STATE OF NEVADA

REGULATIONS
OF THE

NEVADA GAMING COMMISSION

&

NEVADA GAMING CONTROL BOARD

CARSON CITY, NEVADA

As adopted July 1, 1959
Current as of September 28, 2018

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ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

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1.010 Promulgation, amendment, modification and repeal. The following regulations are issued pursuant to the Gaming Control Act, chapters 463A, 463B, 464 and 466 of NRS, in accordance with procedures prescribed by NRS 463.145. The Commission will, from time to time, promulgate, amend and repeal such regulations, consistent with the policy, objects and purposes of the Nevada Gaming Control Act, as it may deem necessary or desirable in carrying out the policy and provisions of that Act.

(Amended: 8/61; 9/73; 9/82.)

1.020 Construction. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Nevada Gaming Control Act or of any other applicable statute.

1.030 Severability. If any provision of these regulations be held invalid, it shall not be construed to invalidate any of the other provisions of these regulations.

1.040 Definitions, words and terms; tense, number and gender. The provisions of the Act relating to definitions, tense, number and gender apply and govern the interpretation of these regulations, except when otherwise plainly declared or clearly apparent from the context.

(Amended: 7/76; 9/82.)

1.050 "Act" defined. "Act" means chapters 463, 463A, 463B, 464 and 465 of the Nevada Revised Statutes.
(Amended: 8/61; 7/67; 9/73; 12/78; 9/82.)

1.055 "Automated teller machine" defined. "Automated teller machine" or "ATM" means an automated bank teller machine capable of dispensing cash.
(Adopted: 7/99. Effective: 2/1/2000.)

1.060 "Card game" defined. "Card game" means a game in which the licensee is not party to wagers and from which the licensee receives compensation in the form of a rake-off, a time buy-in, or other fee or payment from a player for the privilege of playing, and includes but is not limited to the following: Poker, bridge, whist, solo and panguingui.
(Amended: 9/82.)

1.062 "Cashable credits" defined. "Cashable credits" means wagering credits that are redeemable for cash.
(Adopted: 5/03.)

1.065 "Casino" defined. "Casino" means the room or rooms wherein gaming is conducted and includes any bar, cocktail lounge or other facilities housed therein as well as the area occupied by the games, except restricted gaming operations as defined by NRS 463.0189.
(Amended: 9/82; 7/99. Effective: 2/1/2000.)

1.075 "Convenience store" defined. "Convenience store" means a business selling groceries at retail pursuant to NRS 372.050, such as, but not limited to, food for human consumption, articles used in the preparation of food, household supplies, dairy products, meat, and produce, and normally having at least 1,000 square feet and no more than 10,000 square feet of floor space available to the public.
(Adopted: 7/99. Effective: 2/1/2000.)

1.080 "Counter game" defined. "Counter game" means a game in which the licensee is party to wagers and wherein the licensee documents all wagering activity. The term includes, but is not limited to bingo, keno, race books, and sports pools. The term does not include table games, card games and slot machines.
(Adopted: 5/03.)

1.085 "Counter games payout" defined. "Counter games payout" means the total amount of money, chips, tokens, wagering vouchers, payout receipts, and electronic money transfers made from a counter game through the use of a cashless wagering system, that are distributed to a patron as the result of a legitimate wager.
(Adopted: 5/03.)

1.090 "Counter games write" defined. "Counter games write" means the total amount of money, guaranteed drafts, chips, tokens, wagering vouchers, unpaid winning tickets, and electronic money transfers made to a counter game through the use of a cashless wagering system, that are accepted from a patron as a legitimate wager.
(Adopted: 5/03.)

1.092 "Debit instrument" defined. "Debit instrument" means a card, code or other device with which a person may initiate an electronic funds transfer or a wagering account transfer. The term includes, without limitation, a prepaid access instrument.
(Adopted: 2/14.)

1.095 "Drop" defined. "Drop" means:

1. For table games, the total amount of money, guaranteed drafts, chips, tokens, and wagering vouchers contained in the drop boxes and any electronic money transfers made to the game through the use of a cashless wagering system.

2. For slot machines, the total amount of money, tokens and wagering vouchers contained in the drop box, and any electronic money transfers made to the slot machine through the use of a cashless wagering system.

(Amended: 9/82; 1/88; 5/03.)

1.100 "Drop box" defined. "Drop box" means:

1. For table games, a locked container permanently marked with the game, shift, and a number corresponding to a permanent number on the table. All markings must be clearly visible from a distance of at least 20 feet. The container must be locked to the table, separately keyed from the container itself. All currency exchanged for chips or tokens or credit instruments at the table and all other items or documents pertaining to transactions at the table must be put into the container.

2. For slot machines, a container in a locked portion of the machine or its cabinet used to collect the money and tokens retained by the machine that is not used to make automatic payouts from the machine.

(Amended: 9/82; 1/88.)

1.101 "Drug store" defined. "Drug store" means a business of apothecary or druggist or pharmacy where drugs or medicines are compounded or dispensed by a state licensed pharmacist and may include a grill and fountain services and the selling at retail pursuant to NRS 372.050 of sundries such as stationery, magazines, and cosmetic and health items and having 10,000 or more square feet of floor space available to the public.

(Adopted: 7/99. Effective: 2/1/2000.)

1.103 "Electronic money transfer" defined. "Electronic money transfer" means the transfer to or from a game or gaming device of a patron's cashable credits, through the use of a cashless wagering system, that have either been provided to the patron by the licensee, or for which the licensee or its affiliates have received cash through a wagering account. The term also includes electronic funds transferred from a financial institution to a game or gaming device as a result of an electronic funds transfer through a cashless wagering system.

(Adopted: 5/03.)

1.105 "Enrollee" or "enrolled person" defined. "Enrollee" or "enrolled person" means any attorney, certified public accountant, or agent who is authorized to appear or practice before the Commission or the Board as provided in Regulation 10.

(Amended: 9/82.)

1.110 "Establishment" defined. "Establishment" means any premises where business is conducted, and includes all buildings, improvements, equipment and facilities used or maintained in connection with such business.

(Amended: 9/82.)

1.125 "Funds" defined. "Funds" means money or any other thing of value.

(Amended: 9/82.)

1.130 "Grocery store" defined. "Grocery store" means a business selling at retail pursuant to NRS 372.050 groceries, such as, but not limited to, food for human consumption, articles used in the preparation of food, household supplies, dairy products, meat, and produce, and having more than 10,000 square feet of floor space available to the public.

(Adopted: 7/99. Effective: 2/1/2000.)

1.135 "Guaranteed draft" defined. "Guaranteed draft" means a draft or check accepted by a licensee for gaming purposes whose drawer is a patron and whose drawee unconditionally guarantees payment provided that all required issuance and acceptance procedures are adhered to by the drawee and

the licensee. The term includes, but is not limited to, traveler's checks. The term does not include personal checks.
(Adopted: 5/03.)

1.137 "Hosting center" defined. "Hosting center" means a facility located in the State of Nevada which houses certain parts of computer systems or associated components of games, gaming devices, cashless wagering systems or race book or sports pool operations and which is not located on the premises of a licensed gaming establishment.
(Adopted: 7/11.)

1.139 "Independent accountant" defined. "Independent accountant" means a certified public accountant licensed by this state or another state or territory of the United States, who is qualified to practice public accounting in Nevada under the provisions of chapter 628 of NRS.
(Adopted: 11/08.)

1.140 "Jackpot payout" defined. "Jackpot payout" means money, tokens, payout receipts, wagering vouchers, electronic money transfers made from a slot machine through the use of a cashless wagering system and the actual cost to the licensee of personal property, other than travel expenses, food, refreshments, lodging or services distributed to a slot machine player as a result of a legitimate wager.
(Amended: 9/82; 1/88; 5/03.)

1.141 "Liquor store" defined. "Liquor store" means specialty retail store which deals exclusively in alcoholic liquors for off-premises consumption, and the incidental sale of related items including magazines, newspapers and snack foods. For purposes of this section, "alcoholic liquors" means the four varieties of liquor, namely, alcohol, spirits, wine and beer, and every liquid or solid, patented or not, containing alcohol and intended for consumption by human beings as a beverage.
(Adopted: 7/05.)

1.143 "Payout receipt" defined. "Payout receipt" means an instrument that is redeemable for cash and is either issued by a game or gaming device, or as a result of a communication from a game or gaming device to associated equipment, that cannot be used for wagering purposes.
(Adopted: 5/03.)

1.145 "Premises" defined. "Premises" means land together with all buildings, improvements and personal property located thereon.
(Amended: 9/82.)

1.146 "Prepaid access instrument" defined. "Prepaid access instrument" means a card, code, electronic serial number, mobile identification number, personal identification number or similar device that allows patron access to funds that have been paid in advance and can be retrieved or transferred at some point in the future through such a device. To transfer funds for gaming purposes, a prepaid access instrument must be used in conjunction with an approved cashless wagering system, race book or sports pool wagering account, or interactive gaming account.
(Adopted: 2/14.)

1.147 "Progressive keno game" defined. "Progressive keno game" means a game with a payoff limit that increases by predetermined amount as the game is played, which limit is at all times exhibited on an indicator visible to the public. "Progressive keno game" does not include video progressive keno devices.
(Amended: 9/82.)

1.150 "Rake-off" defined. "Rake-off" means a percentage of the total amount anted and wagered by players during a hand in a card game.
(Amended: 9/82.)

1.155 "Registration" defined. "Registration" means:

1. A final order of the Commission which authorizes a corporation, firm, partnership, limited partnership, association, limited liability company, trust, or other form of business organization not a natural person to be a holding company or

2. A registration of a person, including individuals, with the Board.

(Amended: 9/82; 5/18.)

1.160 "Regulations" defined. "Regulations" (sometimes abbreviated as "Regs.") means regulations adopted by the Commission.

(Amended: 9/82.)

1.162 "Rim credit" defined. "Rim credit" means all extensions of credit in exchange for chips not evidenced by the immediate preparation of a credit instrument.

(Adopted: 5/03.)

1.170 "Slot machine operator's license" defined. "Slot machine operator's license" means a nonrestricted license which authorizes the holder to place slot machines in a licensed location and share in the profits therefrom without being on the license issued for the location.

(Amended: 9/82.)

1.172 "System based game" and "system based gaming device" defined. "System based game" or "system based gaming device" means a gaming device comprised of a server or system part and client stations that, together, form a single integrated device where the system portion of the game determines the outcomes of the individual games conducted on the client stations and the client stations cannot operate independently from the system.

(Adopted: 01/10.)

1.174 "System supported game" and "system supported gaming device" defined. "System supported game" or "system supported gaming device" means a gaming device comprised of a collection of conventional gaming devices or client stations connected to a system for the purpose of downloading control programs and other software resources to the conventional gaming device or client station on an intermittent basis. The client stations connected to the system are capable of operating independently from the system once the downloading process has been completed. This configuration encompasses cases where the system may take control of peripheral devices or associated equipment typically considered part of a conventional gaming device such as a bill validator or a printer. In a system supported game, game outcome is determined by the conventional gaming devices or client stations connected to the system and not by the system itself.

(Adopted: 01/10.)

1.180 "Table game bankroll" defined. "Table game bankroll" means the inventory of:

1. Chips, tokens and coinage at a table game that is used to make change, extend credit and pay winning wagers; and

2. Unpaid credit at a table game, including credit instruments not yet transferred to the cage and outstanding rim credit.

(Adopted: 5/03.)

1.190 "Wagering voucher" defined. "Wagering voucher" means a printed wagering instrument, or digital representation thereof, used in a cashless wagering system, that has a fixed dollar wagering value and is redeemable for cash or cash equivalents.

(Adopted: 5/03. Amended 5/17.)

End – Regulation 1

REGULATION 2

NEVADA GAMING COMMISSION AND NEVADA GAMING CONTROL BOARD: ORGANIZATION AND ADMINISTRATION; GAMING POLICY COMMITTEE

2.010 Definitions.
2.020 Delegation to Chair.
2.030 Commission meetings.
2.035 Board meetings.
2.040 Appearances.
2.050 Recessed meetings.
2.060 Investigative hearings.
2.070 Service of notices in general.
2.080 Subpoenas.
2.090 Improper attempts to obtain information.
2.100 Appointment of committees.
2.110 Employment and termination of Board employees.
2.115 Employee records.
2.120 Procedure for control of evidence and destruction of cheating devices.

2.010 Definitions.

1. "Chair" means the Chair of the Nevada Gaming Commission or the Chair's designee.
2. "Board Chair" means the Chair of the Nevada Gaming Control Board or the Board Chair's designee.
3. "Executive secretary" means that person appointed pursuant to NRS 463.085.
4. "Meeting" means the gathering of members of the Board or Commission at which a quorum is present, for the purpose of deliberating toward a decision or making a decision. The term includes, but is not limited to, the consideration of license applications, transfers of interest, claims for tax refunds, petitions for redetermination, disciplinary proceedings, and exclusion list proceedings.

(Adopted: 7/90; Amended: 6/14.)

2.020 Delegation to Chair.

1. The Commission hereby delegates to the Chair the authority to issue preliminary rulings on scheduling, procedural, and evidentiary matters, and other matters provided by these regulations, that may be presented to the Commission during the course of conducting a meeting, or that may arise when the Commission is not meeting.
2. The Commission may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted pursuant to subsection 1 of this section.
3. Any specific ruling or decision of the Chair pursuant to subsection 1 of this section is subject to consideration by the entire Commission upon the request of any commissioner, or upon timely motion of a person affected by the ruling or decision.
4. The Commission shall be deemed to have ratified an action of the Chair taken pursuant to subsection 1, under the following circumstances:

(a) If the Chair's action occurred during a Commission meeting, the Chair's action is ratified if the Commission does not overturn or address the action at that meeting.

