

**PROPOSED AMENDMENTS TO REGULATIONS
22.010, 22.060, 22.061, 22.062, and 22.064**

PURPOSE: To remove any references to NGC Regulation 6A due to its repeal; to revise the reporting of race and sports book noncash, nonpari-mutuel wagers in excess of \$10,000 so as to require the reporting of all nonpari-mutuel wagers over \$10,000 regardless if the wagers were noncash or cash; to delete provisions that would require duplicate reporting under the amendments to this regulation; to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 22
RACE BOOKS AND SPORTS POOLS**

(Draft Date 10/15/2006)

22.010 Definitions. As used in this regulation:

1. No Change.
2. No Change.
3. No Change.
4. No Change.
5. No Change.
6. No Change.
7. No Change.
8. No Change.
9. No Change.
10. No Change.
11. No Change.

~~12. "Noncash wager" means any bet or portion of a bet not made with cash. The term includes, but is not limited to, a bet made with chips, tokens, unpaid winning tickets, funds in a wagering account, extensions of credit, negotiable instruments, electronic or other funds transfer, or other representatives of value approved by the board.~~

~~13.~~ **12.** "Nonpari-mutuel wager" means a race book or sports pool wager other than one offered to be included in a common pari-mutuel pool.

~~14.~~ **13.** "Outstation book" means a book, other than a satellite book, that shares the computerized bookmaking system and certain management or administrative functions of a book operated by an affiliated licensee, as defined in NRS 463.430(3)(b).

~~15.~~ **14.** "Post time" means, unless an earlier time is required by regulation in the state where the race is run:

(a) For users of live broadcasts and for buyers of audible announcements of post time from disseminators of live broadcasts, the later of either the time when the disseminator transmits an audible announcement of the post time, or when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman.

(b) For races broadcast live on a national television network for which an agreement has been reached with a disseminator to provide an audible announcement of post time, that time when the disseminator relying upon information obtained independently of the television broadcast, transmits an audible announcement of post time which must be no later than when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman.

(c) Except as provided in paragraph (b) of ~~this~~ subsection ~~14~~ **14**, for races provided by means other than a live broadcast and for races broadcast live on a national television network for which no agreement has been made with a disseminator to provide an audible announcement of post time, not later than 2 minutes before the scheduled post time as announced by the disseminator.

~~16.~~ **15.** "Race book" means a business that accepts wagers on horse or other animal races.

~~17.~~ **16.** "Satellite book" means a book that has been licensed pursuant to the provisions of NRS 463.245(3).

~~48.17.~~ "Secure personal identification" means an encoded alpha-numeric character code or any other method of identifying the patron as approved by the chairman through which the book may verify a wager or account transaction was authorized by the patron.

~~49.18.~~ "Sports pool" means a business that accepts wagers on sporting events or other events, other than horse or other animal races. The term includes, but is not limited to, a business that accepts sports parlay card wagers as defined in Regulation 22.090.

~~20.19.~~ "Wagering account" means an electronic ledger wherein the following types of transactions relative to sports and nonpari-mutuel race wagers are recorded:

- (a) Deposits;
- (b) Withdrawals;
- (c) Amounts wagered;
- (d) Amounts paid on winning wagers;
- (e) Amounts paid for horse racing-related services or merchandise;
- (f) Service or other transaction-related charges authorized by the patron; and
- (g) Adjustments to the account.

~~24.20.~~ "Wagering communication" means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

22.060 Acceptance of wagers.

1. No Change.
2. No Change.
3. No Change.
4. No Change.
5. No Change.
6. No Change.
7. No Change.

~~[8. At least 30 days prior to a book commencing operations, the book shall notify the chairman in writing as to whether the book will accept noncash wagers. Books licensed as of the date of the adoption of this subsection shall submit such notifications at least 30 days prior to the effective date of Regulations 22.061, 22.062 and 22.063. A book shall submit written notification to the chairman at least 15 days prior to deviating from such previous notification.]~~

22.061 ~~[Noncash wagers]~~ Wagers in excess of \$10,000.

