Game operating systems which are specifically designed and intended for use in a gaming device.

53. "Conversion" means a change in a gaming device from one pre-approved configuration to another pre-approved configuration or from one approved mode of play to another approved mode of play.

6. "Distribution" or "distribute" means:

(a) The sale, offering for sale, lease, offering for lease, licensing or other offer of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada, or

(b) The sale, offering for sale, lease, offering for lease or other offer of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system from a location within Nevada.

74. "Distributor" is any person that sells, leases, markets, offers, or otherwise distributes any gaming device, cashless wagering system, or mobile gaming system for use or play in Nevada or ~~sells, leases, or otherwise distributes any gaming device, cashless wagering system, or mobile gaming system from a location within Nevada~~ means a person or entity that distributes any gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

85. "Distributor of associated equipment" is any person that sells, offers to sell, leases, offers to lease, licenses, markets or otherwise distributes offers associated equipment in Nevada for use by licensees.

96. "Game outcome" is the final result of the wager.

10. "Game variation" means a change or alteration in a game or gambling game that affects the manner or mode of play of an approved game. This includes, but is not limited to, the addition or removal of wagering opportunities or a change in the theoretical hold percentage of the game. The term game or gambling game is defined in NRS 463.0152.

11. "Independent contractor" means any person who:

(a) Is not an employee of a licensed manufacturer; and

(b) Pursuant to an agreement with a licensed manufacturer:

1. Designs, develops, programs, produces or composes a control program on behalf of the licensed manufacturer; or

2. Designs, develops, produces or composes software, source language or executable code intended to be compiled into a control program by the licensed manufacturer.

→As used in this regulation "licensed manufacturer" includes any affiliate that is owned or controlled by or under common control with the licensee.

127. "Inter-casino linked system" means an inter-casino linked system including the collective hardware, software, communications technology and other associated equipment used to link and

monitor games or devices located at two or more licensed gaming establishments. Systems that solely record a patron's wagering activity among affiliated properties are not inter-casino linked systems. This term is further defined in NRS 463.01643.

138. "Inter-casino linked system modification" means a change or alteration to an inter-casino linked system made by an operator who has been previously approved by the commission to operate that system. With regard to inter-casino linked systems that link progressive payout schedules, the term includes, but is not limited to:

- (a) A change in a system name or theme; or
- (b) A change in gaming device denomination.

14. "Manufacture" means:

(a) To manufacture, produce, program, design, control the design of, maintain a copyright over or make modifications to a gaming device, cashless wagering system, mobile gaming system or interactive gaming system;

(b) To direct, control or assume responsibility for the methods and processes used to design, develop, program, assemble, produce, fabricate, compose and combine the components and other tangible objects of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system; or

(c) To assemble, or control the assembly of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

~~159. "Manufacturer" is any person that manufactures, assembles, produces, programs, or makes modifications to any gaming device, cashless wagering system, or mobile gaming system for use or play in Nevada or for distribution outside of Nevada~~ **means a person who operates, carries on, conducts or maintains any form of manufacture.**

1640. "Manufacturer of associated equipment" is any person that manufactures, assembles, or produces any associated equipment, including inter-casino linked systems, for use **in Nevada** by licensees.

1744. "Mobile gaming system" or "system" means a system that allows for the conduct of games through mobile communications devices operated solely within a public area of the licensed gaming establishment by the use of communications technology that allows a patron to bet or wager, and corresponding information related to the display of the game, gaming outcomes or other similar information.

1842. "Mobile gaming system modification" means any change or alteration to a mobile gaming system made by a manufacturer from its approved configuration.

1943. "Modification" means a change or alteration in a gaming device **previously approved by the commission for use or play in Nevada** that affects the manner or mode of play of the device. The term includes a change to control or graphics programs and, except as provided in paragraphs (d) and (e), in the theoretical hold percentage. The term does not include:

- (a) A conversion;
- (b) Replacement of one component with another, pre-approved component;
- (c) The rebuilding of a previously approved device with pre-approved components;
- (d) A change in the theoretical hold percentage of a mechanical or electro-mechanical device, provided that the device as changed meets the standards of Regulation 14.040(1); or
- (e) A change in the theoretical hold percentage of an electronic device which is the result of a top award jackpot or bonus jackpot payment which is paid directly by an attendant and which is not accounted for by the device.

2044. "On-line slot metering system" means the collective hardware, software and other associated equipment used to monitor, accumulate, and record meter information from gaming devices within a licensed establishment.