(b) If the Chair's action occurred at a time other than during a meeting, if the Commission does not overturn or address the Chair's action at the next meeting concerning that particular matter.

5. The Chair may sign all orders on behalf of the Commission.
6. Where the Commission is a party to civil litigation, the Chair may give guidance regarding the course of the litigation to the attorney for the Commission.

(Adopted: 7/90.)

2.030 Commission meetings.

1. Except as otherwise specifically provided by these regulations, any member of the Commission may place an item on a Commission agenda for consideration by the entire Commission.
2. The Chair may alter the order in which matters on the Commission agenda are heard.

3. Requests for special and recessed meetings will be granted only upon a showing of exceptional circumstances. The Commission may require that a person requesting a special or recessed meeting pay the costs associated with such meeting, in addition to those costs usually assessed against an applicant.

4. In the absence or incapacity of the Chair, the Vice-Chair may call a special meeting. In the absence or incapacity of both, any two members of the Commission may call a special meeting.

5. Unless otherwise ordered by the Chair, requests for continuances of any matter on the Commission agenda must be in writing, must set forth in detail the reasons a continuance is necessary, and must be received by the executive secretary no later than eight calendar days before the meeting.

6. Unless otherwise ordered by the Chair, the original of any documentation supplementing an application as required by the Board must be received by the executive secretary no later than eight calendar days before the meeting. Documentation not timely received will not be considered by the Commission unless the Commission, in its discretion, otherwise consents. The Chair may defer to another meeting any matter with respect to which documentation has not been timely submitted. The applicant and its enrolled attorney or agent, if any, must appear at the meeting to which the matter is deferred, unless the Chair waives their appearances.

(Adopted: 7/90; Amended: 6/14.)

2.035 Board meetings.

1. Except as otherwise specifically provided by these regulations, any member of the Board may place an item on a Board agenda for consideration by the entire Board.

2. The Board Chair, or in the Board Chair's absence, either remaining Board member, may alter the order in which matters on the Board agenda are heard.

3. Requests for special and recessed meetings will be granted only upon a showing of exceptional circumstances. The Board may require that a person requesting a special or recessed meeting pay the costs associated with such meeting, in addition to those costs usually assessed against an applicant.

4. In the absence or incapacity of the Board Chair, either remaining Board member may call a special meeting.

5. Unless otherwise ordered by the Board Chair, requests for continuances of any matter on the Board agenda must be in writing, must set forth in detail the reasons a continuance is necessary, and must be received by the executive secretary no later than eight calendar days before the meeting.

6. Unless otherwise ordered by the Board Chair, the original of any documentation supplementing an application as required by the Board must be received by the executive secretary no later than eight calendar days before the meeting. Documentation not timely received will not be considered by the Board unless the Board, in its discretion, otherwise consents. The Board Chair may defer to another meeting any matter with respect to which documentation has not been timely submitted. The applicant and its enrolled attorney or agent, if any, must appear at the meeting to which the matter is deferred, unless the Board Chair waives their appearances.

(Adopted: 6/14.)

2.040 Appearances.

1. Except as provided in subsection 2 or unless an appearance is waived by the Chair, all persons, and their enrolled attorneys and agents, if any, must appear at the Commission meeting at which their matter is to be heard. Requests for waivers of appearances must be in writing, must be received by the executive secretary no later than eight business days before the meeting, and must explain in detail the reasons for requesting the waiver. If at the time of its meeting the Commission has any questions of an applicant who has been granted a waiver and is not present, the matter may be deferred to another meeting of the Commission.

2. Unless the Chair of the Board or the Commission otherwise instructs, the following persons, and their enrolled attorneys and agents, are hereby granted a waiver of appearance for the Commission meeting:

(a) Restricted applicants who have received a unanimous recommendation of approval from the Board;

(b) Regulation 8.020 transferors, if they have complied with all conditions recommended by the Board, such as timely submitting diagrams and other documents prior to the Commission meeting; and

(c) Licensees and Board counsel on stipulations between the licensees and the Board, where the stipulations fully resolve petitions for redeterminations or claims for refunds.

3. Where the Commission is to consider a stipulation between the Board and a licensee settling a disciplinary action and revoking, suspending or conditioning a license, the licensee shall be prepared to respond on the record to questions regarding the terms of the stipulation and the licensee's voluntariness in entering into the stipulation.

4. Unless an appearance is waived by the Board Chair, all persons, and their enrolled attorneys and agents, if any, must appear at the Board meeting at which their matter is to be heard. Requests for waivers of appearances must be in writing, must be received by the executive secretary no later than eight business days before the meeting, and must explain in detail the reasons for requesting the waiver. If at the time of its meeting the Board has any questions of an applicant who has been granted a waiver and is not present, the matter may be deferred to another meeting of the Board.

(Adopted: 7/90. Amended: 6/14.)

2.050 Recessed meetings. Any meeting of the Commission or the Board may be recessed to consider matters which were duly noticed as items on the agenda of that meeting, to such time and place as the Commission or the Board may designate. Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by Regulation 2.070 of these regulations or as otherwise required by statute or by these regulations.

(Amended: 10/82.)

2.060 Investigative hearings.

1. Investigative hearings may be conducted by one or more members of the Commission with the concurrence of a majority of the Commission without notice at such times and places, within or without the State of Nevada, as the member or members may deem convenient.

2. Investigative hearings may be conducted by one or more members of the Board with the concurrence of a majority of the Board without notice at such times and places, within or without the State of Nevada, as the member or members may deem convenient.

2.070 Service of notices in general.

1. Each licensee and applicant shall provide an electronic mail address to the Board for the purpose of sending notices and other communications from the Board and Commission. Each licensee and applicant shall update this electronic mail address immediately as often as is otherwise necessary. The original provision and subsequent updates of electronic mail addresses shall be made to the Board's custodian of records by means designated by the Board Chair.

2. Except as otherwise provided by law or in these regulations, notices and other communications will be sent to an applicant or licensee by electronic mail at the electronic mail address of the establishment as provided to the Board for the purpose of sending notices and other communications. Except as otherwise provided by law or in these regulations, notices and other communications sent by electronic mail shall satisfy any requirement to mail a notice or other communication.

3. Notices shall be deemed to have been served on the date the Commission or the Board sent such notices to the electronic mail address provided to the Commission and the Board by a licensee or applicant, and the time specified in any such notice shall commence to run from the date of such mailing.

4. Any applicant or licensee who desires to have notices or other communications mailed to a physical address shall file with the Board a specific request for that purpose, and notices and other communications will, in such case, be sent to the applicant or licensee at such address.

5. An applicant or licensee will be addressed under the name or style designated in the application or license, and separate notices or communications will not be sent to individuals named in such application or license unless a specific request for that purpose is filed with the Board.

(a) In the absence of such specific request, a notice addressed under the name or style designated in the application or license shall be deemed to be notice to all individuals named in such application or license.

(Amended: 10/82; 9/11; 6/14.)

2.080 Subpoenas. The Commission hereby delegates to the executive secretary the authority to issue subpoenas and subpoenas duces tecum as provided by these regulations. In the absence of the executive secretary, the Chair may designate another person to issue such subpoenas.

(Adopted: 7/90.)

2.090 Improper attempts to obtain information. No applicant, licensee or enrolled person shall, directly or indirectly, procure or attempt to procure from the records of the Commission or the Board or other sources information of any kind which is not made available by proper authority.

2.100 Appointment of committees. The Chair may at the Chair's discretion appoint committees to study and report to the Board or the Commission any matter appropriate to the Commission's administration of the Gaming Control Act or these regulations.
(Adopted: 7/90.)

2.110 Employment and termination of Board employees.
1. The Board declares that pursuant to NRS 463.080(6), a comprehensive plan governing employment and retention or discharge of employees to assure that termination or other adverse action is not taken against such employees except for cause, and provisions for hearings in personnel matters and for review of adverse actions taken in such matters, is hereby established and set forth in the Board's human resources manual.
2. The human resources manual articulates Board and Commission policies and procedures in the following areas of personnel administration: Position classification; compensation administration; employment procedures and laws and rules applicable thereto; employee performance evaluation, which encompasses performance standards; employee grievance; corrective and disciplinary action; separation from state service; and rule adoption, amendment, or repeal.
3. Board or Commission employees who are within the state classified service shall be governed by the provisions of the human resources manual only as to matters involving termination; all other matters pertaining to a classified employee shall be governed by the rules and regulations of the state division of human resources management.
4. The human resources manual may be modified from time to time to better accomplish the objectives of the gaming policy of the State of Nevada.
(Adopted: 1/74. Amended: 6/80; 6/14.)

2.115 Employee records.
1. All records concerning Board and Commission employees maintained by the Board or Commission are confidential as set out in NAC 284.718.
2. Access to employee records declared confidential by this section shall be allowed only as set out in NAC 284.726.
(Adopted: 8/17.)

2.120 Procedure for control of evidence and destruction of cheating devices.
1. When an agent of the Board seizes any article of property, the custodian of evidence for the Board shall place the evidence in a secure facility and enter in a suitable system sufficient information to establish a chain of custody. A failure to comply with this subsection shall not render evidence inadmissible in any proceeding before the Board or Commission.
2. Any article of property which constitutes a cheating device shall not be returned to a claimant. All cheating devices shall become the property of the Board upon their seizure and may periodically be disposed of by the Board. When disposing of a cheating device, the Board shall document the date and manner of its disposal.
3. The Board shall notify by first class mail each known claimant of a cheating device that the claimant has 60 days from the mailing of notice within which to file a written claim to contest its depiction as a cheating device.
4. Failure to timely file a written claim as provided in subsection 3 constitutes an admission by all claimants that the article of property is subject to destruction. The Board Chair shall have complete and absolute authority to rule on a claim filed pursuant to subsection 3. After expiration of the 60-day period, the Board may retain or dispose of the cheating device in any reasonable manner.
(Adopted: 12/90.)

End – Regulation 2

REGULATION 2A

DECLARATORY RULINGS

2A.010 Definitions.
2A.020 Purpose of declaratory rulings.
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2A.040 Scheduling of petitions for hearing.
2A.050 Response to petition; regulatory comments; briefs and appearances by interested persons.
2A.060 Disposition of petitions for declaratory ruling.
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2A.010 Definitions.

1. "Chair" means the Chair of the Nevada Gaming Commission or the Chair's designee.
2. "Contested case" means any pending disciplinary action governed by Regulation 7, tax dispute proceeding pursuant to Regulation 6.170 or 6.180, list of exclusion proceedings governed by Regulation 28, patron dispute or work permit matter governed by chapter 463 of the Nevada Revised Statutes and similar proceedings pursuant to chapters 463A, 463B and 464 of the Nevada Revised Statutes.
3. "Declaratory ruling" means a ruling on the meaning or application of a statute, regulation or decision or order entered by the Commission, and does not include the granting of approvals, findings of suitability, or other determinations that require the filing of an application as defined by section 463.0135 of the Nevada Revised Statutes.
4. "Executive secretary" means that person appointed pursuant to NRS 463.085.
5. "Interested person" means any applicant, licensee, registrant, person found suitable, person affected by chapter 463, 463A, 463B or 464 of the Nevada Revised Statutes, a group or association of such licensees, registrants or persons, or the Board. The term also includes a governmental agency or political subdivision of this state.
6. "Meeting" means the gathering of members of the Commission at which a quorum is present, for the purpose of deliberating toward a decision or making a decision.
7. "Petitioner" means an interested person who has filed a petition for a declaratory ruling in accordance with the provisions of section 2A.030.
8. "Regulatory comment" means a written statement or prepared testimony of the Board that analyzes any issue raised by a petition for a declaratory ruling without taking a position in opposition to or in support of such a petition.

(Adopted: 9/90.)

2A.020 Purpose of declaratory rulings. A declaratory ruling is an extraordinary remedy that will be considered by the Commission only when the objective of the petitioner cannot reasonably be achieved by other means and when the ruling would be significant to the regulation of gaming or to the gaming industry.

(Adopted: 9/90.)

2A.030 Petitions for declaratory rulings.

1. Only an interested person may petition the Commission for a declaratory ruling.
2. A petition for a declaratory ruling shall be filed with the executive secretary, together with a nonrefundable filing fee in the amount of $300.00 unless the petitioner is the Board or a governmental agency or political subdivision of this state. A copy of the petition must be served by the petitioner upon the Board and the attorney general within 3 working days of the date of filing.
3. The executive secretary shall maintain and keep current a list of persons who have requested notice of petitions for declaratory rulings and shall transmit a copy of such list to a petitioner as soon as practicable after the filing of a petition for declaratory ruling. The petitioner shall serve a copy of the petition by personal delivery or first-class mail upon each person on such list no later than 7 days after receiving such list and shall provide an affidavit of service to the executive secretary. Each person receiving a copy of the petition for declaratory ruling may, within 7 days after receipt, request the executive secretary to provide the person notice of the time set for the hearing on the petition for declaratory ruling.
4. The petition for a declaratory ruling must contain:

(a) The name, business address and telephone number of the petitioner;

(b) A statement of the nature of the interest of the petitioner in obtaining the declaratory ruling;

(c) A statement identifying the specific statute, regulation or Commission decision or order in question;

(d) A clear and concise statement of the interpretation or position of the petitioner relative to the statute, regulation or Commission decision or order in question;

(e) A description of any contrary interpretation, position or practice that gives rise to the petition;

(f) A statement of the facts and law that support the interpretation of the petitioner;

(g) A statement showing why the subject matter is appropriate for Commission action in the form of a declaratory ruling and why the objective of the petitioner cannot reasonably be achieved by other administrative remedy, including a resolution by the Board;

(h) A statement identifying all persons or groups who the petitioner believes will be affected by the declaratory ruling, including the gaming industry as a whole, and the manner in which the petitioner believes each person will be affected;

(i) The signature of the petitioner or the petitioner's legal representative; and

(j) An affidavit of service upon the Board and the attorney general.

