

**PROPOSED AMENDMENTS TO  
NEVADA GAMING COMMISSION REGULATION 14**

**MINIMUM STANDARDS FOR GAMING DEVICES; FIELD TEST OF NEW  
GAMING DEVICES AND NEW INTER-CASINO LINKED SYSTEMS; FIELD TEST OF  
MODIFIED GAMING DEVICES AND MODIFIED INTER-CASINO LINKED SYSTEMS.**

**Draft Dated: 10/12/2016**

**PURPOSE STATEMENT:** To amend Nevada Gaming Commission (“NGC”) Regulations to provide an alternative procedure for the approval of new or modified gaming devices and inter-casino linked systems intended to expedite the introduction of innovative gaming devices and inter-casino linked systems for use or play in Nevada; to amend NGC Regulation 14.010(3) to reflect current name of agency and to modify designee designation; to amend NGC Regulation 14.040 to give the chairman of the Nevada Gaming Control Board (“Board”) the authority to condition or limit a waiver he or she has granted under that section; to amend NGC Regulation 14.080 to provide for an alternative evaluation process for new gaming devices or inter-casino linked systems; to amend NGC Regulation 14.130 to provide for an alternative evaluation process for modifications made to approved gaming devices or inter-casino linked systems; and to take such additional action as may be necessary and proper to effectuate this stated purpose.

**Effective Date:** Effective upon adoption by the Nevada Gaming Commission.

**EXPLANATION:** Matter in *blue bolded italics* is new language; and matter between ~~[red brackets with single strikethrough]~~ is material to be omitted.

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1        **14.010 Definitions.** As used in this regulation, unless the context otherwise  
2 requires:

3        . . . .

4        3. “Chairman” means the chairman of the ~~[state]~~ *Nevada* gaming control board  
5 or his *or her* designee.

6        . . . .

7        **14.040 Minimum standards for gaming devices.**

8        1. All gaming devices must:

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

4 (b) Determine game outcome solely by the application of:

5 (1) Chance;

6 (2) The skill of the player; or

7 (3) A combination of the skill of the player and chance.

8 (c) Display in an accurate and non-misleading manner:

9 (1) The rules of play;

10 (2) The amount required to wager on the game or series of games in a gaming  
11 session;

12 (3) The amount to be paid on winning wagers;

13 (4) Any rake-off percentage or any fee charged to play the game or series of  
14 games in a gaming session;

15 (5) Any monetary wagering limits for games representative of live gambling  
16 games;

17 (6) The total amount wagered by the player;

18 (7) The game outcome; and

19 (8) Such additional information sufficient for the player to reasonably  
20 understand the game outcome.

21 (d) Satisfy the technical standards adopted pursuant to Regulation 14.050.

1        2. Once a game is initiated by a player on a gaming device, the rules of play for  
2 that game, including the probability and award of a game outcome, cannot be  
3 changed. In the event the game or rules of play for the game, including probability  
4 and award of a game outcome, change between games during a gaming session,  
5 notice of the change must be prominently displayed to the player.

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

7        (a) All be of the same denomination and have equivalent odds of winning the  
8 common payoff schedule/common award based as applicable on either or both of the  
9 combined influence of the attributes of chance and skill; or

10       (b) If of different denominations, equalize the expected value of winning the  
11 payoff schedule/common award on the various denominations by setting the odds of  
12 winning the payoff schedule in proportion to the amount wagered based as  
13 applicable on either or both the combined influence of the attributes of chance and  
14 skill, or by requiring the same wager to win the payoff schedule/award regardless of  
15 the device's denomination. The method of equalizing the expected value of winning  
16 the payoff schedule/award shall be conspicuously displayed on each device  
17 connected to the common payoff schedule/common award. For the purposes of this  
18 requirement, equivalent is defined as within a 5 percent tolerance for expected  
19 value and no more than a 1 percent tolerance on return to player or payback.

20       4. All possible game outcomes must be available upon the initiation of each play  
21 of a game upon which a player commits a wager on a gaming device.

1        5. For gaming devices that are representative of live gambling games, the  
2 mathematical probability of a symbol or other element appearing in a game  
3 outcome must be equal to the mathematical probability of that symbol or element  
4 occurring in the live gambling game.

5        6. Gaming devices that offer games of skill or hybrid games must indicate  
6 prominently on the gaming device that the outcome of the game is affected by  
7 player skill.

8        7. Gaming devices must not alter any function of the device based on the actual  
9 hold percentage.

10       8. Gaming devices may use an identifier to determine which games are  
11 presented to or available for selection by a player.

12       9. For gaming devices manufactured and distributed before September 28, 1989,  
13 the chairman ~~for his designee~~ may waive the requirements of subsection 1(d) of  
14 section 14.040 for a licensee exposing a gaming device to the public for play, if the  
15 licensee can demonstrate to the chairman's satisfaction that:

16       (a) After the waiver the aggregate theoretical payout for all amounts wagered on  
17 all gaming devices exposed for play by the licensee at a single establishment meets  
18 the 75 percent standard of subsection 1(a) of section 14.040, and

19       (b) The licensee is unable to bring the device into compliance with the  
20 requirements of subsection 1(a) of section 14.040 because of excessive cost or the  
21 unavailability of parts.