2145. "Operator" means any person or entity holding a license to operate an inter-casino linked system or mobile gaming system in Nevada, a person or entity holding a license to operate a slot machine route that operates an inter-casino linked system for slot machines only, or a person or entity holding a license to operate a nonrestricted gaming operation that operates an inter-casino linked system of affiliates.

2246. "Private residence" means a noncommercial structure used by a natural person as a place of abode and which is not used for a commercial purpose.

2347. "Randomness" is the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

24. **"Registered independent contractor" means an independent contractor who has registered with the board pursuant to Regulation 14.021.**

2548. "Theme" means a concept, subject matter and methodology of design.

(Adopted: 7/89. Amended: 10/90; 8/93; 1/27/00; 5/00; 5/03; 3/06.)

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14.021 Independent contractors; registration.

1. An independent contractor whose software, source language or executable code has been compiled into the control program of a new gaming device or a modification to a gaming device submitted for approval must register with the board. The approval of the new gaming device or the modification to a gaming device will not be completed until such registration has been reviewed by the board.

2. An independent contractor must register with the board for each additional licensed manufacturer with whom the independent contractor enters into an agreement. The chairman may grant a waiver of this requirement upon a showing of good cause by the independent contractor.

3. Registration as an independent contractor shall be made, processed, and determined using such forms as the chairman may require or approve. The information requested on the registration form shall be limited to the following:

a. If the independent contractor is a natural person, the independent contractor's:

- (1) Name, including aliases, past and present;**
- (2) Residential address, both present and prior ten years;**
- (3) Contact information;**
- (4) Employment information, both current and prior ten years; and**
- (5) Date and place of birth;**

b. If the independent contractor is a business organization or association:

- (1) The name(s), address(es), and contact information of the organization(s) or association(s) under which the independent contractor does business;**
- (2) The date and jurisdiction under which the independent contractor is registered as a legal entity;**
- (3) The independent contractor's tax identification number; and**
- (4) The names, and date and place of birth of the natural persons employed by the independent contractor whose software, source language or executable code has been compiled into the control program of a new gaming device or of a modification to a gaming device submitted for approval;**

c. For all independent contractors:

- (1) The name, address, and contact information of the licensed manufacturer with whom the independent contractor has entered into an agreement; and**
- (2) A summary of the business and other arrangement between the licensed manufacturer and the independent contractor;**

d. A list and description of the following:

- (1) Any arrests of the independent contractor by law enforcement and the resulting disposition;**
- (2) Any lawsuits to which the independent contractor is, or has been, a party and the current status or resulting disposition;**
- (3) Any privileged licenses held by the independent contractor and any current or past disciplinary against those licenses;**
- (4) Any incidences in which the independent contractor has, either individually or as part of a group, been refused a gaming license or otherwise found unsuitable by a regulatory body;**
- (5) Any incidences in which the independent contractor has been the subject of an investigation by a law enforcement or regulatory body;**

(6) Any financial interests the independent contractor has in any gambling ventures inside or outside the State of Nevada; and

(7) A listing of any relatives of the independent contractor associated with or employed in the gaming industry;

e. A statement subscribed by the independent contractor that:

(1) The information being provided to the board is accurate and complete;

(2) The independent contractor agrees to cooperate with requests, inquiries, or investigations of the board and commission; and

(3) The independent contractor acknowledges that the commission may demand that the independent contractor submit an application for finding of suitability as an independent contractor, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the commission.

4. The chairman, or the chairman's designee, may request additional information from an independent contractor to supplement the registration form. A request for additional information may be appealed using the administrative approval appeal process found under Regulations 4.190 and 4.195.

5. An independent contractor is not considered registered until all of the above information, including any additional information requested by the chairman or the chairman's designee, has been provided and reviewed by the board.

6. The chairman may waive the registration requirements of section 1 if an independent contractor entered into any valid, binding and effective agreement with a licensed manufacturer prior to October 1, 2009. Any such waiver shall apply only to statements of work existing prior to October 1, 2009. Any subsequent statements of work generated under the agreement would require the independent contractor to be registered with the board pursuant to the provisions of this Regulation.

14.0215 Determination of suitability.

1. A registered independent contractor may be required by the commission, upon recommendation of the board, to file an application for a finding of suitability to be an independent contractor for a licensed manufacturer.

