

REGULATION 3: LICENSING: QUALIFICATIONS

PROPOSED AMENDMENTS TO REGULATIONS 3.100

PURPOSE: To amend Regulation 3.100 to include provisions related to interactive gaming and service providers; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

(Draft Date: August 1, 2011)

3.100 Employee report.

1. Definitions. As used in this section:

(a) "Compensation" means the value of all salaries, bonuses, and other taxable benefits given to or earned by a person. The term does not include tip income.

(b) "Complimentary benefits" are those products, services, and entertainment normally provided in exchange for consideration including, but not limited to, transportation, hotel room nights, and shows given without consideration to a casino customer. The term does not include food and beverage given to a casino patron.

(c) "Qualifying employee" of a group I or group II nonrestricted licensee means any person whose responsibility is to directly oversee the entirety of the following types of departments or functions of the licensee's operations:

- (1) Accounting.
- (2) Bingo.
- (3) Cage and vault.
- (4) Contracts and agreements for entertainment or for the lease of space on the premises of the licensed gaming establishment.
- (5) Credit.
- (6) Collections.
- (7) Entertainment operations.
- (8) Finance.
- (9) Food and beverage.
- (10) Gaming regulatory compliance.
- (11) Hotel operations.
- (12) Human resources.
- (13) Internal audit.
- (14) Internal information technology
- (15) Keno.
- (16) Marketing.
- (17) Pit operations.
- (18) Poker operations.
- (19) Sales.
- (20) Security.
- (21) Slot operations.
- (22) Surveillance.

(d) “Qualifying employee” of a manufacturer, distributor, slot route operator, inter-casino linked system operator, mobile gaming system operator, operator of interactive gaming, service provider, or pari-mutuel systems operator means any person whose responsibility is to directly oversee the entirety of the following types of departments or functions of the licensee’s operations:

- (1) Accounting.
- (2) Distribution operations.
- (3) Finance.
- (4) Gaming regulatory compliance.
- (5) Gaming related network operations.
- (6) Human resources.
- (7) Interactive gaming.
- (8) Inter-casino linked system operations
- ~~(89)~~ Internal Audit.
- ~~(910)~~ Internal information technology.
- ~~(1011)~~ Manufacture operations.
- ~~(1112)~~ Marketing.
- ~~(1213)~~ Mobile gaming system operations.
- ~~(1414)~~ Pari-mutuel systems operations.
- ~~(1315)~~ Sales.
- ~~(1416)~~ Security.
- ~~(1517)~~ Slot route operations.
- ~~(1618)~~ Surveillance.
- ~~(1719)~~ Technology and product development.

2. All nonrestricted licensees, including each manufacturer, distributor, service provider, operator of a slot machine route, of a mobile gaming system, of interactive gaming, or of an inter-casino linked system, and each pari-mutuel systems operator shall submit an employee report to the board two times yearly within 30 days after March 31st and within 30 days after September 30th. The report shall identify every person who is, as of March 31st or September 30th, whichever is most recent, a qualifying employee. The report shall also identify, as of March 31st or September 30th, whichever is most recent, the following persons who are not otherwise qualifying employees:

- (a) Any person who directly supervises a qualifying employee.
- (b) Any person who entered into a contractual arrangement, which is reportable pursuant to Regulation 8.130, on behalf of and binding upon the licensee.
- (c) For a group I nonrestricted licensee:
 - (1) Any person whose compensation exceeds \$400,000, per annum, or the five highest compensated persons, whichever method results in the greater number of persons;
 - (2) Any person who has the authority to determine who, for the licensee, is authorized to grant credit, grant extensions of credit, or approve the write-off or discount of credit instruments; and
 - (3) Any person who has the authority to determine who, for the licensee, is authorized to grant complimentary benefits.
- (d) For a group II nonrestricted licensee:

(1) Any person whose compensation exceeds \$200,000, per annum, or the five highest compensated persons, whichever method results in the greater number of persons;

(2) Any person who has the authority to determine who, for the licensee, is authorized to grant credit, grant extensions of credit, or approve the write-off or discount of credit instruments; and

(3) Any person who has the authority to determine who, for the licensee, is authorized to grant complimentary benefits.

(e) For licensees other than a group I or group II nonrestricted licensee:

(1) Any person whose compensation exceeds \$200,000, per annum, or the five highest compensated persons, whichever method results in the greater number of persons;

(f) Any person or job position who, upon written notification by the board chairman or his designee, is considered to be a reportable position or person for purposes of this regulation. Subsequent to notification, the specific person or job position must appear on all subsequent employee reports, unless notified otherwise by the board chairman or his designee or terminated by the licensee.

3. The employee report shall include the person's name, job position title, the last four digits of the person's social security number and a complete list of those categories described herein which apply to each person.

4. The employee report shall be confidential and may not be disclosed except upon order of the commission or pursuant to the terms of NRS 463.120.

5. A licensee holding multiple licenses may submit a single comprehensive employee report on the condition that such employee report identifies and designates for which license a person is included in the employee report.

6. Upon written request and good cause shown by a licensee, the board chairman or his designee may waive one or more of the requirements of this section. If a waiver is granted, the board chairman or his designee may impose alternative employee report requirements.