5. An interested person may not file a petition for declaratory ruling involving questions or matters that are issues in a contested case in which the interested person is a party.

(Adopted: 9/90.)

2A.040 Scheduling of petitions for hearing.

1. If, within 45 days of the date the petition for declaratory ruling was filed, the Chair does not cause the executive secretary to schedule the petition for declaratory ruling for hearing at a meeting of the Commission, the executive secretary shall notify the other members of the Commission. Any member of the Commission may, within 30 days of such notification, cause the executive secretary to schedule the petition for declaratory ruling for hearing at a meeting of the Commission.

2. The Board shall notify the Chair through the executive secretary within 30 days of the date the petition for declaratory ruling was filed if the Board or any member objects to consideration of the petition.

3. The Chair and any other member of the Commission may consult with any member of the Board or legal counsel or employee of the Board before deciding whether to cause a petition for declaratory ruling to be scheduled for hearing at a meeting of the Commission.

4. If a petition for declaratory ruling is not scheduled for hearing pursuant to this subsection, it is deemed dismissed.

(Adopted: 9/90.)

2A.050 Response to petition; regulatory comments; briefs and appearances by interested persons.

1. If a petition is scheduled for a hearing at a meeting of the Commission, the executive secretary shall give the petitioner, the Board and each person requesting notice of hearing pursuant to section 2A.030(3) at least 45 days' notice of the time set for the hearing.

2. The Board may file with the Commission a written response in opposition to or in support of a petition for declaratory ruling no later than 30 days after notice from the executive secretary, unless the time is extended by the Chair.

3. The Board may file with the Commission a regulatory comment at any time at least 10 days before the time set for the hearing on the petition for a declaratory ruling.

4. Any interested person may file a brief in support of or in opposition to a petition for declaratory ruling at least 30 days before the time set for the hearing on the petition for declaratory ruling. Such brief shall substantially comply with the requirements for petitions for declaratory rulings provided in Regulation 2.030.

5. The petitioner may file a reply to a response by the Board or a brief by another interested person at least 15 days before the time set for the hearing on the petition for declaratory ruling.

6. The Commission, in the discretion of the Chair, may permit any interested person, whether or not the interested person filed a brief, to present oral argument at the hearing on the petition for declaratory ruling.

(Adopted: 9/90.)

2A.060 Disposition of petitions for declaratory ruling.

1. The Commission, with or without oral argument, may dismiss the petition, in whole or in part, for any reason.

2. If the Commission issues a ruling on the petition, its order shall delineate the Commission's interpretation of the meaning or application of the statute, regulation, decision or order that is the subject of the petition.

(Adopted: 9/90.)

2A.070 Effect of declaratory ruling upon judicial remedies. The provisions of this regulation shall not be construed to limit, restrict or condition the right of any person to commence and maintain any action or proceeding authorized by section 463.343 of the Nevada Revised Statutes. A person may not obtain judicial review of a Commission order entered pursuant to section 2A.060.

(Adopted: 9/90.)

End – Regulation 2A

REGULATION 3

LICENSING: QUALIFICATIONS

3.010 Unsuitable locations.
3.012 Ownership of rights to operate or designate operators of gaming devices.
3.015 Applications for restricted licenses.
3.020 Ownership of premises where gaming conducted.
3.021 [Reserved: 11/82.]
3.030 [Reserved: 11/82.]
3.040 Time requirement.
3.050 Financial requirements.
3.060 Foreign gaming.
3.070 Multiple licensing criteria.
3.080 Unsuitable affiliates.
3.090 Standards for Commission action.
3.093 Licensing of a natural person under the age of twenty-one.
3.095 Property report. [Repealed: 7/92.]
3.100 Employee report.
3.110 Key employee.

3.010 Unsuitable locations. The Board may recommend that an application for a state gaming license be denied, if the Board deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations. The Commission may deny an application for a state gaming license if the Commission deems that the place or location for which the license is sought is unsuitable for the conduct of gaming operations.

Without limiting the generality of the foregoing, the following places or locations may be deemed unsuitable:

1. Premises located within the immediate vicinity of churches, schools and children's public playgrounds. The Board may recommend and the Commission may determine that premises located in the vicinity of churches, schools, and playgrounds are nevertheless suitable upon a sufficient showing of suitability by the applicant. In making their determinations, the Board and Commission may consider all relevant factors including but not limited to whether the premises have been used previously for licensed gaming or are located in a commercial area.
2. Premises located in a place where gaming is contrary to a valid zoning ordinance of any county or city. The Board may recommend and the Commission may determine that premises located where gaming is contrary to a valid zoning ordinance are nevertheless suitable upon a sufficient showing by the applicant that the premises have been used for licensed gaming prior to the effective date of the zoning ordinance and that there is good cause why the use should be allowed to continue.
3. Premises having a substantial minor clientele. The Board may recommend and the Commission may determine that premises having a substantial minor clientele are nevertheless suitable if the applicant demonstrates that it has taken sufficient precautions to separate areas frequented by minors from the gaming operation.
4. Premises lacking adequate supervision or surveillance.
5. Premises difficult to police.
6. Brothels.
7. Any other premises where the conduct of gaming would be inconsistent with the public policy of the State of Nevada.

(Amended: 10/90.)

3.012 Ownership of rights to operate or designate operators of gaming devices. As used in this section, "gaming rights" means the right, created by contract or otherwise, to operate gaming devices or to designate in any manner the operator of gaming devices at an establishment. "Gaming rights holder" means any person holding gaming rights who is not the operator of the primary business and is not otherwise licensed at the establishment or as an operator of a slot machine route.

1. The Commission may require any gaming rights holder to apply for a finding of suitability pursuant to NRS 463.162(5)(a). Without limiting the Board's ability to require a nonrestricted investigation in any

case, a nonrestricted investigation shall generally be required of any gaming rights holder who holds gaming rights at three or more establishments at which restricted gaming is conducted.

2. An applicant for a restricted license shall furnish to the Board complete information on any interest held by a gaming rights holder in the gaming establishment, copies of all agreements involving the gaming rights, and such other information as the Board may require.

3. In considering any application by a gaming rights holder, the Commission may apply the following criteria in determining whether approval of the application is in the best interests of the state:

(a) The total number of premises at which the applicant holds gaming rights and the total number of slot machines at such premises;

(b) The circumstances by which the gaming rights were acquired, the circumstances regarding the creation of such rights and the history of any transfer of such rights;

(c) The effect on competition and the ability of persons to obtain a license and conduct gaming on the premises of suitable locations for gaming establishments; and

(d) Such other criteria deemed by the Board and Commission to be relevant, including, but not limited to, any criteria provided in Regulation 3.070.

4. The applicant for a restricted gaming license at an establishment at which gaming rights are held by a gaming rights holder must demonstrate that the gaming devices will be adequately supervised.

5. Each licensee shall notify the Board of any change in the ownership interests of gaming rights at any establishment where the licensee operates gaming devices at least 30 days before the change or, if the licensee is not a party to the transaction, immediately upon acquiring knowledge of the change.

6. Except in cases where the gaming rights holder is a publicly traded corporation, each licensee shall notify the Board of any change in the ownership of the gaming rights holder at any establishment where the licensee operates gaming devices at least 30 days before the change or, if the licensee is not a party to the transaction, immediately upon acquiring knowledge of the change. If the gaming rights holder at the establishment where the licensee operates gaming devices is a publicly traded corporation, the licensee shall notify the Board of any change in control of such publicly traded corporation as reported to the Securities and Exchange Commission, immediately upon acquiring such knowledge.

(Adopted: 2/94.)

3.015 Applications for restricted licenses.

1. An application for a restricted license may only be granted if the operation of slot machines is incidental to the primary business conducted at the location and the Board and Commission determine the location is suitable for the conduct of gaming and the applicant meets the requirements of this Section.

2. In recommending and determining whether (i) the applicant's proposed restricted location is suitable for the conduct of gaming and meets the requirements of this Section, and (ii) the operations at the location continue to meet the requirements for a restricted license, the Board and Commission may consider some or all of the following factors:

(a) The amount of floor space used for the slot machines, which space shall include the area occupied by the slot machines, including slot machine seating and circulation, as compared to the floor space used for the primary business;

(b) The amount of investment in the operation of the slot machines as compared to the amount of investment in the primary business;

(c) The amount of time required to manage or operate the slot machines as compared to the amount of time required to manage or operate the primary business;

(d) The revenue generated by the slot machines as compared to the revenue generated by the primary business;

(e) Whether a substantial portion of the financing for the creation of the business has been provided in exchange for the right to operate slot machines on the premises;

(f) Other factors, including but not limited to the establishment’s name, the establishment’s marketing practices, the public’s perception of the business, and the relationship of the slot machines to the primary business; and

(g) What other amenities the applicant offers to its customers.

3. Except as provided by subsection 6, only the establishments listed below are suitable for the conduct of gaming pursuant to a restricted license:

(a) Bar, tavern, saloon or other similar location licensed to sell alcoholic beverages for on-premises consumption, other than just beer and wine, by the drink;

(b) Convenience store;
(c) Grocery store;
(d) Drug store; and
(e) Liquor store.

➥ Unless the Commission determines otherwise, there shall be a limit of no more than 7 slot machines operated at a convenience store, and a limit of no more than 4 slot machines operated at a liquor store.

4. If the Commission deems an application for a restricted license to be based on exceptional circumstances, the Commission may waive subsection 3 upon a finding that the waiver is consistent with Regulation 3.010 and the public policy of the State of Nevada.

5. Subsection 3 shall not apply to any type of business approved by the Commission as suitable for the operation of slot machines pursuant to subsection 6.

6. Any person may apply for a preliminary determination that a type of establishment not listed in subsection 3 is suitable for the conduct of gaming by filing an application with the Board together with all applicable fees per Regulation 4.070. The application shall contain (a) a definition of the type of establishment and (b) a demonstration that the operation of slot machines in such a type of establishment is consistent with Regulation 3.010 and the public policy of the State of Nevada. The application shall be considered by the Commission, upon recommendation by the Board. Public comment shall be accepted when the application is heard by the Board and Commission.

7. Slot machines exposed for play in grocery stores and drug stores shall be located within a separate gaming area or alcove having not fewer than 3 sides formed by contiguous walls or partial walls. For the purposes of Regulation 3.015, “partial wall” or “wall” may include, without limitation, 1 or more gaming devices, if the gaming devices are configured together or in conjunction with other structures to create a barrier that is similar to a partial wall or wall.

8. In grocery stores or drug stores, automated teller machines shall not be placed within a designated gaming area or alcove and, at all other restricted locations, automated teller machines shall not be placed adjacent to slot machines.

9. The requirements of this Regulation shall apply to all restricted licensees, except as provided herein:

(a) Subsections 3 and 7 do not apply to an establishment for which a restricted license was granted by the Commission by February 1, 2000, provided that the establishment does not cease gaming operations for a period of more than 12 months or, upon the administrative approval of the Board Chair, for a period of not more than 24 months, and that the nature and quality of the primary business of the establishment has not materially changed.

10. It is an unsuitable method of operation to materially change the nature and quality of the primary business after the Commission has granted a restricted gaming license to conduct gaming at an establishment, without the prior administrative approval of the Board Chair or the Chair’s designee. A material change in the nature and quality of the primary business is presumed to occur if:

(a) A zoning change is required, or a new business license, special use permit, or any other license, permit or approval must be obtained from the applicable county, city, or township licensing, zoning or approval authority, in order to change or operate the primary business in a manner that is different from what was being conducted at the time the gaming license was granted, or

(b) For a 3(a) establishment, subsequent to the date a restricted gaming license was last approved by the Commission for that establishment, to change or alter the amount of square footage available for use by patrons, or the configuration or detail of the bar or restaurant from that which was required to be met by law or regulation in order to obtain a restricted gaming license.

11. Nothing in this subsection shall be construed to limit or otherwise encumber the ability of any restricted gaming licensee to transfer, sell, or convey the business pursuant to the provisions of NRS chapter 463 and Regulation 8.

[Effective January 1, 2014.]

(Adopted: 10/24/90. Amended: 7/99; 7/05; 11/08; 08/11; 11/13.)

3.020 Ownership of premises where gaming conducted.

1. The Commission or the Board may deem that premises are unsuitable for the conduct of gaming operations by reason of ownership of any interest whatsoever in such premises by a person who is unqualified or disqualified to hold a gaming license, regardless of the qualifications of the person who seeks or holds a license to operate gaming in or upon such premises.

2. In all cases in which the premises wherein or whereon the gaming operation for which a state gaming license is sought are not wholly owned by the applicant, the applicant shall furnish to the Board a statement of the name and address of the owner or owners of such premises, a copy of all agreements whereby the applicant is entitled to possession of the premises, and such other information as the Board may require.

3. In all cases in which the premises are wholly or partly owned by the applicant, the applicant shall furnish to the Board complete information pertaining to the interest held by any person other than the applicant, including interest held under any mortgage, deed of trust, bonds or debentures, pledge of corporate stock, voting trust agreement, or other device whatever, together with such other information as the Board may require.

4. Every licensee shall furnish to the Board complete information pertaining to any change of ownership of the premises or of any change of any interest in the premises wherein or whereon the licensed gaming is operated at least 30 days before the date of such change; or, if the licensee is not a party to the transaction effecting such change of ownership, immediately upon acquiring knowledge of such change of ownership or any contemplated change of ownership.

(Amended: 1/82.)

3.021 [Reserved: 11/82.]