2. The commission shall give written notice to the registered independent contractor of its decision to require the filing of an application for finding of suitability.

3. If the commission finds a registered independent contractor to be unsuitable:

a. The registration of such independent contractor is thereupon cancelled;

b. All licensed manufacturers shall, upon written notification, immediately terminate any existing relationships, direct or indirect, with such independent contractor;

c. No new gaming device with a control program that contains software, source language, or executable code created in whole or in part by the unsuitable independent contractor shall be approved; and

d. Any previously approved gaming device with a control program that contains software, source language, or executable code created in whole or in part by the unsuitable independent contractor is subject to revocation of its approval if the reasons for the finding of unsuitability also apply to that gaming device.

4. Failure of a licensed manufacturer to terminate any association or agreement with an independent contractor after receiving notice of the determination of unsuitability constitutes an unsuitable method of operation.

5. The commission retains jurisdiction to determine the suitability of a registered independent agent regardless of whether or not that registered independent contractor has any active agreements with licensed manufacturers or is otherwise no longer functioning as an independent contractor.

6. A failure on the part of the registered independent contractor to submit an application for a finding of suitability within 30 days after being demanded to do so by the commission shall constitute grounds for a finding of unsuitability of the independent contractor.

14.022 Independent contractors; record keeping requirements.

1. Each licensed manufacturer must maintain the following records:

(a) The name and registration forms of each registered independent contractor the licensed manufacturer has entered into an agreement with;

(b) A description of the scope of the work performed for the licensed manufacturer by each registered independent contractor; and

(c) A summary of the business and other arrangement between the licensed manufacturer and such person or entity.

2. A licensed manufacturer shall provide board agents with the above records upon request.

3. Unless the chairman approves or requires otherwise in writing, each licensed manufacturer must retain such records within Nevada for at least 5 years after the date the relevant new gaming device or modification was approved.

4. Failure to keep and provide such records is an unsuitable method of operation.

14.023 Manufacturer's agreements with independent contractors. Any agreement between a licensed manufacturer and an independent contractor shall provide for termination without continuing obligation of the licensed manufacturer in the event the independent contractor:

1. Refuses to respond to information requests from the board;

2. Fails to file an application for a finding of suitability as required by the commission; or

3. Is found unsuitable by the commission.

14.024 Manufacturer's responsibilities for independent contractors. Each licensed manufacturer must:

1. Complete a review of any software, source language or executable code designed, developed, produced or composed by an independent contractor for compliance with all applicable regulations and technical standards of the commission and board prior to submission to the board; and

2. Maintain a record of the software, source language or executable code that was designed, developed, produced or composed by an independent contractor, by contractor name. Such record shall be maintained for a minimum of five years from the date of the relevant submission and must be made available to the board upon request.

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14.030 Approval of gaming devices and the operation of new inter-casino linked systems; applications and procedures.

1. A manufacturer or distributor shall not distribute a gaming device in Nevada and a licensee shall not offer a gaming device for play unless it has been approved by the commission or is offered for play pursuant to a field test ordered by the chairman.

2. An operator of an inter-casino linked system shall not install and operate a new inter-casino linked system in Nevada and a licensee shall not offer any gaming device or game for play that is part of such a system unless operation of the inter-casino linked system and all gaming devices or games that are part of or connected to the inter-casino linked system have been approved by the commission or are offered for play pursuant to a field test ordered by the chairman.

3. Applications for approval of a new gaming device or to operate a new inter-casino linked system shall be made and processed in such manner and using such forms as the chairman may prescribe. Only licensed manufacturers may apply for approval of a new gaming device. Only operators may apply for approval to operate a new inter-casino linked system.

4. At the chairman's request an applicant for a manufacturer's or inter-casino linked system operator's license shall, or upon the chairman's prior approval an applicant for a manufacturer's or operator's license may, apply for a preliminary determination that a new gaming device or new inter-casino linked system meets the standards required by this regulation.