1        10. The chairman may waive for good cause shown the requirements of a  
2 technical standard for a ~~[game of skill or hybrid]~~ game. *The chairman has full*  
3 *and absolute authority to condition or limit a waiver granted under this*  
4 *section for any cause deemed reasonable.*

5        . . . .

6        **14.080 Field test of new gaming devices and new inter-casino linked**  
7 **systems.**

8        1. The chairman ~~[shall make a preliminary, nonbinding determination whether~~  
9 ~~a new gaming device meets the standards of section 14.040 or a new inter-casino~~  
10 ~~linked system meets the standards of section 14.045. If the chairman makes a~~  
11 ~~preliminary determination that a new gaming device has met the standards of~~  
12 ~~section 14.040 or a new inter-casino linked system has met the standards of section~~  
13 ~~14.045, he],~~ *in accordance with section 14.015,* may allow or require that one or  
14 more models of ~~[the]~~ *a new* gaming device or ~~[the]~~ inter-casino linked system be  
15 tested at a licensed gaming establishment(s) for not more than 180 days under  
16 terms and conditions that he *or she* may approve or require. Upon written request  
17 of the manufacturer, distributor or operator, the chairman may, by written  
18 agreement, allow the test period to be continued an additional 90 days beyond the  
19 180-day maximum field test period, for the purpose of allowing the application for  
20 approval of the new gaming device or application to operate a new inter-casino  
21 linked system to be acted upon by the board and commission. The chairman shall

1 report all field tests on the agenda of the next regularly scheduled meeting of the  
2 board and commission.

3 ***2. In the interests of expediting the introduction of innovative,***  
4 ***alternative and advanced technology for gaming devices and inter-casino***  
5 ***linked systems for use or play in Nevada, a manufacturer may request its***  
6 ***new gaming device or inter-casino linked system be considered for***  
7 ***evaluation under New Innovation Beta as an alternative to the field testing***  
8 ***process set forth under subsection 1.***

9 ***(a) For purposes of this section only, the term “New Innovation Beta”***  
10 ***means a process of evaluating a new gaming device or inter-casino linked***  
11 ***system utilizing a field testing period under conditions and limitations***  
12 ***described in this subsection.***

13 ***(b) The terms and conditions imposed under the New Innovation Beta***  
14 ***will be set forth by the chairman, and may include the requirement that a***  
15 ***licensee notify patrons that the new gaming device is part of such a field***  
16 ***test and is being exposed for play prior to finalization of the product in***  
17 ***order to allow the evaluation of the gaming device or inter-casino linked***  
18 ***system at an earlier stage of the regulatory approval process.***

19 ***(c) The decision whether to permit a new gaming device or inter-casino***  
20 ***linked system to be evaluated utilizing New Innovation Beta is at the sole***  
21 ***and absolute discretion of the chairman.***

1        *(d) When considering the request to evaluate a new gaming device or*  
2 *inter-casino linked system utilizing New Innovation Beta, the chairman*  
3 *will consider factors including, without limitation, the ability of the*  
4 *gaming device to accurately determine, evaluate, and display the game*  
5 *outcome, the ability of the gaming device to accurately process the*  
6 *acceptance and award of all payments, and the extent to which an inter-*  
7 *casino linked system complies with the requirements of section 14.045.*

8        *(e) The chairman may also consider the approval status of the gaming*  
9 *device or inter-casino linked system in another state or foreign jurisdiction*  
10 *in which gaming is legal and regulated by a government agency with*  
11 *standards for gaming devices and inter-casino linked systems materially*  
12 *the same as those in Nevada, the determination of which is within the sole*  
13 *discretion of the chairman.*

14        ~~[2]3.~~ A manufacturer shall not modify a gaming device and an operator shall not  
15 modify a new inter-casino linked system during the test period without the prior  
16 ~~[oral or]~~ written approval of the chairman. ~~[Within 15 days of a modification made~~  
17 ~~upon oral approval, the manufacturer or operator making such modification shall~~  
18 ~~submit a written request for approval of the modification.]~~

19        ~~[3]4.~~ The chairman may order termination of the test period, if he determines, in  
20 his sole and absolute discretion, that the manufacturer, operator, or licensed  
21 gaming establishment has not complied with the terms and conditions of the order  
22 allowing or requiring a test period or ~~[if the new gaming device or new inter-casino~~

1 ~~linked system fails to meet the standards of section 14.040 or section 14.045,~~  
2 ~~respectively]~~ *for any cause deemed reasonable.*

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

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

13 ~~[4]~~5. A licensee or manufacturer, or their agent shall not play a new gaming  
14 device during a test period. A licensee or operator, or their agent, shall not play a  
15 gaming device or game connected to a new inter-casino linked system during a test  
16 period.