3.030 [Reserved: 11/82.]

3.040 Time requirement. No license will be issued for use in premises under construction until the calendar quarter in which gaming operations in such premises will actually be commenced.

3.050 Financial requirements.

1. No license will be issued for use in any establishment until satisfactory evidence is presented that there is adequate financing available to pay all current obligations and, in addition, to provide adequate working capital to finance opening of the establishment.

2. The Commission or the Chair of the Board may require a licensee to provide security in the form of a reserve for the payment of all amounts held by the licensee on the patrons' behalf, all amounts held by the licensee for the account of the patrons, all amounts owed by a licensee but unpaid to gaming patrons, future wages, salaries or other obligations, either as a condition precedent to issuance or renewal of any license or at any other time the Commission or Chair determines that such requirement would be in the public interest. The security required shall in all respects, other than amount, comply with the requirements and provisions of the reserve made applicable to race books and sports pools by Regulation 22.040.

(Amended: 3/06.)

3.060 Foreign gaming. All approvals of the Commission for involvement in foreign gaming granted pursuant to Regulation 3.060 prior to July 1, 1977, which were still in effect on that date shall remain valid until otherwise terminated.

(Amended: 3/73; 7/77)

3.070 Multiple licensing criteria. In every instance in which a person, entity, or persons involved in an entity, holding a gaming license in the State of Nevada, including without limitation a license to operate an inter-casino linked system, makes application for an additional license, or a system pursuant to Regulation 14.030, the Board and Commission shall consider whether such multiple licensing is in the best interests of the State of Nevada, having due regard for the state's policy concerning gaming. In making this determination, the following are some factors which may be considered:

1. Has there been an adequate period of performance by the applicant upon which the Board and Commission could base a conclusion as to the effectiveness of the existing operations warranting further extension?

2. Does the applicant have sufficient key personnel to operate an additional location or inter-casino linked system so that multiple licensing would not result in dilution of effective managerial capacity and control of existing operations?

3. Has the applicant applied for an existing operation or inter-casino linked system or for a facility which is to be constructed or a new inter-casino linked system which is to be operated?

4. What are the plans of the applicant for the development and expansion of existing operations?

5. What are the plans of the applicant for a continuity of operation in the event of the death or disability of the applicant?

6. Does the applicant have ownership interests of any kind or nature in any of the competitor companies in the gaming industry?

7. What would the result of the multiple licensing be of the percentage of interest of the applicant to similarly situated competitors on a statewide, countywide and geographical location basis in each of the following categories:

(a) Total number of slot machines.

(b) Total number of games.

(c) Total number of tables.

(d) In case of an application for approval of a new inter-casino linked system, the total number of inter-casino linked systems and connected gaming devices or games.

(e) Gross revenue.

(f) Percentage tax.

(g) Casino entertainment tax.

(h) Number of rooms available for the public.

(i) Number of employees hired.

(j) Total payroll.

8. Would acquisition pose problems or create a monopoly?

9. Would acquisition pose problems in any of the following categories:

(a) Becoming so large as to become its own supplier of goods and services required by the licensee in all of its operations.

(b) Establishing employment practices inimical to the welfare of the gaming industry.

(c) Establishment of control in method of play or percentage realized from play that would be inimical to the welfare of the gaming industry.

(d) Without cause, the establishment of a seasonal operation or reduced number of shifts per day, inimical to the economy of the area.

10. Interlocking corporate directorships within licensed or unlicensed operations which might contribute to any of the foregoing factors.

11. Any other index or criteria deemed by the Board and Commission to be relevant to the effect of multiple licensing upon the public health, safety, morals, good order and general welfare of the public of the State of Nevada.

(Adopted: 11/68. Amended: 11/82; 5/00.)

3.080 Unsuitable affiliates. The Commission may deny, revoke, suspend, limit, condition, or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds. The Commission may take such action on the grounds that the registrant or person found suitable is associated with, or controls, or is controlled by, or is under common control with, an unsuitable person.

(Adopted: 9/73.)

3.090 Standards for Commission action.

1. No license, registration, finding of suitability, or approval shall be granted unless and until the applicant has satisfied the Commission that the applicant:

(a) Is a person of good character, honesty, and integrity;

(b) Is a person whose background, reputation and associations will not result in adverse publicity for the State of Nevada and its gaming industry; and

(c) Has adequate business competence and experience for the role or position for which application is made.

2. No license, registration, finding of suitability, or approval shall be granted unless and until the applicant has satisfied the Commission that the proposed funding of the entire operation shall be (a) adequate for the nature of the proposed operation, and (b) from a suitable source. The suitability of the source of funds shall be determined by the standards enumerated in paragraph 1(a), (b) and (c) above.

(Adopted 10/75.)

3.093 Licensing of a natural person under the age of twenty-one. The Board and Commission will not ordinarily grant a state gaming license or finding of suitability to an individual under twenty-one years of age. This policy would not affect the licensing or finding of suitability of a trust where the settlor or beneficiary is under the age of twenty-one years.

(Adopted. 11/82.)

3.095 Property report. [Repealed: 7/92.]

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) Race book.
(20) Sales.
(21) Security.
(22) Slot operations.
(23) Sports pool.
(24) Surveillance.

[Effective through April 30, 2016.]

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 who has been designated to monitor club venues pursuant to sections 5.310 and 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) Race book.
(20) Sales.
(21) Security.
(22) Slot operations.
(23) Sports pool.
(24) Surveillance.

[Effective May 1, 2016.]

(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.
(9) Internal Audit.
(10) Internal information technology.
(11) Manufacture operations.
(12) Marketing.
(13) Mobile gaming system operations.
(14) Pari-mutuel systems operations.
(15) Sales.
(16) Security.
(17) Slot route operations.
(18) Surveillance.
(19) 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 31stor 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) Any individual who fulfills the function of race book or sports pool manager, race book or sports pool supervisor, or who determines race book or sports pool betting odds, point spreads or betting lines.

(d) 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.

(e) 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.

(f) 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.

(g) Any person or job position who, upon written notification by the Board Chair or the Chair's 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 Chair or the Chair's 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 Chair or the Chair's designee may waive one or more of the requirements of this section. If a waiver is granted, the Board Chair or the Chair's designee may impose alternative employee report requirements.

(Adopted: 7/76. Amended: 11/82; 9/91; 11/98; 5/00; 3/06; 11/10; 12/11; 11/13; 11/15)

3.110 Key employee.

1. Any executive, employee, or agent of a gaming licensee having the power to exercise a significant influence over decisions concerning any part of the operation of a gaming licensee or who is listed or should be listed in the annual employee report required by Regulation 3.100 is a key employee.

2. Whenever it is the judgment of at least 3 members of the Commission that the public interest and the policies set forth in Nevada Revised Statutes Chapter 463, the Nevada Gaming Control Act, will be served by requiring any key employee to be licensed, the Commission shall serve notice of such determination upon the licensee. The Commission shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person involved in making its decision as to key employee status. Grounds for requiring licensing of a key employee which are deemed to serve the public interest and the policies of the Nevada Gaming Control Act include but are not limited to the following:

(a) The key employee is new to the industry, to the particular gaming establishment, the position, or the level of influence or responsibility which the key employee has and the Board or Commission has little

or outdated information concerning the key employee's character, background, reputation, or associations, or

(b) Information has been received by the Board or Commission which, if true, would constitute grounds for a finding of unsuitability to be associated with a gaming enterprise.

3. The licensee shall, within 30 days following receipt of the notice of the Commission's determination, present the application for licensing of the key employee to the Board or provide documentary evidence that such key employee is no longer employed by the licensee. Failure of the licensee to respond as required by this section shall constitute grounds for disciplinary action.

4. Any individual whose application for licensing as a key employee as required pursuant to this regulation may request the Commission in writing to review its determination of that individual's status within the gaming organization any time within 10 days following the filing of a completed application as required by this regulation. In the event the Commission determines that the applicant is not a key employee or that the public interest and policies of the Nevada Gaming Control Act do not require the licensing of the key employee at this time, then the key employee applicant shall be allowed to withdraw his or her application and he or she may continue in his or her employment. In no event shall the request of the key employee applicant for review stay the obligation of the licensee to present the key employee's application within the 30-day period herein proscribed.

(Adopted: 7/76. Amended: 5/77.)

End – Regulation 3

REGULATION 4

APPLICATIONS: PROCEDURE

4.001 [Reserved: 12/82.]
4.010 Application general.
4.020 Waiver of privilege.
4.030 Classification of licenses, and other Commission actions for which applications must be made.
4.040 Applications, notices, statements and reports; contents; amendments; incorporation by reference; proceedings not to have substantive implications.
4.050 Separate applications for each establishment.
4.060 Exception, slot machine operator.
4.070 Application and investigative fees.
4.080 Time limits applicable to Commission action.
4.090 Diagram, photographs and description of primary business required by applicant for restricted location.
4.100 Preliminary finding of suitability. [Effective: 10/1/11.]
4.105 Preliminary determination of a location's suitability for the conduct of gaming.
4.110 Limit to number financially interested.
4.120 Summoning of applicants.
4.130 [Reserved: 12/82.]
4.140 Withdrawal of application.
4.150 Notice of hearing.
4.160 Recommendation and order.
4.170 Application after denial.
4.175 [Repealed: 10/03.]
4.180 Seasonal operations.
4.185 Requests for administrative approval.
4.190 Review of administrative approval decisions.
4.195 Appeal of administrative approval decisions.
4.700 [Repealed: 10/93.]
4.705 [Repealed: 10/93.]
4.710 [Repealed: 10/93.]
4.715 [Repealed: 10/93.]

4.001 [Reserved: 12/82]

4.010 Application general.

1. It is declared policy of Nevada that all establishments, where gambling games are conducted or operated, are licensed and controlled so as to better protect the public health, safety, morals, good order and welfare of inhabitants and to preserve the competitive economy and the policies of free competition of the State of Nevada. Any gaming license which is issued, or registration, or finding of suitability, or approval by the Commission shall be deemed to be a revocable privilege and no person holding such a license or registration, or finding of suitability, or approval by the Commission is deemed to have acquired any vested rights therein.

2. An application for a state gaming license is seeking the granting of a privilege, and the burden of proving the applicant's qualification to receive any license is at all times on the applicant. An applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action or financial loss which may result from action with respect to an application and expressly waive any claim for damages as a result thereof.

3. An application for a license, determination of suitability, or registration, besides any other factor attaching to such an application by virtue of the Nevada Gaming Control Act and the regulations thereunder, shall constitute a request to the Board and Commission for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the gaming industry in the manner or position sought by the application, or the manner or position generally similar thereto; and, by filing an application with the Board, the applicant specifically consents to the making of such a decision by the Board and Commission at their election when the application, after filing, becomes moot for any reason other than death.

(Amended: 6/67; 4/73; 9/73.)

4.020 Waiver of privilege. An applicant may claim any privilege afforded by the Constitution of the United States, or of the State of Nevada, in refusing to answer questions by the Board and the Commission. However, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial.

(Amended: 6/67)

4.030 Classification of licenses, and other Commission actions for which applications must be made.

1. Gaming licenses.

(a) Restricted license. One which permits the operation of slot machines only in an establishment wherein the operation of machines is incidental to the primary business of the licensee. Fifteen (15) machines is the maximum number of machines which may be operated under this type of license. Any restricted licensee at more than two locations may be required to apply for and obtain an operator of a slot machine route license.

(b) Nonrestricted license. Any license other than a restricted license. The term includes:

(1) Operator of a mobile gaming system. A nonrestricted license which authorizes the holder under any agreement whereby consideration is paid or payable for the right to place a mobile gaming system, to engage in the business of placing and operating a mobile gaming system within a licensed gaming establishment and who is authorized to share in the revenue from the mobile gaming system without having been individually licensed to conduct gaming at the establishment.

(2) Operator of a slot machine route license. A nonrestricted license which authorizes the holder to place slot machines in a licensed location and share in the profits therefrom without being on the license issued for the location. An operator's license will normally be issued only to an applicant already licensed at three locations or having firm commitments to place machines at three licensed locations upon licensing.

(3) Operator of an inter-casino linked system license. A nonrestricted license which authorizes the holder to place and operate an inter-casino linked system on the premises of two or more licensed locations, and to share in the revenue therefrom, without being on the licenses issued for the locations. Licensure is not required if a gaming licensee is operating an inter-casino linked system on the premises of an affiliated licensee, or if an operator of a slot machine route is operating an inter-casino linked system consisting of slot machines only.

2. Manufacturer's license. One which authorizes the holder to operate, carry on, conduct, or maintain any form of manufacture as set forth in NRS 463.01715 in accordance with Regulation 14.

3. Manufacturer of interactive gaming systems license. One which authorizes the holder to manufacture, assemble or produce an interactive gaming system for use and play in the State of Nevada in accordance with Regulation 14.

4. Distributor's license. One which authorizes the holder to sell, distribute or market any gambling device, machine or equipment in the State of Nevada in accordance with Regulation 14.

5. Disseminator's license. One which authorizes the holder to furnish an operator of a race book, sports pool or gambling game who is licensed in this state with information relating to horse racing or other racing which is used to determine winners of or payoffs on wagers accepted by the operator. The term does not include a person who provides a televised broadcast without charge to any person who receives the broadcast.

6. Pari-mutuel systems operator's license. One which authorized the holder to engage in the providing of an off-track pari-mutuel system.

7. Operator of interactive gaming license. One which authorizes the holder to, from Nevada, engage in the business of operating interactive gaming.

8. Service provider license. One which authorizes the holder to act as a service provider and includes an interactive gaming service provider license.

9. Registration. If approved by the Commission, authorizes a corporation, firm, partnership, limited partnership, association, limited-liability company, trust, or other form of business organization not a natural person to be a holding company.