1. Prior to accepting any ~~[noncash,]~~ nonpari-mutuel wager in excess of \$10,000 the book shall:

- (a) Obtain the patron's name;
- (b) Obtain or reasonably attempt to obtain the patron's permanent address and social security number;

- (c) Obtain one of the following identification credentials from the patron;
 - (1) Driver's license;
 - (2) Passport;
 - (3) Non-resident alien identification card;
 - (4) Other reliable government issue identification credentials; or
 - (5) Other picture identification credential normally acceptable as a means of identification when cashing checks; and

- (d) Examine the identification credential obtained to verify the patron's name, and to the extent possible, to verify the accuracy of the information obtained pursuant to paragraph (b).

2. Prior to accepting a ~~[noncash,]~~ nonpari-mutuel wager in excess of \$10,000, if a book knows a person is placing a wager allowed by the Nevada Revised Statutes and these regulations on behalf of another person, the licensee shall obtain and record the information required by paragraphs (a) through (d) of subsection 1 with respect to the person placing the wager, and the licensee shall reasonably attempt to obtain and, to the extent obtained, shall record the information required by paragraphs (a) through (d) of subsection 1 with respect to the person for whom the wager was placed.

3. Subsequent to accepting a ~~[noncash,]~~ nonpari-mutuel wager in excess of \$10,000 the book shall record or maintain records that include:

- (a) The patron's name and, if applicable, the agent's name;
- (b) The patron's address and, if applicable, the agent's address;
- (c) The patron's social security number and, if applicable, the agent's social security number;
- (d) A description including any document number of the identification credential examined (or credential information on file for known patrons) and, if applicable, for the agent;
- (e) The amount of the wager;
- (f) Window number or other identification of the location where the wager occurred;
- (g) The time and date of the wager;
- (h) The name and signature of the book employee accepting or approving the wager; and

(i) Any other information as required by the chairman.

A book shall not implement alternative procedures to comply with this subsection without the written approval of the chairman.

4. As used in this section, a "known patron" means a patron known to the book employee accepting the wager, for whom the licensee has previously obtained the patron's name and identification credential, and with respect to whom the licensee has on file and updates, at least every three years, all the information required to be recorded pursuant to this section.

5. As used in this section, a "listed patron" means a known patron for whom the book has requested and received approval from the chairman to exclude wagers placed by the patron from the reporting requirements of this section. If the chairman does not deny the request for approval within 15 days of receipt of the request, the request will be deemed to be approved. All approvals may be revoked at any time at the discretion of the chairman, and are conditioned that the patron's wagers remain subject to the identification and recordkeeping requirements of subsections 1 through 4 and of Regulations 22.062[~~;~~] and 22.063[~~-and 22.064~~]. A book's written request to have a patron approved as a listed patron shall include:

- (a) The patron's name;
- (b) The patron's residence, mailing or business address;
- (c) The patron's social security number;
- (d) The patron's identification credential information including any document number and expiration date;
- (e) The patron's birth date;
- (f) A recent photograph of the patron's face or a copy of a current picture identification credential;
- (g) A description of the patron's book wagering activity including the use of any wagering accounts or credit accounts including account numbers;
- (h) A statement as to why the book desires to have the patron approved as a listed patron and an acknowledgment that the book believes that the patron is not involved in illegal wagering activity;
- (i) The signature of the licensee or an officer of the licensee; and
- (j) Any other information as required by the chairman.

All records related to the patron's activity supporting the request shall be available for board review.

6. Each book shall report the wagers required to be recorded pursuant to this section, excluding any wagers accepted from listed patrons, on a "Book Wagering Report," a form published or approved by the chairman that includes, but is not limited to:

- (a) The patron's and agent's (if applicable) name;
- (b) The patron's and agent's (if applicable) identity credential information;
- (c) The patron's and agent's (if applicable) social security number;
- (d) Wager amounts; and
- (e) Date of transactions.

Reports shall be submitted to the board no later than 15 days after the end of the month of the occurrence of the transaction and in such manner as the chairman may approve or require. Each book shall file an amended report if the licensee obtains information to correct or complete a previously submitted report, and the amended report shall reference to the previously submitted report. Each book shall retain a copy of each report filed for at least 5 years unless the chairman requires retention for a longer period of time.