17 ~~[5]~~6. If the chairman has made a determination that a new gaming device or new  
18 inter-casino linked system is not eligible for testing at a licensed gaming  
19 establishment ~~[because the new device or new system does not meet the standards~~  
20 ~~of section 14.040 or section 14.045, respectively]~~, he *or she* shall notify the  
21 manufacturer or operator in writing. Not later than 10 days after receipt of such  
22 notification, the manufacturer or operator may object to such a determination by



1 filing written objection with the commission. If the commission fails to order a test  
2 period within 60 days of the written objection, the objection will be deemed denied.  
3 If the commission sustains the objection, the new gaming device or new inter-casino  
4 linked system may be tested at a licensed gaming establishment under terms and  
5 conditions that may be approved or required by the commission.

6 . . . .

7 **14.130 Field test of modified gaming devices and modified inter-casino**  
8 **linked systems.**

9 1. The chairman ~~{shall make a preliminary, nonbinding determination whether~~  
10 ~~a modified gaming device meets the standards of section 14.040 or a modified inter-~~  
11 ~~casino linked system meets the standards of section 14.045, if those standards have~~  
12 ~~not been otherwise waived pursuant to subsection 2 of section 14.110. If the~~  
13 ~~chairman makes a preliminary determination that a modified gaming device or~~  
14 ~~modified inter-casino linked system has either met the standards of section 14.040~~  
15 ~~or section 14.045, as applicable, or that those standards have been waived, he}~~ may  
16 allow or require that one or more models of ~~{the}~~ **a** modified gaming device or  
17 modified inter-casino linked system be tested at a licensed gaming establishment  
18 for not more than 180 days under terms and conditions that he **or she** may approve  
19 or require.

20 ***2. In the interests of expediting innovative, alternative and advanced***  
21 ***technology in the modification of gaming devices and inter-casino linked***  
22 ***systems approved for use or play in Nevada, a manufacturer may request a***

1 *modification to its gaming device or inter-casino linked system be*  
2 *considered for evaluation under New Innovation Beta as an alternative to*  
3 *the field testing process set forth under subsection 1.*

4 *(a) For purposes of this section only, the term “New Innovation Beta”*  
5 *means a process of evaluating a modification to a gaming device or inter-*  
6 *casino linked system utilizing a field testing period under conditions and*  
7 *limitations described in this subsection.*

8 *(b) The terms and conditions imposed under New Innovation Beta will*  
9 *be set forth by the chairman, and may include the requirement that a*  
10 *licensee notify patrons that the modification to an approved gaming device*  
11 *or inter-casino linked system is part of such a field evaluation and is being*  
12 *exposed for play prior to finalization of the product in order to allow the*  
13 *evaluation of the modification to the gaming device or inter-casino linked*  
14 *system at an earlier stage of the regulatory approval process.*

15 *(c) The decision whether to permit a modification to an approved*  
16 *gaming device or inter-casino linked system to be evaluated utilizing New*  
17 *Innovation Beta is at the sole and absolute discretion of the chairman.*

18 *(d) When considering the request to evaluate a modification to an*  
19 *approved gaming device or inter-casino linked system utilizing New*  
20 *Innovation Beta, the chairman will consider factors including, without*  
21 *limitation, the ability of the gaming device to accurately determine,*  
22 *evaluate, and display the game outcome, the ability of the gaming device to*

1 *accurately process the acceptance and award of all payments, and the*  
2 *extent to which an inter-casino linked system complies with the*  
3 *requirements of section 14.045.*

4 *(e) The chairman may also consider the approval status of the*  
5 *modification to an approved gaming device or inter-casino linked system in*  
6 *another state or foreign jurisdiction in which gaming is legal and*  
7 *regulated by a government agency with standards for modifications of*  
8 *gaming devices and inter-casino linked systems materially the same as*  
9 *those in Nevada, the determination of which is within the sole discretion of*  
10 *the chairman.*

11 ~~[2]~~3. A manufacturer shall not further modify a gaming device and an operator  
12 shall not further modify an inter-casino linked system during the test period  
13 without the prior ~~[oral]~~ *written* approval of the chairman. ~~[Within 15 days of a~~  
14 ~~further modification made upon oral approval, the manufacturer or operator~~  
15 ~~making such modification shall submit a written request for approval of the~~  
16 ~~modification.]~~

17 ~~[3]~~4. The chairman may order termination of the test period if he *or she*  
18 determines, in his *or her* sole and absolute discretion, that the manufacturer, ~~[or]~~  
19 operator, or licensed gaming establishment has not complied with the terms and  
20 conditions of the order allowing or requiring a test period *or for any cause*  
21 *deemed reasonable.*

1       ~~[4]~~5. A licensee or manufacturer, or their agent shall not play a modified gaming  
2 device during a test period. A licensee or operator, or their agent shall not play a  
3 gaming device or game connected to a modified inter-casino linked system during a  
4 test period.

5       ~~[5]~~6. If the chairman has made a determination that the modified gaming device  
6 or modified inter-casino linked system is not eligible for testing at a licensed gaming  
7 establishment ~~[because the modified gaming device or modified inter-casino linked~~  
8 ~~system does not meet the standards of section 14.040 or section 14.045, respectively,~~  
9 ~~and those standards have not been waived pursuant to subsection 2 of section~~  
10 ~~14.110]~~, he *or she* shall notify the manufacturer or operator in writing.