10. Findings of suitability. The Nevada Gaming Control Act and regulations thereunder require or permit the Commission to require that certain persons, directly or indirectly involved with licensees, be found suitable to hold a gaming license so long as that involvement continues. A finding of suitability relates only to the specified involvement for which it was made. If the nature of the involvement changes from that

for which the applicant is found suitable, the applicant may be required to submit to a determination by the Commission of his or her suitability in the new capacity.

11. Approvals. The Nevada Gaming Control Act and the regulations thereunder do or may require Commission approval for certain acts of licensees or transactions directly or indirectly involving licensees. Such approvals by themselves do not constitute the licensing or a finding of suitability of any person involved, but the licensing or finding suitable of the persons involved may, unless circumstances indicate otherwise, constitute approval by the Commission of the transaction in question.

(Amended: 6/67; 9/73; 5/00; 3/06; 12/11; 9/15; 5/18.)

4.040 Applications, notices, statements and reports; contents; amendments; incorporation by reference; proceedings not to have substantive implications.

1. Every application, statement, notice or report must be filed on forms furnished or approved by the Board or the Commission and must contain and be accompanied and supplemented by such documents and information as may be specified or required. Failure to supply the information requested within 5 days after the request has been received by the applicant constitutes grounds for delaying consideration of the application.

2. It is grounds for denial of an application or disciplinary action for any person to make any untrue statement of material fact in any application, notice, statement or report filed with the Board or Commission in compliance with the provisions of law and regulations referred to in paragraph 1, or willfully to omit to state in any such application, notice, statement or report any material fact which is required to be stated therein or omit to state a material fact necessary to make the facts stated in view of the circumstances under which they were stated, not misleading.

3. All information required to be included in an application must be true and complete as of the dates of the Board and Commission action sought by such application; and an applicant shall promptly supply by amendment prior to such date any information based on facts occurring after the original application so as to make such information not misleading as of the dates of such action by the Board and the Commission.

4. An application may be amended in any respect by leave of the Board at any time prior to final action thereon by the Commission. Any amendment to an application shall have the effect of establishing the date of such amendment as the new filing date of such application with respect to the time requirements for action on such application.

5. An amendment to an application filed after the date on which the Commission has taken the action sought by such application, if such amendment is approved by the Commission, shall become effective on such date as the Commission may determine, having due regard to the public interest.

6. Any document filed under any of the provisions of the Act or regulations may be incorporated by reference in a subsequent application if it is available in the files of the Board or the Commission, to the extent that the document is currently accurate.

7. Neither the fact that an application seeking approval with respect to a transaction involving securities has been filed, nor the fact that such approval has been granted, constitutes a finding by the Board or the Commission that any document filed in connection therewith is true, complete, or not misleading, or shall mean that the Board or the Commission has passed in any way upon the merits or qualifications of, or recommended, any person, security or transaction. It is grounds for denial of an application or disciplinary action to make or cause to be made to any prospective purchaser any representation inconsistent with the foregoing.

(Amended: 6/67; 9/73; 12/82; 11/90.)

4.050 Separate applications for each establishment. Except as provided in Regulation 4.060, a separate application is required for each establishment for which a gaming license is sought, irrespective of the ownership of such establishment, as defined in NRS 463.0169.

(Formerly Sec. 4.070. Amended: 8/61; 6/67; 9/73; 12/82.)

4.060 Exception, slot machine operator. Notwithstanding the provisions of Regulation 4.050, a license may be issued to an applicant as a slot machine operator after the applicant has been licensed for three locations or has firm commitments to place machines at three licensed locations. An applicant for such a license shall file a single application showing the name and address of each lessee, the number of machines to be maintained at each location and such other information as may be required by the Board

or the Commission. This regulation does not alter or negate the requirement that each location of such operator must also be separately licensed.

(Formerly Sec. 4.080. Amended: 6/67; 9/73; 12/82.)

4.070 Application and investigative fees.

1. Except as otherwise provided herein, all fees and costs incurred in conjunction with the investigation of any application to the Board or Commission must be paid by the applicant in the manner prescribed by this regulation.

2. Each application for a restricted license must be accompanied by a nonrefundable application fee in the amount of $150.00 for each individual requiring investigation. Each application for an additional location for a slot route operator must be accompanied by a nonrefundable application fee in the amount of $150.00.

3. Each application for a service provider license that is subject to a class 2 or 3 investigation must be accompanied by a nonrefundable application fee in the amount of $500.00.

4. All other applications except a finding of suitability pursuant to NRS 463.167(2)(a), must be accompanied by a nonrefundable application fee in the amount of $500.00 for each person requiring investigation.

5. An applicant for a finding of suitability pursuant to NRS 463.167(2)(a) is not required to pay any fees or costs under this regulation.

6. In addition to any nonrefundable application fees paid, the Board may require an applicant to pay such supplementary investigative fees and costs as may be determined by the Board. The Board may estimate the supplementary investigative fees and costs and require a deposit to be paid by the applicant in advance as a condition precedent to beginning or continuing an investigation.

7. The Board and Commission will not take final action to approve any application unless all application and investigative fees and costs have been paid in full. The Board may recommend denial and the Commission may deny the application if the applicant has failed or refused to pay all application and investigative fees and costs.

8. After all supplementary investigative fees and costs have been paid by an applicant, the Board shall refund to the person who made the required deposit any balance remaining in the investigative account of the applicant.

9. Upon final action on the application, the Board shall give to the applicant an itemized accounting of the investigative fees and costs incurred.

10. The Board may, in its discretion, waive payment of an investigative fee or cost.

(Formerly Sec. 4.090. Amended: 6/67; 9/73; 7/78; 12/82; 6/85; 8/12.)

4.080 Time applicable to Commission action.

1. If an act or involvement approved by the Commission has not occurred or begun on or before the date of the regularly scheduled Commission meeting in the sixth month after the Commission votes on the application, the Commission's action is void, and a new application must be made.

2. For the purposes of this section, an act or involvement approved by the Commission is deemed to have occurred or begun:

(a) For approvals authorizing gaming: when gaming is exposed to the public for play and the required fees are paid;

(b) For approvals authorizing a sale, assignment, transfer, pledge, exercise of an option to purchase, or other disposition: when the approved sale, assignment, transfer, pledge, exercise of an option to purchase, or other disposition has occurred; and

(c) For all other approvals: when the required fees have been paid.

3. Subsection 1 does not apply to Commission approvals of public offerings or private placements governed by Regulations 15 or 16, to Commission approvals for preliminary findings of suitability, or to Commission approvals governed by Regulation 4.105.

4. The Commission may waive the provisions of subsection 1. Applications for waivers must be made to the Board, which shall make a recommendation thereon to the Commission.

(Formerly Sec. 4.100. Amended: 6/67; 9/73; 10/81; 12/82; 5/87; 10/94; 4/18; 5/18.)

4.090 Diagram, photographs and description of primary business required by applicant for restricted license.

1. Upon application for a restricted gaming license, an applicant must submit with the application a clear and legible diagram, together with photographs of the interior of the business if available and a meaningful narrative written description of the primary business. The diagram must be representative, proportional, including specific reference to the size of the premises through the use of detailed measurements. The diagram must depict the number of slot machines to be exposed for play and their location within the establishment in a manner which must provide adequate supervision of each slot machine and which must depict:

(a) An unobstructed view of each slot machine from the point of supervision;

(b) Any mirrors necessary to maintain adequate supervision;

(c) The location of any recreational, nongaming arcade or amusement games or devices at an establishment where there is access to persons under the age of 21. Such location must be sufficiently separated from any slot machines to deter loitering near the gaming area by persons under the age of 21; and

(d) Location of automated teller machines or "ATMs."

2. A restricted licensee shall maintain adequate supervision of all slot machines and shall not increase the number of slot machines or change the location of any slot machine without Board administrative approval except as herein provided.

3. Requests for administrative approval of an increase in the number of slot machines or a change in the location of any slot machine shall be accompanied by a diagram depicting the location of the slot machines within the establishment. If the Board does not give notice of disapproval of the proposed increase in the number of slot machines or change in location within 15 working days after receipt of the licensee's written request for approval, it shall be deemed approved.

4. Subject to subsequent Board objection, the following changes of locations of slot machines may be done after submission of an amended diagram to the Board reflecting such changes, but before completion of the 15 working day review period provided in the preceding section:

(a) Changes of locations approved by the Chair or the Chair's designee;

(b) Exchanges of stand-up slot machines to bar-top slot machines;

(c) Exchanges of slot machines from buddy-bar locations to main-bar locations;

(d) Changes of locations at restricted gaming establishments that have supervision by full-time change personnel; or

(e) Reduction of the number of slot machines at a location.

5. Unresolved objections may be appealed to the Commission pursuant to Regulation 4.185.

(Adopted: 1/91. Amended: 7/99. Effective: 2/1/2000.)

4.100 Preliminary finding of suitability. [Effective: 10/1/11.]

1. As used in this section:

(a) "Acquire control" or "acquiring control" means "acquire control" or "acquiring control" as those terms are defined in NRS Chapter 463.

(b) "Control" means "control" as that term is defined in NRS Chapter 463.

(c) "Corporate acquisition opposed by management" means "corporate acquisition opposed by management" as that term is defined in NRS Chapter 463.

(d) "Preliminary finding of suitability" means the Commission grant of an application by a person who has not entered into a position or transaction which would require a licensing, finding of suitability, or registration by the Commission pursuant to NRS Chapter 463 but wishes to submit to the jurisdiction of the Board and Commission for the purposes of obtaining a preliminary determination of whether or not the person is suitable to hold a nonrestricted license under NRS Chapter 463.

(e) "Tender offer" means "tender offer" as that term is defined in NRS Chapter 463.

(f) "Voting security" means "voting security" as that term is defined in NRS Chapter 463.

2. Any person who has not applied for, does not possess, and has not entered into a transaction which would require a license, finding of suitability, or Commission approved registration pursuant to NRS Chapter 463 and the NGC Regulations may apply to the Commission for a preliminary finding of suitability.

3. On an application for preliminary finding of suitability, the Board and Commission shall determine whether the person making the application is suitable to hold a nonrestricted license even if the person intends to make an application for something other than a nonrestricted license after applying for a preliminary finding of suitability.

4. The application for a preliminary finding of suitability shall be in the same form as if the person was applying for a nonrestricted license except that such application will be designated as a preliminary finding of suitability and modified as the Board Chair deems appropriate.

5. Individuals and other entities associated with the person applying for a preliminary finding of suitability shall also apply for preliminary findings of suitability based on their relationship with the person applying for the preliminary finding of suitability. It is the responsibility of the person applying for the preliminary finding of suitability to determine which individuals and other entities are required to apply for preliminary findings of suitability and the capacity in which the individuals and other entities should apply for their own preliminary findings of suitability pursuant to the gaming control act and regulations of the Commission.

6. Each application set out above must be accompanied by a nonrefundable application fee in the amount of $500.00. In addition, the Board may require the pre-payment of investigative fees and costs as may be determined by the Board in accordance with Regulation 4.070 subsections (1) and (5) through (9), inclusive.

7. Acting upon a recommendation of the Board, the Commission may grant, deny, or reject an application for preliminary finding of suitability based on the standards set forth in NRS 463.1405 and NRS 463.170. The Commission's determination will be based upon the facts and circumstances known at the time and may be limited or conditioned in any manner deemed reasonable by the Commission. The Commission's determination is limited solely to the application(s) for preliminary findings of suitability before it and shall not constitute actual or implied approval of any future applications for a gaming license, finding of suitability, or registration.

8. If the Commission denies an application for preliminary finding of suitability, such denial is a denial under the act. If the Commission rejects an application for a preliminary finding of suitability, such rejection shall not be considered a denial under the act.

9. Unless otherwise limited or conditioned by the Commission, a preliminary finding of suitability pursuant to this section shall expire 2 years after the date of the Commission's determination unless administratively extended by the Board Chair for additional periods of 2 years each.

(a) A person who desires an administrative extension of the person's preliminary finding of suitability shall timely file a request for such administrative extension with the Board. Requests will be considered timely filed if they are complete and are received by the Board at least 90 days prior to the expiration of the preliminary finding of suitability.

(b) Such request shall be accompanied by a nonrefundable fee of $500.

(c) The Board Chair shall determine the level of investigation necessary for the request and require the pre-payment of investigative fees and costs in accordance with Regulation 4.070 subsections (1) and (5) through (9), inclusive.

(d) If the Board Chair rejects a request for extension of a preliminary finding of suitability, the person who requested the extension may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

(e) If the Board Chair has not made a decision on a timely filed request for administrative extension of a preliminary finding of suitability or if the Board Chair has rejected such timely filed request and the applicant requests Board review or appeals to the Commission, any subsequent grant of an extension of a preliminary finding of suitability shall relate back to the date on which the preliminary finding of suitability expired.

10. A person who applies to the Commission for a preliminary finding of suitability submits to the jurisdiction of the Board and the Commission. The Board shall have full and absolute power and authority to recommend the granting, denying, rejecting, limitation, conditioning, restriction, revocation, or suspension of any preliminary finding of suitability required or permitted under this section, or any application therefor, or to recommend other disciplinary action, including but not limited to fining persons holding a preliminary finding of suitability, for any cause deemed reasonable by the Board. The Commission shall have full and absolute power and authority to grant, deny, reject, limit, condition, restrict, revoke or suspend any preliminary finding of suitability required or permitted under this section, or any application therefor, or to take other disciplinary action, including but not limited to fining persons holding a preliminary finding of suitability, for any cause deemed reasonable by the Commission.