5. Each application shall include, in addition to other items or information as the chairman may require:

(a) A complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device or inter-casino linked system operates **and complies with all applicable statutes, regulations and technical standards**, signed under penalty of perjury;

(b) A statement under penalty of perjury that, to the best of the manufacturer's knowledge, the gaming device meets the standards of section 14.040 or, in the case of an inter-casino linked system, that to the best of the operator's knowledge the system meets the standards of section 14.045;

(c) In the case of a gaming device, a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming device, submitted on electronically readable, unalterable media;

(d) In the case of a gaming device, a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables;

(e) In the case of an inter-casino linked system:

(1) ~~1~~An operator's manual;

(2) A network topology diagram;

~~(3)~~(2) An internal control system;

~~(4)~~(3) A hold harmless agreement;

~~(5)~~(4) A graphical representation of the system theme and all related sign-age; and

~~(6)~~(5) Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule; and

(f) In the case of a mobile gaming system:

(1) An operator's manual;

(2) A network topology diagram;

~~(3)~~(2) An internal control system; and

~~(4)~~(3) A description of the method used to isolate game function to the areas listed in Regulation 5.220(1)(i).

(Adopted: 7/89. Amended: 11/20/97; 1/27/00; 5/00; 5/03; 3/06.)

14.040 Minimum standards for gaming devices. All gaming devices submitted for approval:

1. Must theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which must not be less than 75 percent for each wager available for play on the device.

(a) Gaming devices that may be affected by player skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(b) The chairman may waive the 75 percent standard if the manufacturer can show to the chairman's satisfaction that this requirement inhibits design of the device or is inappropriate under the circumstances, the device theoretically pays out at least 75 percent of all wagers made when all wagers are played equally, and the device otherwise meets the standards of subsections 2 through 6. A waiver will be effective when the manufacturer receives written notification from the chairman that this standard will be waived pursuant to this paragraph. A waiver of this standard pursuant to this paragraph is not an approval of the device.

2. Must use a random selection process to determine the game outcome of each play of a game. The random selection process must meet 95 percent confidence limits using a standard chi-squared test for goodness of fit.

(a) Each possible permutation or combination of game elements which produce winning or losing game outcomes must be available for random selection at the initiation of each play.

(b) For gaming devices that are representative of live gambling games, the mathematical probability of a symbol or other element appearing in a game outcome must be equal to the mathematical probability of that symbol or element occurring in the live gambling game. For other gaming devices, the mathematical probability of a symbol appearing in a position in any game outcome must be constant.

(c) The selection process must not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play.

3. Must display an accurate representation of the game outcome. After selection of the game outcome, the gaming device must not make a variable secondary decision which affects the result shown to the player.

4. Gaming devices connected to a common payoff schedule shall:

(a) All be of the same denomination and have equivalent odds of winning the common payoff schedule/common award; or

(b) If of different denominations, equalize the expected value of winning the payoff schedule/common award on the various denominations by setting the odds of winning the payoff schedule in proportion to the amount wagered or by requiring the same wager to win the payoff schedule/award regardless of the device's denomination. The method of equalizing the expected value of winning the payoff schedule/award shall be conspicuously displayed on each device connected to the common payoff schedule/common award. For the purposes of this requirement equivalent is defined as within a 5% tolerance for expected value and no more than a 1% tolerance on return to player or payback.

54. Must display the rules of play and payoff schedule.

65. Must not automatically alter paytables or any function of the device based on internal computation of the hold percentage.

76. Must meet the technical standards adopted pursuant to section 14.050.

87. Except for devices granted a waiver pursuant to subsections 1(b), or 8, each gaming device exposed for play in the State of Nevada by any gaming licensee, including an operator of a slot machine route, must meet the standards and requirements set forth within subsection 1, as though the gaming device had been submitted for approval subsequent to September 28, 1989.

98. The chairman of the board or his designee may waive the requirements of subsection 7 for a licensee exposing a gaming device to the public for play, if the licensee can demonstrate to the chairman's satisfaction that:

(a) After the waiver the aggregate theoretical payout for all amounts wagered on all gaming devices exposed for play by the licensee at a single establishment meets the 75 percent standard of subsection 1, and

(b) The licensee is unable to bring the device into compliance with the requirements of subsection 1, because of excessive cost or the unavailability of parts.

(Adopted: 7/89. Amended: 9/89; 10/92. Effective: 1/1/93.)

14.045 Minimum standards for inter-casino linked systems. All inter-casino linked systems submitted for approval:

1. Shall, in the case of an inter-casino linked system featuring a progressive payoff schedule that increases as the inter-casino linked system is played, have a minimum rate of progression for the primary jackpot meter of not less than .4 of one percent of amounts wagered. In the case of an inter-casino linked system featuring a progressive payoff schedule that increases over time, have a minimum rate of progression for the primary jackpot meter of not less than one hundred dollars per day. The provisions of this subsection do not prevent an operator from limiting a progressive payoff schedule as allowed by Regulation 5.112(5).