22.062 Multiple wagers.

1. A book and its employees and agents shall not knowingly allow, and each book shall take reasonable steps to prevent, the circumvention of Regulation 22.061 by multiple wagers within its designated 24-hour period with a patron or a patron's agent or by the use of a series of wagers that are designed to accomplish indirectly that which could not be accomplished directly. As part of a book's efforts to prevent such circumventions relative to Regulation 22.061 a book shall establish and implement [~~noncash wager~~] wagering multiple transaction logs.

2. Each book shall record in a [~~noncash wager~~] wagering multiple transaction log all [~~noncash~~] nonpari-mutuel wagers in excess of \$3,000, or in smaller amounts that aggregate in excess of \$3,000 when any single officer, employee, or agent of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent. This record shall be made for ~~noncash~~, nonpari-mutuel wagers occurring during a designated 24-hour period, within a monitoring area.

3. Each log entry in a [~~noncash wager~~] wagering multiple transaction log shall be made by the employee accepting or approving the wager, immediately after accepting the wager, and shall include at a minimum:

- (a) Description of the patron (or agent), which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire, if the person is present when the wager is accepted;
- (b) Patron's name and agent's name, if known;
- (c) Window number or other identification of the location where the wager occurred;
- (d) Time and date of the wager;
- (e) Dollar amount of the ~~noncash~~ wager; and
- (f) Signature of person accepting or approving the wager.

One log shall be maintained for each monitoring area, for each designated 24-hour period. A log is completed for each 24-hour period regardless of whether any ~~noncash~~ nonpari-mutuel wagers occurred. At the conclusion of each designated 24-hour period, the last entry on the log shall be an indication that the end of the designated 24-hour period has occurred. A book shall not implement alternative procedures or records to comply with this subsection without the written approval of the chairman.

4. Each book shall aggregate all ~~cash and noncash wagers that are~~ nonpari-mutuel wagers in excess of \$3,000 or smaller amounts when any single officer, employee, or agent of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent during a designated 24-hour period within a monitoring area.

5. Before completing a wager that, when aggregated with other wagers pursuant to subsection 4, will aggregate to an amount that will exceed \$10,000, the book shall complete the identification and recordkeeping requirements described in subsection 1 of Regulation 22.061. When aggregated wagers exceed \$10,000, the book shall complete the recording and reporting requirements of Regulation 22.061. ~~[Records and reports completed pursuant to Regulation 22.061 and this subsection shall exclude cash wagers and portions of wagers made with cash that are required to be reported pursuant to NGC Regulation 6A or Regulation 22.064.]~~

6. If a patron places a wager that pursuant to subsection 4 is to be aggregated with previous wagers for which a record has been completed pursuant to this section or Regulation 22.061, the book shall complete the identification, recordation and reporting procedures described in Regulation 22.061 for any additional wager regardless of amount occurring during a designated 24-hour period ~~[excluding cash wagers and portions of wagers made with cash that are required to be reported pursuant to NGC Regulation 6A or Regulation 22.064].~~

7. As used in this section:

(a) "Designated 24-hour period" means the 24-hour period ~~[designated by the licensee for the book for compliance with NGC Regulation 6A. If the book is not subject to the requirements of NGC Regulation 6A, the book's designated 24-hour period ends]~~ **ending** at midnight each day unless otherwise approved by the chairman.

(b) "Monitoring area" means ~~[the book writing areas designated by the licensee for compliance with NGC Regulation 6A. If the book is not subject to NGC Regulation 6A, the book's monitoring area consists of]~~ all race book and sports pool writing locations unless otherwise approved by the chairman.

~~[22.064 Required submissions to the board. Books not subject to the requirements of NGC Regulation 6A shall submit to the board a copy of any report required to be filed pursuant to 26 U.S.C. Section 6050I, or any substantially similar federal reporting requirement, related to the acceptance of wagers within 30 days of the required federal filing deadline.]~~

(Effective date: June 30, 2007, 11:59 p.m.)