11. No person may be issued a preliminary finding of suitability unless the person agrees that, for the duration of the period in which the person holds the preliminary finding of suitability, the person will not seek or in any way engage in a corporate acquisition opposed by management.

12. No applicant for a preliminary finding of suitability has any right to the granting of the application sought. Any preliminary finding of suitability is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

13. A preliminary finding of suitability pursuant to this section may not be sold, assigned, transferred, or disposed of in any manner.

(Adopted: 8/11.)

4.105 Preliminary determination of a location's suitability for the conduct of gaming.

1. With the written consent of the owner, any person interested in purchasing any existing establishment or constructing a new gaming establishment may seek a preliminary determination of the location's suitability for the conduct of gaming by filing an application with the Board. The application shall be submitted on forms designated by the Board and must include all information required by the Board concerning the location's suitability for the conduct of gaming, and a detailed description of the existing or proposed gaming operation. The application must be accompanied by a nonrefundable application fee in the amount of $500.00. In addition, the Board may require payment of investigative fees and costs as may be determined by the Board. The Board and Commission need not take any action on the application unless all fees and costs have been paid in full.

2. An application under this section is an extraordinary remedy that will be considered by the Board and Commission only in unusual circumstances. The application shall include a statement explaining the circumstances that justify a preliminary determination of suitability of a location.

3. Concurrently with filing an application under this section, the applicant shall give notice of the application to the city or county having jurisdiction over the location. The application shall include a certification that such notice was provided.

4. Acting upon the recommendation of the Board, the Commission may make a preliminary determination that the subject location is either suitable or unsuitable for the conduct of gaming pursuant to NRS 463.1405 and NGC Regulation 3.010. The Commission's determination will be based upon the facts and circumstances known at the time and may be limited or conditioned in any manner deemed reasonable by the Commission. The Commission's determination is solely limited to the issue of the location's suitability and shall not constitute actual or implied approval of any application for a gaming license or finding of suitability of any persons.

5. Unless otherwise limited or conditioned by the Commission, a preliminary finding of suitability pursuant to this section shall expire if a completed application for licensing is not submitted to the Board within 12 months of the date of the Commission's determination unless extended by the Commission upon application to and recommendation of the Board.

6. A preliminary determination of suitability pursuant to this regulation may not be sold, assigned, transferred or disposed of in any manner.

(Adopted: 12/90.)

4.110 Limit to number financially interested. The Board with consent of the Commission may, whenever it deems the public interest to so require in any particular case, limit the number of individuals who may be named in any initial application for a license or in any application to add new parties to or for approval of new interests under an existing license.

(Amended: 2/60; 6/67.)

4.120 Summoning of applicants. The Board or the Commission may summon any person named in an application to appear and testify before it or its agents at such time and place as it may designate. All such testimony may be under oath and embrace any matter which the Commission, the Board, or its agents may deem relevant to the application. Failure to so appear and testify fully at the time and place designated, unless excused, constitutes grounds for denial of the application without further consideration by the Board or the Commission.

(Amended: 6/67; 12/82.)

4.130 [Reserved: 12/82.]

4.140 Withdrawal of application.

1. A request for withdrawal of an application may be made at any time prior to final action upon the application by the Board by filing a written request to withdraw with the Board. Final action by the Board upon an application occurs when the Board adopts its recommendation to the Commission concerning the application.

2. Unless any Board member directs a request for withdrawal be placed on an agenda for action, the Board Chair may, in the Chair's discretion, grant the request for withdrawal without prejudice.

3. The Board may, in its discretion, deny the request, or grant the request with or without prejudice.

4. If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of 1 year from the date of such withdrawal.

(Amended: 4/73; 12/82; 9/88; 6/14.)

4.150 Notice of hearing. Notice by letter will be given by the Board to all nonrestricted applicants of the time and place when their application for a gaming license will come before the Board and the Commission for consideration. Such applicants are expected to attend the meetings of the Board and the Commission. They may be represented at the meetings by the attorneys or agents who have complied with the requirements of Regulation 10. The Commission will notify the applicant in writing of the disposition of the application.

(Adopted: 6/67.)

4.160 Recommendation and order.

1. After completion of its investigation and proceedings respecting an application, the Board will issue an order recommending the approval or denial of the application. If the order recommends that an application be denied, the order will be accompanied by written reasons upon which the order is based. All such orders and reasons will be made public, and no recommendation will be secret.

2. A tie vote by the Board is neither a recommendation for denial nor approval. Where a tie vote occurs, the matter may be considered by the Commission without a recommendation from the Board, and the Commission may approve the application by a majority vote.

(Amended: 6/67; 12/82.)

4.170 Application after denial. Any person whose application has been denied is not eligible to apply again for licensing or approval until after expiration of 1 year from the date of such denial, unless the Commission advises that the denial is without prejudice as to delay in reapplication.

(Amended: 6/67; 9/73; 12/82.)

4.175 [Repealed: 10/03.]

4.180 Seasonal operations. In the case of any operation determined by the Commission to be on a seasonal basis, the Commission may issue a provisional license upon execution of a sufficient penal bond, conditioned upon the payment for such provisional license of fees in arrears based upon the gross revenue of such applicant for each quarter or partial quarter operated during such seasonal period.

(Adopted: 6/69.)

4.185 Requests for administrative approval. As used in this section and sections 4.190 to 4.195:

1. "Administrative approval" means the authority conferred upon the Board Chair or Commission Chair by any regulation of the Commission, or by a license condition, to grant or deny, in their individual discretion, a licensee's request for approval of a proposed action or transaction.

2. "Administrative approval decision" means the final action, decision, order, or disposition by the Board Chair or the Commission Chair of a request for an administrative approval.

3. "Board Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

4. "Commission Chair" means the Chair of the Nevada Gaming Commission or the Chair's designee.

(Adopted: 8/90.)

4.190 Review of administrative approval decisions.

1. Any licensee affected by an administrative approval decision made by the Board Chair may submit the matter to the Board for review.

2. A request for review of the administrative approval decision must be submitted within 20 days after the date of receipt of a written notice by the Board Chair of the Chair's administrative approval decision and must contain:

(a) A statement of the facts relevant to the review of the administrative approval decision;

(b) A statement of the provisions of the Nevada Gaming Control Act, the regulations of the Commission, and any other local authority applicable to the review of the administrative approval decision;

(c) A statement of the arguments that the licensee considers relevant to the review of the administrative approval decision;

(d) A statement of the reasons which justify review of the administrative approval decision; and

(e) Any other evidence considered relevant.

3. A nonrefundable fee of $250.00 must be paid at the time the request for review is submitted.

4. A review of the administrative approval decision will be included on the agenda of the Board at the next regular meeting of the Board occurring more than 10 working days after receipt by the Board of the request for review. A majority of the Board may affirm, rescind, or modify such decision.

(Adopted: 8/90.)

4.195 Appeal of administrative approval decisions.

1. Any licensee affected by an administrative approval decision may file a notice of appeal of an administrative approval decision after it has been reviewed pursuant to section 4.190. The licensee may file with the Commission a notice of appeal of an administrative approval decision within 20 days of the date upon which the licensee receives written notice of the decision of the Board made pursuant to the provisions of section 4.190.

2. An appeal of an administrative approval decision shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the filing of the notice of appeal. Upon good cause shown by a licensee, the Commission Chair may waive the 10-day requirement of this subsection and place an appeal of an administrative approval decision on an earlier Commission agenda.

3. In deciding any such appeal, review is limited to the record of the proceedings before the Board. The Commission for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Board, or remand the matter to the Board for such further investigation and reconsideration as the Commission may order.

4. Judicial review is not available for actions, decisions, and orders of the Board and Commission made or entered under the provisions of this section.

(Adopted: 8/90. Amended: 9/92.)

4.700 [Repealed: 10/93.]

4.705 [Repealed: 10/93.]

4.710 [Repealed: 10/93.]

4.715 [Repealed: 10/93.]

End – Regulation 4

REGULATION 4A

LOTTERIES

4A.010 Definitions.
4A.100 Review of lottery approval decisions.
4A.110 Appeal of lottery approval decisions.

4A.010 Definitions. As used in this regulation:

1. "Lottery approval" means the authority conferred upon the Executive Director, to approve or deny, in the Executive Director's individual discretion, an applicant's request to conduct a legitimate charitable lottery as provided in chapter 462 of the Nevada Revised Statutes.
2. "Lottery approval decision" means the final action by the Executive Director on an application to conduct a lottery.
3. "Application" means a written request filed with the Board in conformity with chapter 462 of the Nevada Revised Statutes to conduct a legitimate charitable lottery.
4. "Board" means the Nevada Gaming Control Board.
5. "Commission Chair" means the Chair of the Nevada Gaming Commission or the Chair's designee.
6. "Executive Director" means the Chair of the Board or the Chair's designee.

(Adopted: 12/91.)

4A.100 Review of lottery approval decisions.

1. Any applicant whose application for lottery approval is denied by the Executive Director may request a review of the application by the Board.
2. A request for review of the lottery approval decision must be submitted within 20 days after the date of receipt of a written notice by the Executive Director of the Executive Director's lottery approval decision and must contain:

(a) A statement of the facts relevant to the review of the lottery approval decision;

(b) A statement of the provisions of chapter 462 of the Nevada Revised Statutes and the regulations of the Commission relevant to the review of the lottery approval decision;

(c) A statement of the arguments that the applicant considers relevant to the review of the lottery approval decision;

(d) A statement of the reasons which justify review of the lottery approval decision; and

(e) Any other evidence considered relevant.

3. A review of the lottery approval decision will be included on the agenda of the Board at the next regular meeting of the Board occurring more than 10 working days after receipt by the Board of the request for review. A majority of the Board may affirm, rescind, or modify such decision.

(Adopted: 12/91.)

4A.110 Appeal of lottery approval decisions.

1. Any applicant affected by a lottery approval decision may file a notice of appeal of a lottery approval decision after it has been reviewed pursuant to section 4A.100. The applicant may file with the Commission a notice of appeal of a lottery approval decision within 20 days of the date upon which the applicant receives written notice of the decision of the Board made pursuant to the provisions of section 4A.100.
2. An appeal of a lottery approval decision shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the filing of the notice of appeal. Upon good cause shown by an applicant, the Commission Chair may waive the 10-day requirement of this subsection and place an appeal of a lottery approval decision on an earlier Commission agenda.
3. In deciding such an appeal, the Commission for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Board, or remand the matter to the Board for such further investigation and reconsideration as the Commission may order.
4. Judicial review is not available for actions, decisions, and orders of the Board and Commission made or entered under the provisions of this section.

(Adopted: 12/91.)

End – Regulation 4A

REGULATION 5

OPERATION OF GAMING ESTABLISHMENTS

5.010 Methods of operation.
5.011 Grounds for disciplinary action.
5.012 Publication of payoffs.
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5.010 Methods of operation.

1. It is the policy of the Commission and the Board to require that all establishments wherein gaming is conducted in this state be operated in a manner suitable to protect the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada.

2. Responsibility for the employment and maintenance of suitable methods of operation rests with the licensee, and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action.

(Amended: 1/69.)

5.011 Grounds for disciplinary action. The Board and the Commission deem any activity on the part of any licensee, the licensee's agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the people of the State of Nevada, or that would reflect or tend to reflect discredit upon the State of Nevada or the gaming industry, to be an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission in accordance with the Nevada Gaming Control Act and the regulations of the Board and the Commission. Without limiting the generality of the foregoing, the following acts or omissions may be determined to be unsuitable methods of operation:

1. Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the industry.

2. Permitting persons who are visibly impaired by alcohol or any other drug to participate in gaming activity.

3. Complimentary service of intoxicating beverages in the casino area to persons who are visibly impaired by alcohol or any other drug.

4. Failure to conduct advertising and public relations activities in accordance with decency, dignity, good taste, honesty and inoffensiveness, including, but not limited to, advertising that is false or materially misleading.

5. Catering to, assisting, employing or associating with, either socially or in business affairs, persons of notorious or unsavory reputation or who have extensive police records, or persons who have defied congressional investigative committees, or other officially constituted bodies acting on behalf of the United States, or any state, or persons who are associated with or support subversive movements, or the employing either directly or through a contract, or any other means, of any firm or individual in any capacity where the repute of the State of Nevada or the gaming industry is liable to be damaged because of the unsuitability of the firm or individual or because of the unethical methods of operation of the firm or individual.

6. Employing in a position for which the individual could be required to be licensed as a key employee pursuant to the provisions of Regulations 3.100 and 3.110, any person who has been denied a state gaming license on the grounds of unsuitability or who has failed or refused to apply for licensing as a key employee when so requested by the Commission.

7. Employing in any gaming operation any person whom the Commission or any court has found guilty of cheating or using any improper device in connection with any game, whether as a licensee, dealer, or player at a licensed game or device; as well as any person whose conduct of a licensed game as a dealer or other employee of a licensee resulted in revocation or suspension of the license of such licensee.

8. Failure to comply with or make provision for compliance with all federal, state and local laws and regulations and with all Commission approved conditions and limitations pertaining to the operations of a licensed establishment including, without limiting the generality of the foregoing, payment of all license fees, withholding any payroll taxes, liquor and entertainment taxes and antitrust and monopoly statutes.

The Commission in the exercise of its sound discretion can make its own determination of whether or not the licensee has failed to comply with the aforementioned, but any such determination shall make use of the established precedents in interpreting the language of the applicable statutes. Nothing in this section shall be deemed to affect any right to judicial review.

9. (a) Possessing or permitting to remain in or upon any licensed premises any cards, dice, mechanical device or any other cheating device whatever, the use of which is prohibited by statute or ordinance, or

(b) Conducting, carrying on, operating or dealing any cheating or thieving game or device on the premises, either knowingly or unknowingly, which may have in any manner been marked, tampered with or otherwise placed in a condition, or operated in a manner, which tends to deceive the public or which might make the game more liable to win or lose, or which tends to alter the normal random selection of criteria which determine the results of the game.