2. Shall have a method to secure data transmissions between the games and devices and the main computer of the operator, as approved by the board.

~~3. Gaming devices connected to a common payoff schedule shall:~~

~~(a) All be of the same denomination; or~~

~~(b) If of different denominations, equalize the expected value of winning the payoff schedule on the various denominations by setting the odds of winning the payoff schedule in proportion to the amount wagered or by requiring the same wager to win the payoff schedule regardless of the device's denomination. The method of equalizing the expected value of winning the payoff schedule shall be conspicuously displayed on each device connected to the inter-casino linked system.~~

~~34.~~ Shall display the rules of play and the payoff schedule.

~~45.~~ Shall meet the applicable minimum standards for internal control that have been adopted pursuant to Regulation 6.090.
(Adopted: 5/00. Amended: 5/03.)

14.050 Technical standards.

1. The chairman shall publish technical standards for approval of new gaming devices, on-line slot metering systems, ~~and~~ cashless wagering systems, and other associated equipment.

2. The chairman shall:

(a) Publish notice of the proposed action in such newspapers as the commission shall prescribe;

(b) Mail a copy of the proposed technical standards or revisions and a copy of this section of Regulation 14 to every nonrestricted licensee, licensed manufacturer and every person who has filed a request with the commission; and

(c) Provide a copy of the proposed technical standards or revisions to the commission.

3. The chairman shall consider all written statements, arguments, or contentions submitted by interested parties within 30 days of service of the notice provided for in subsection 2.

4. Not later than 45 days after service of written notice that the chairman has proposed the technical standards, any nonrestricted licensee or licensed manufacturer may object to the technical standards or revisions by filing a written objection with the commission.

5. The commission shall consider any objections filed to the technical standards or revisions proposed by the chairman. If the commission does not concur with any of the technical standards, the chairman shall revise the technical standards to reflect the order of the commission.

6. The chairman shall send written notice of the effective date of the standards to all nonrestricted licensees, licensed manufacturers and every person who has filed a request with the commission.

7. Nonrestricted licensees or licensed manufacturers may propose the adoption, revision, or deletion of technical standards by submitting a written request to the chairman who will consider the request at his discretion. If the chairman does not propose the technical standard, the nonrestricted licensee or licensed manufacturers may file a request with the commission to adopt, revise, or delete a technical standard. The commission may consider the request at its discretion.

(Adopted: 7/89. Amended 5/03.)

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14.080 Field test of new gaming devices and new inter-casino linked systems.

1. The chairman shall make a preliminary, nonbinding determination whether a new gaming device meets the standards of section 14.040 or a new inter-casino linked system meets the standards of section 14.045. If the chairman makes a preliminary determination that a new gaming device has met the standards of section 14.040 or a new inter-casino linked system has met the standards of section 14.045, he may allow or require that one or more models of the gaming device or the inter-casino linked system be tested at a licensed gaming establishment(s) for not ~~less than 60 nor~~ more than 180 days under terms and conditions that he may approve or require. Upon written request of the manufacturer, distributor or operator, the chairman may, by written agreement, allow the test period to be continued an additional 90 days beyond the 180-day maximum field test period, for the purpose of allowing the application for approval of the new gaming device or application to operate a new inter-casino linked system to be acted upon by the board and commission. The chairman shall report all field tests on the agenda of the next regularly scheduled meeting of the board and commission.

2. A manufacturer shall not modify a gaming device and an operator shall not modify a new inter-casino linked system during the test period without the prior oral or written approval of the chairman. Within 15 days of a modification made upon oral approval, the manufacturer or operator making such modification shall submit a written request for approval of the modification.

3. The chairman may order termination of the test period, if he determines, in his sole and absolute discretion, that the manufacturer, operator, or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period or if the

new gaming device or new inter-casino linked system fails to meet the standards of section 14.040 or section 14.045, respectively.

(a) If the test period is terminated due to the licensed gaming establishment's failure to comply with the terms and conditions of the order allowing or requiring a test period, the chairman may order that the test be conducted at another licensed gaming establishment.

(b) A manufacturer or operator may object to the termination of the test period by filing a written objection with the commission. The filing of an objection shall not stay the order terminating the test. If the commission fails to order resumption of the test within 60 days of the written objection, the objection will be deemed denied. If the commission sustains the objection, the testing may be resumed under terms that may be approved or required by the commission.