10. Failure to conduct gaming operations in accordance with proper standards of custom, decorum and decency, or permit any type of conduct in the gaming establishment which reflects or tends to reflect on the repute of the State of Nevada and act as a detriment to the gaming industry.

11. Whenever a licensed game or a slot machine, as defined in the Gaming Control Act, is available for play by the public:

(a) At a nonrestricted location, failure to have an employee of the licensee present on the premises to supervise the operation of the game or machine;

(b) At a restricted location, failure to have a responsible person who is at least 21 years old present on the premises to supervise the operation of the game or machine.

12. Except as provided in NGC Regulation 5.140 and except as to transfers of interest under NGC Regulation 8.030, the sale or assignment of any gaming credit instrument by a licensee, unless the sale is to a publicly traded or other bona fide financial institution pursuant to a written contract, and the transaction and the terms of the contract, including but not limited to the discount rate, are reported to the Board for approval pursuant to NGC Regulation 8.130.

13. Issuing credit to a patron to enable the patron to satisfy a debt owed to another licensee or person, including an affiliate (as that term is defined in NGC Regulation 15.482–3) of the licensee. This subsection shall not prohibit a licensee from collecting a debt owed to an affiliate of the licensee.

14. Denying any Board or Commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of a gaming establishment as authorized by applicable statutes and regulation.

(Adopted: 1/69-See Sec. 5.012. Amended: 7/70; 1/72; 7/76; 2/77; 2/85; 7/99; 6/14; 4/18.)

5.012 Publication of payoffs.

1. Except as specifically provided herein, payoff schedules or award cards applicable to every licensed game or slot machine shall be displayed at all times either on the table or machine or in a conspicuous place immediately adjacent thereto. In the case of craps, keno and faro games the foregoing requirement will be satisfied if published payoff schedules are maintained in a location readily accessible to players and notice of the location of such schedule is posted on or adjacent to the table. In the case of slot machines, the foregoing requirements will be satisfied if:

(a) The player is at all times made aware that payoff schedules or award cards applicable to any game offered for play are readily accessible and will be displayed on the video display screen of the device upon the initiation of a command by the player, or

(b) The award cards of any game offered for play are displayed at all times when the device is available for play.

2. Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game or device and shall not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of a licensee to make payment in strict accordance with posted payoff schedules or award cards may be deemed an unsuitable method of operation.

(Formerly Sec. 5.011. Amended: 10/94; 11/97.)

5.013 Gaming by, and issuance of gaming credit to, owners, directors, officers, and employees.

1. Except as provided in subsection 2, no officer, director, owner or key employee of an entity which holds a gaming license in this state, or of an affiliate or an affiliated company of an entity which holds a gaming license in this state, shall play or place a wager at any gambling game, slot machine, race book or sports pool which is exposed to the public for play or wagering:

(a) By that gaming licensee; or

(b) By an affiliate or an affiliated company of that gaming licensee.

2. Subsection 1 shall not apply to the playing of or wagering on poker, panguingui or off-track pari-mutuel wagering.

3. No race book or sports pool employee shall place a wager, other than an off-track pari-mutuel wager, with the book at which he or she is employed or at a book of an affiliate or an affiliated company whether on their behalf, on behalf of the race book or sports pool, or on behalf of another person.

4. Licensees shall not issue credit for purposes of gaming to key employees of that licensee whether or not such credit is evidenced by a player card, wagering account or a credit instrument.

5. For the purposes of this section, “affiliate” shall have the same meaning as defined in Regulation 15.482-3 and “affiliated company’’ shall have the same meaning as defined in NRS 463.4825. “Affiliated company” specifically includes a publicly traded corporation registered with the Commission.

(Formerly Sec. 5.012. Amended: 2/85; 12/91; 3/92; 2/97; 11/98. Effective: 1/1/99.)

5.014 Criminal convictions as grounds for revocation or suspension. The Commission may revoke or suspend the gaming license or finding of suitability of a person who is convicted of a crime, even though the convicted person’s postconviction rights and remedies have not been exhausted, if the crime or conviction discredits or tends to discredit the State of Nevada or the gaming industry.

(Adopted: 2/85.)

5.015 Ownership identification on gaming devices.

1. An operator of a slot machine route shall affix in a prominent place to each gaming device exposed for play, pursuant to his or her license or any agreement, a sign or label that identifies the person responsible for repairs of malfunctions of the machine, payments of winnings, and disputes regarding payments.

2. A licensee shall not expose for play any gaming device of an operator of a slot machine route that fails to display the information required by subsection 1 of this section.

(Adopted: 5/88. Effective: 6/88.)

5.020 Race horse books and sports pools. [Repealed upon adoption dates of Regulation 22, Sec. 22.010, et seq.]

(Amended: 8/61; 12/76.)

5.025 Operation of keno games.

1. As used in this regulation, “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

2. A licensee authorized to operate a keno game shall not increase the limits of winning tickets or the value of a keno game or a progressive keno game to an amount exceeding the total maximum sum of $250,000 on any one game unless the licensee installs and uses a computerized keno system that satisfied the specification approved by the Chair.

3. A licensee shall not operate a keno game or progressive keno game with limits on winning tickets or the value of the keno game exceeding the total maximum sum of $250,000 on any one game without the prior written approval of the Chair.

4. The Chair may:

(a) Require that a limit be imposed on a progressive keno game, or that the limits of winning tickets or the value of a keno game or a progressive keno game be decreased, if such a limit or decrease is deemed necessary for the licensee to maintain sufficient minimum bankroll requirements pursuant to Regulation 6.150; or

(b) Require the licensee to at all times maintain a reserve in the form of cash, cash equivalent, a bond, or a combination thereof in an amount determined by the Chair. Subject to the discretion of the Chair, the reserve provided for by this paragraph must be created and maintained in the same manner as a reserve required by Regulation 22.040.

5. Progressive keno is further subject to the provisions of Regulation 5.110 governing progressive payoff schedules.

(Adopted: 4/63. Amended: 12/79; 9/82; 5/89; 5/00.)

5.030 Violation of law or regulations. Violation of any provision of the Nevada Gaming Control Act or of these regulations by a licensee, the licensee’s agent or employee shall be deemed contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and grounds for suspension or revocation of a license. Acceptance of a state gaming license or renewal thereof

by a licensee constitutes an agreement on the part of the licensee to be bound by all of the regulations of the Commission as the same now are or may hereafter be amended or promulgated. It is the responsibility of the licensee to keep informed of the content of all such regulations, and ignorance thereof will not excuse violations.

5.040 Investigation of conduct of licensees, generally. A gaming license is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The burden of proving his or her qualifications to hold any license rests at all times on the licensee. The Board is charged by law with the duty of observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable persons or persons whose operations are conducted in an unsuitable manner.

5.045 Compliance review and reporting system.

1. Whenever the Commission is acting upon any application of a licensee or registrant, or pursuant to its powers provided in NRS 463.310, and if the Commission determines that special circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon any license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.

2. The terms of the condition may include, but shall not be limited to:

(a) That the condition shall expire on a certain date or after a designated period of time without Commission action;

(b) That the condition may be administratively removed by the Board should a specified activity cease or a specified event occur; or

(c) That a periodic review shall be conducted by the Board and upon such review the Board may recommend and the Commission may remove or continue to require the condition.

3. Notwithstanding the provisions of subsection 2 above, upon application, a licensee or registrant may request modification or removal of the condition imposed and the Commission may, after considering the recommendation of the Board, modify or remove the condition.

4. The compliance review and reporting system shall be created for the purpose of monitoring activities relating to the licensee's or registrant's continuing qualifications under the provisions of the Nevada Gaming Control Act and regulations of the Commission in accordance with a written plan to be approved by the Board administratively or as otherwise ordered by the Commission.

5. The written plan must provide for the operation of the compliance review and reporting system and must designate who shall be responsible for said system. The plan must provide for involvement of at least one person knowledgeable of the provisions of the Nevada Gaming Control Act and the regulations of the Commission. The plan must require periodic reports to senior management of the licensee or registrant. Such reports shall be advisory and the licensee or registrant shall maintain responsibility for compliance with the Gaming Control Act and regulations of the Commission. Copies of the reports must be provided to the Board.

6. The activities to be monitored must be set forth in the written plan and must be determined by the circumstances applicable to the licensee or registrant. Without limitation, the activities that may be required to be monitored pursuant to the compliance review and reporting system include the following:

(a) Associations with persons denied licensing or other related approvals by the Commission or who may be deemed to be unsuitable to be associated with a licensee or registrant;

(b) Business practices or procedures that may constitute grounds for denial of a gaming license or registration;

(c) Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;

(d) Review of reports submitted pursuant to the Nevada Gaming Control Act and regulations of the Commission;

(e) Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the Board or the Commission may deem necessary or proper, of the licensee, registrant, or its affiliates; and

(f) Review of such other activities determined by the Board or the Commission as being relevant to the licensee's or registrant's continuing qualifications under the provisions of the Nevada Gaming Control Act and the regulations of the Commission.

(Adopted: 3/28/91.)

5.050 Information to be furnished by licensees. Every licensee shall report to the Board quarterly the full name and address of every person, including lending agencies, who has any right to share in the profits of such licensed games, whether as an owner, assignee, landlord or otherwise, or to whom any interest or share in the profits of any licensed game has been pledged or hypothecated as security for a debt or deposited as a security for the performance of any act or to secure the performance of a contract of sale. Such report shall be submitted concurrently with application for renewal of license.

5.055 Reports of violations and of felony convictions.

1. Each licensee shall immediately notify the Board's enforcement division by telephone of the discovery of any violation of chapter 465 of NRS and of any violation or suspected violation of any gaming law regarding which the licensee has notified the local police or sheriff.

[Effective through April 30, 2016.]

1. Each licensee and club venue operator, as relevant, shall immediately notify the Board's enforcement division by telephone or, for reports pursuant to subsection (b) and (c), by telephone or via email, of:

(a) The discovery of any violation of chapter 465 of NRS;

(b) The discovery of any suspected theft, larceny, embezzlement or other crime involving property, if such crime has been committed against a licensee or club venue operator or patron of a licensee or the club venue operator, or while on the premises of a licensee or club venue operator, by a gaming employee, a person required to be registered pursuant to Regulation 5.320 or 5.345, or any other person who has received an approval from the Commission, and the person allegedly committing the crime has been separated from employment or whose business relationship with the licensee or club venue operator has been terminated, regardless of whether such crime is a misdemeanor, gross misdemeanor or felony;

(c) The discovery of any suspected unlawful possession, sale, or use of a controlled substance on the premises of the licensee or club venue operator if such possession, sale or use was committed by a gaming employee, a person required to be registered pursuant to Regulation 5.320 or 5.345, or any other person who has received an approval from the Commission, and the person allegedly committing the crime has been separated from employment or whose business relationship with the licensee or club venue operator has been terminated; and

(d) Any suspected violation of any gaming law regarding which the licensee has notified the local police or sheriff.

[Effective May 1, 2016.]

2. Any person holding a license, registration, or finding of suitability who is convicted of a felony in this state or is convicted of an offense in another state or jurisdiction which would be a felony if committed in this state shall notify the Board's enforcement division in writing within 10 business days of such conviction.

(Adopted: 2/85. Amended: 10/11; 11/15.)

5.060 Access to premises and production of records.

1. No applicant, licensee or enrolled person shall neglect or refuse to produce records or evidence or to give information upon proper and lawful demand by a Board or Commission member or any agent of the Board, or shall otherwise interfere, or attempt to interfere, with any proper and lawful efforts by the Commission, the Board, or any agent to produce such information.

2. Each gaming licensee, licensed manufacturer, and licensed distributor or seller shall immediately make available for inspection by any Board or Commission member or agent all papers, books and records produced by any gaming business and all portions of the premises where gaming is conducted or where gambling devices or equipment are manufactured, sold or distributed. Any Board or Commission member or agent shall be given immediate access to any portion of the premises of any gaming licensee, licensed manufacturer or licensed distributor or seller for the purpose of inspecting or examining any records or documents required to be kept by such licensee under the provisions of NRS chapter 463 or the regulations of the Commission, and any gaming device or equipment or the conduct of any gaming activity.

3. Access to the areas and records which may be inspected or examined by Board members or agents shall be granted to any Board member or agent who displays a badge issued by the Board and an identification card signed by a Board member. Similar access shall be granted to any Commission member who displays an identification card signed by the governor.

(Amended: 8/61; 10/78.)

5.070 Summoning of licensee. The Board may summon any licensee or the licensee's agents or employees to appear to testify before it or its agents with regard to the conduct of any licensee or the agents or employees of any licensee. All such testimony shall be under oath and may embrace any matters which the Board or its agents may deem relevant to the discharge of its official duties. Any person so summoned to appear shall have the right to be represented by counsel. Any testimony so taken may be used by the Board as evidence in any proceeding or matter then before it or the Commission or which may later come before it or the Commission. Failure to so appear and testify fully at the time and place designated, unless excused, shall constitute grounds for the revocation or suspension of any license held by the person summoned, his or her principal or employer.

5.080 Changing of games.

1. The Commission will issue to all nonrestricted licensees a certificate of payment of table fees indicating the actual games authorized to be exposed for play in the establishment. When a licensee wishes to change games the licensee shall:

(a) Request permission of the Board and obtain an amended certificate from the Commission.

(b) Surrender to the county licensing authority the county license for the game replaced.

(c) Secure a new county license for the game to be installed.