4. A licensee or manufacturer, or their agent shall not play a new gaming device during a test period. A licensee or operator, or their agent, shall not play a gaming device or game connected to a new inter-casino linked system during a test period.

5. If the chairman has made a determination that a new gaming device or new inter-casino linked system is not eligible for testing at a licensed gaming establishment because the new device or new system does not meet the standards of section 14.040 or section 14.045, respectively, he shall notify the manufacturer or operator in writing. Not later than 10 days after receipt of such notification, the manufacturer or operator may object to such a determination by filing written objection with the commission. If the commission fails to order a test period within 60 days of the written objection, the objection will be deemed denied. If the commission sustains the objection, the new gaming device or new inter-casino linked system may be tested at a licensed gaming establishment under terms and conditions that may be approved or required by the commission.

(Adopted: 7/89. Amended: 10/90; 5/00; 5/03; 3/06.)

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14.105 Installation of a system based game or a system supported game. A licensee shall not install or use a system based game or system supported game without prior written approval of the system network implementation from the chairman or his designee. Additionally, any modifications to the approved network implementation must be approved by the chairman or his designee. Applications for approval to install or modify a system based game or system supported game shall be made and processed in such manner and using such forms as the chairman may prescribe. The applicant seeking approval of the installation shall pay the cost of the investigation.

14.110 Approval to modify gaming devices or inter-casino linked systems; applications and procedures.

1. Modifications to gaming devices may only be made by licensed manufacturers who have received prior written approval of the chairman. Inter-casino linked system modifications may only be made by operators of such systems who have received prior written approval of the chairman. The chairman, in his sole and absolute discretion, may refer an inter-casino linked system modification to the full board and commission for consideration of approval. In an emergency when a modification is necessary to prevent cheating or malfunction, the chairman may, in his sole and absolute discretion, orally approve a modification to be made by a manufacturer or operator. Within 15 days of the emergency modification, the manufacturer or operator making such modification shall submit a written request for approval of the modification that shall contain the information required by subsection 3 and such other information as required by the chairman.

2. A manufacturer shall not modify a gaming device unless the device, as modified, meets the standards of section 14.040. An operator shall not modify an inter-casino linked system unless the system, as modified, meets the standards of section 14.045. The chairman may, in his sole and absolute discretion, waive all or some of the standards of section 14.040 or section 14.045, respectively, if the modification is necessary to prevent cheating or malfunction. The chairman may, in his sole and absolute discretion, waive the standards of subsections 1 and 6 of section 14.040 if the gaming device was originally approved by the commission prior to the effective date

of this regulation. A waiver shall be effective when the manufacturer or operator receives a written notification from the chairman that all or some of the standards will be waived pursuant to this subsection. A waiver of all or some of the standards pursuant to this subsection is not an approval of the modification.

3. Applications for approval to modify a gaming device or an inter-casino linked system shall be made **by a manufacturer** and processed in such manner and using such forms as the chairman may prescribe. Each application shall include, in addition to such other items or information as the chairman may require:

(a) A complete, comprehensive, and technically accurate description and explanation of the modification in both technical and lay language signed under penalty of perjury;

(b) Unless the standards of section 14.040 or section 14.045 have been waived pursuant to subsection 2, a statement under penalty of perjury that to the best of the manufacturer's knowledge, the gaming device, as modified, meets the standards of section 14.040 or, in the case of an inter-casino linked system, a statement under penalty of perjury that to the best of the operator's knowledge the inter-casino linked system, as modified, meets the standards of section 14.045;

(c) In the case of a gaming device a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming device, submitted on electronically readable, unalterable media;

(d) In the case of a gaming device a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables; and

(e) In the case of a gaming device a listing of all independent contractors and the software, source language or executable code compiled into the control program that is designed or developed by the independent contractor as part of any submission to the board; and

~~(f)~~(e) In the case of a inter-casino linked system:

- (1) An operator's manual;
- (2) An internal control system;
- (3) A hold harmless agreement;
- (4) A graphical representation of the system theme and all related signage; and
- (5) Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule.

(Adopted: 7/89. Amended: 11/20/97; 1/27/00; 5/00; 5/03.)

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14.170 Marking, registration, and distribution of gaming devices.

1. Except as otherwise provided in subsection 2, a manufacturer or distributor shall not distribute a gaming device in this state or from a location within this state out of state unless the gaming device has:

(a) A permanent serial number which must be the same number as given the device pursuant to the provisions of the Gaming Device Act of 1962, 15 U.S.C. 1173, permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the device and on a removable metal plate attached to the cabinet of the device; and

(b) For devices distributed in this state, the board approval number or, if the device has been modified since initial approval of the device, the modification approval number affixed on all program storage media placed in the device.

2. The chairman may, in his sole and absolute discretion, waive the requirements of subsection 1 if:

(a) ‡The device was manufactured prior to January 1, 1962, and the manufacturer or distributor permanently stamps or engraves in lettering no smaller than 5 millimeters a distributor's

identification code assigned by the chairman and a serial number on the metal frame or other permanent component of each device covered by this subsection.

(b) The program storage media in 1(b) can be altered through a means that does not require removal from the device or if the size of such media does not permit it.

3. Each manufacturer or distributor shall keep a written list of the date of each distribution, the serial numbers of the devices, the board approval number, or if the device has been modified since initial approval of the device, the modification approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the chairman immediately upon his request.

(Adopted: 7/89.)

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14.210 Approval of promotional devices; applications and procedures.

1. As used in this section, "promotional device" means a contrivance that resembles a gaming device or slot machine that:

(a) Is playable without a wager being made; or

(b) Always pays out an amount in either cash or prizes that is equal to or greater than the wager made.

2. A manufacturer or distributor shall not distribute a promotional device for use in this state and a nonrestricted licensee shall not offer a promotional device for play to the public unless the promotional device has been approved by the chairman. A restricted licensee shall not offer a promotional device for play to the public unless the promotional device and the use of the promotional device have both been approved by the chairman.

3. Applications for approval of promotional devices must be made, processed, and determined in such manner and using such forms as the chairman may prescribe. Each application must include, in addition to such other items or information as the chairman may require:

(a) A complete, comprehensive, and technically accurate description and explanation of the manner in which the device operates **and complies with all applicable statutes, regulations and technical standards**, signed under penalty of perjury;

(b) The name and permanent address of the purchaser if the purchaser is currently licensed by the commission;

(c) The name, permanent address, social security number, and driver's license number of the purchaser if the purchaser is not currently licensed by the commission. If the purchaser does not have a social security number or driver's license number, the purchaser's birth date may be substituted;

(d) The quantity and the serial numbers of the promotional devices being sold or distributed; and

(e) A statement by the purchaser under penalty of perjury that the device will be used only for lawful purposes.

~~4. If the chairman does not grant or deny the application for approval of the promotional device within 30 days of receipt of a complete application, the application will be deemed to be approved.~~

(Adopted: 7/89.)

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14.230 Approval of new games and game variations; applications and procedures.

1. A licensee shall not offer a new game for play unless the new game has been approved by the commission. **A licensee shall not offer a game variation for play unless the game variation has been approved in writing by the chairman or his designee.**

2. Applications for approval of a new game or game variation must be made and processed in such manner and using such forms as the chairman may prescribe. **The applicant seeking approval of the new game or game variation shall pay the cost of the investigation.** Each application must include, in addition to such other items or information as the chairman may require:

(a) The name, permanent address, social security number, and driver's license number of the person developing the new game **or game variation**. If the person developing the new game **or game variation** does not have a social security number or a driver's license number, his birth date may be substituted;

(b) The name of the new game which must be different than the name of a game currently approved by the commission; and

(c) A description of the new game **or game variation**, including the rules of play, the proposed schedule of payouts, and a statistical evaluation of the theoretical percentages of the game.

(Adopted: 7/89.)

14.240 Field trials of new games and game variations.

1. The chairman may allow or require that a new game **or game variation to** be tested at a licensed gaming establishment for not more than 180 days under terms and conditions that he may approve or require.

2. The chairman may order termination of the test period, if he determines, in his sole and absolute discretion, that the developer of the new game or game variation, or the licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period.

(Adopted: 7/89.)

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14.270 Board evaluation of associated equipment. The chairman or his designee may require transportation of not more than 2 working models of associated equipment to the new game lab of the board or some other location for review and inspection. **The manufacturer seeking approval of the equipment must pay the cost of the inspection and investigation.** The lab may dismantle the associated equipment and may destroy electronic components in order to fully evaluate the equipment. The chairman may require the manufacturer or distributor seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the associated equipment.

(Adopted: 7/89. Amended: 5/00; 5/03.)

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End – Regulation 14