2. Failure to comply with the above requirements will result in assessment of table fees on the new game without allowance of credit for the game replaced. Penalties provided by law for failure to pay license fees when due may also be assessed.

5.085 Unauthorized games. No licensee shall permit any game other than those specifically named in the Nevada Gaming Control Act as a "game" or "gambling game" to be operated without first applying for and receiving permission from the Commission to operate such game and, if permission is granted, thereafter obtaining all required state, county and city licenses for the same.

(Adopted: 8/61. Amended: 7/67; 12/83.)

5.090 Unlicensed games or devices.

1. No unlicensed gambling games shall be operated upon the premises of a licensee, nor shall a licensee expose in an area accessible to the public any machine, fixture, table, or device (hereinafter generally referred to as gaming devices) which may be used in the operation of a gambling game without first having paid all current fees and taxes applicable to such games.

2. Whenever a licensee desires to temporarily remove or suspend a game from a licensed status, the licensee shall provide advanced written notice to the Board stating the type and number of games sought to be suspended, the initial date and duration of the proposed suspension, and in addition to such notice, the licensee shall thereafter physically remove the gaming device from any area exposed to the public; provided, however, a gaming device may remain in a public area while in an unlicensed status if the licensee, in addition to the foregoing written notification, removes from the gaming device all detachable fixtures such as drop boxes, chip racks, wheelheads, cages, and other similar removable items, and also covers any nondetachable chip rack and any chip rack space with a device capable of being locked and sealed in place; thereafter, the gaming device shall be inspected and sealed by the Board and allowed to remain in a public area.

3. Before any game or gaming device suspended from a licensed status in accordance with the foregoing procedure may be reactivated and placed into play, the licensee shall advise the Board in writing of its intention and date to reactivate such game, and pay all fees and taxes applicable to said game, and upon the Board's reinspection of any gaming device previously sealed, the game may be exposed to play.

(Amended: 1/72.)

5.100 Definitions. As used in Regulations 5.100 to 5.109, inclusive:

1. “Applicant” means a person who has submitted an application for registration or renewal of registration as a gaming employee and, unless otherwise indicated, also means a person who has filed a change of employment notice.

2. “Application for registration” means an application package, in electronic or paper form, containing all the components of a complete application for registration or renewal of registration as a gaming employee consisting of:

(a) The online or paper form for application;

(b) Two sets of fingerprints of the applicant or, if applicable, proof that the applicant’s fingerprints were submitted electronically or by another means to the Central Repository for Nevada Records of Criminal History;

(c) The fee or a voucher guaranteeing payment of the fee for processing the application for registration; and

(d) The statement prescribed in subsections 1 and 2 of NRS 463.3351.

Unless otherwise indicated, an “application for registration” also means the change of employment notice prescribed by the Board, in electronic or paper form.

3. “Form for application” means the application form prescribed by the Board for registration or renewal of registration as a gaming employee and, unless otherwise indicated, also means the change of employment notice form prescribed by the Board, in electronic or paper form.

(Amended: 8/94; 12/02; 11/03; 8/12.)

5.101 Registration required. No person shall be employed as a gaming employee unless such person is temporarily registered or registered as a gaming employee in accordance with NRS 463.335 and these regulations.

(Adopted: 12/02. Amended: 11/03; 8/08; 8/12.)

5.102 Temporary registration.

1. A person is deemed temporarily registered as a gaming employee upon submission of an application for registration to the licensee for which the applicant will commence or continue working as a gaming employee, unless otherwise prescribed by the Chair.

2. Temporary registration as a gaming employee is valid for a period of 120 days after an application for registration is received by the Board, unless objected to by the Board, or otherwise suspended or revoked.

(Adopted: 12/02. Amended: 11/03. Effective: 1/1/04.)

5.103 Suspension and reinstatement of temporary registration.

1. The Board may suspend the temporary registration of an applicant if it determines that:

(a) The application for registration received from the applicant is not complete; or

(b) If the application for registration is not a change of employment notice, the fingerprints submitted by the applicant are illegible or unclassifiable.

2. The Board shall suspend the temporary registration of an applicant if it determines that the statement prescribed by the Welfare Division of the Department of Human Resources pursuant to NRS 425.520 is not completed, not signed, or the applicant indicates on the statement that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

3. If the Board suspends the temporary registration of an applicant pursuant to subsections 1 or 2, it shall notify the applicant and the applicant’s place of employment of such suspension.

4. An applicant whose temporary registration is suspended pursuant to subsections 1 or 2 shall not be eligible to work as a gaming employee until such time as the applicant rectifies the cause for such suspension and the Board reinstates the applicant’s temporary registration. If an applicant rectifies the cause for his or her suspension and the Board reinstates the applicant’s temporary registration, the period of time in which the applicant’s temporary registration was suspended pursuant to this regulation shall not be included in measuring the 120-day period in which the Board may object to such temporary registration of the applicant.

(Adopted: 12/02. Amended: 11/03. Effective: 1/1/04.)

5.104 Investigation; uniform criteria for objection; objection.

1. Upon receipt of an application for registration, the Board shall review it for completeness.

2. Unless the Board, after reviewing an application for registration, suspends the temporary registration of the applicant pursuant to Regulation 5.103, it shall conduct an investigation of the applicant to determine whether the applicant is eligible to be or continue to be registered as a gaming employee.

3. The Board may object to the registration of an applicant within 120 days after receipt of a complete application for registration for any cause deemed reasonable, including any of the specific grounds cited at NRS 463.335(12).

4. An objection to the registration of an applicant shall be entered if the applicant:

(a) Has committed, attempted or conspired to commit any offense in violation of NRS 465.070 to 465.085, inclusive.

(b) Has committed, attempted or conspired to commit any offense, within the past 10 years, involving or related to gambling, which is a felony in this state or, if committed in another state, would be a felony in this state.

(c) Has committed, attempted or conspired to commit any offense involving larceny related offenses committed against a gaming establishment within the past 10 years.

5. If the Board objects to the registration of an applicant pursuant to this regulation, the Board shall notify:

(a) The applicant pursuant to the notice requirement prescribed in NRS 463.335(10) and the right to apply for a hearing pursuant to NRS 463.335(11); and

(b) The applicant's place of employment.

The failure of an applicant to seek review of a determination that the applicant is not eligible for registration as a gaming employee shall be deemed to be an admission that the objection is well founded and such failure precludes administrative or judicial review.

6. If the Board does not object to the registration of an applicant pursuant to this regulation, the applicant shall be deemed registered as a gaming employee and is eligible for employment with any nonrestricted licensee in the state until such registration expires as prescribed in NRS 463.335(7), is suspended pursuant to NRS 463.3352 or 463.336, or is revoked pursuant to NRS 463.337.

(Adopted: 12/02. Amended: 11/03; 8/08. Effective: 1/1/04.)

5.105 Duties of licensee.

1. A nonrestricted licensee shall not knowingly employ any person as a gaming employee unless such person is temporarily registered or registered as a gaming employee. A licensee shall check, and may rely on, the system of records maintained by the Board to verify the temporary registration, registration or eligibility of a person seeking employment as a gaming employee with such licensee.

2. A licensee shall only access the system of records after a person applies for a position as a gaming employee solely to determine whether the person is registered, temporarily registered, or subject to objection, suspension or revocation, or to initiate an application transaction in the Board's online gaming employee registration system. A licensee shall maintain written documentation establishing that it received an application for employment from a person for a position as a gaming employee prior to accessing the system of records and shall retain such documentation for at least 5 years.

3. Before a licensee grants any employee access to the system of records maintained by the Board, it shall provide the Board with the name, social security number and date of birth of such employee. Upon the termination of employment of such employee or the reassignment of such employee to a position that no longer requires the employee to access the system of records, the licensee shall immediately notify the Board of such termination or reassignment. The information contained within the system of records is confidential and must not be disclosed by such employee or the licensee.

4. If a licensee determines, after accessing the system of records maintained by the Board, that a person seeking employment as a gaming employee with such licensee is not temporarily registered or registered as a gaming employee, and is not subject to objection, suspension or revocation, the licensee shall provide the person with a form for application, the statement prescribed in subsections 1 and 2 of NRS 463.3351 and instruct the person to:

(a) Complete the form for application and the statement prescribed in subsections 1 and 2 of NRS 463.3351;

(b) Obtain two complete sets of fingerprints;

(c) Complete an online payment by credit or debit card through the Board's online gaming employee registration system or obtain a money order, cashier's check or voucher in the amount prescribed by the Board in accordance with NRS 463.335(5); and

(d) Unless otherwise prescribed by the Chair, complete the application for gaming employee registration online via the Board's online gaming employee registration system or return a completed paper application for registration to the licensee in a sealed envelope, or in any other confidential manner permitted by the Board, for submission to the Board.

If the person's fingerprints are submitted electronically or by another means to the Nevada Records of Criminal History, tangible proof of such shall be included in the application for registration in lieu of the fingerprint cards.

A licensee shall not employ a person who is not temporarily registered or registered as a gaming employee until such time as the person complies with this subsection.

5. If a licensee determines, after accessing the system of records maintained by the Board, that a person seeking employment as a gaming employee with such licensee is subject to objection, suspension or revocation, the licensee shall:

(a) Not accept an application for registration from such person; and

(b) Notify the person that he or she must contact the Board in order to pursue reversal or removal of such objection, suspension or revocation.

6. If a licensee determines, after accessing the system of records maintained by the Board, that a person seeking employment as a gaming employee with such licensee is temporarily registered or registered as a gaming employee, the licensee shall provide such person with a change of employment notice and the statement prescribed in subsections 1 and 2 of NRS 463.3351, and instruct the person to complete such notice and statement, unless otherwise prescribed by the Chair, either online via the Board's online gaming employee registration system or by completing the paper version of the notice and statement and returning them to the licensee in a sealed envelope, or in any other confidential manner permitted by the Board, for submission to the Board.

7. A licensee which instructs a person to obtain two complete sets of fingerprints shall be responsible for nonpayment by such person of the fee charged by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation for processing such fingerprints.

8. Upon receipt of an application for registration, a licensee shall mail or deliver it to the Board within 5 business days as prescribed in NRS 463.335(4).

9. The application for registration is confidential and shall not be accessed or used for any purpose by a licensee unless otherwise permitted by law, or prior, written consent is given by the person seeking employment.

10. A licensee shall immediately terminate a person it has employed or contracted with as a gaming employee, or reassign the person to a position that does not require registration as a gaming employee, if the Board notifies a licensee that the temporary registration or registration of the person it has employed as a gaming employee has been objected to by the Board, or otherwise suspended or revoked.

11. On or before the fifteenth (15th) day of each month, each licensee shall submit a written report to the Board containing the name, social security number, position held, and date of hire of each gaming employee hired during the previous month.

12. On or before the fifteenth (15th) day of the ensuing month after a calendar quarter, each licensee shall enter a termination date for all gaming employees terminated or separated from service within the preceding quarter into the board's online gaming employee registration system or submit a written report to the board containing the name, social security number, position held, and date of termination or separation of all gaming employees terminated or separated from service within the preceding quarter.

[Effective through April 30, 2016.]

12. On or before the fifteenth (15th) day of the ensuing month after a calendar quarter, each licensee shall enter a termination date for all gaming employees terminated or separated from service within the preceding quarter into the Board's online gaming employee registration system or submit a written report to the Board containing the name, social security number, position held, and date of termination or separation of all gaming employees terminated or separated from service within the preceding quarter. With regard to persons required to register pursuant to section 5.320, such entry or written report shall include a truthful statement of the reason(s) for each termination and resignation and any additional information regarding the termination or resignation requested by the Chair.

[Effective May 1, 2016.]

13. Each licensee must maintain a photo of every gaming employee employed by the licensee. The licensee shall maintain the photo for a period of no less than 5 years after the date in which the gaming employee is no longer employed by the licensee as a gaming employee. The photo must be large enough and of sufficient clarity to be able to clearly identify the gaming employee from the photo. The photo may be in the form of a photograph or it may be digitally stored, but it must be capable of being reproduced and provided at the request of the Board.

14. Any violation of subsections 2 or 3 constitutes an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission in accordance with the Nevada Gaming Control Act and the regulations of the Commission.

(Adopted: 12/02. Amended: 11/03; 8/08; 8/12; 11/15.)

5.106 Change of employment notice.

1. Whenever a registered gaming employee becomes employed as a gaming employee with another or additional licensee, the gaming employee shall file a change of employment notice by submitting it to such licensee for submission to the Board within 10 days of the employee becoming employed with such licensee, unless otherwise prescribed by the Chair.

2. A person is deemed temporarily registered as a gaming employee upon the filing of a change of employment notice in accordance with subsection 1 and such temporary registration is valid for a period of 120 days after the change of employment notice is received by the Board, unless objected to by the Board, or otherwise suspended or revoked.

3. The expiration date of a gaming employee's registration shall not change as a result of the filing of a change of employment notice.

(Adopted: 12/02. Amended: 11/03; 8/08. Effective: 1/1/04.)

5.107 System of records: contents; confidentiality; penalties.

1. The Board shall create and maintain a system of records that:

(a) Contains information regarding the current place of employment of each person who is registered as a gaming employee; and

(b) Identifies each person whose registration as a gaming employee has expired, was objected to by the Board, or was otherwise suspended or revoked.

2. The system of records may only be accessed by on-line Internet connection and only by those persons or entities authorized by the Board.

(Adopted: 12/02. Amended: 11/03. Effective: 1/1/04.)

5.108 [Repealed: 11/20/03.]

5.109 Petition for hearing to reconsider objection to registration or to reconsider suspension or revocation of registration.

1. Any person whose application for registration as a gaming employee has been objected to pursuant to NRS 463.335, or whose registration as a gaming employee has been suspended pursuant to 463.336 or revoked pursuant to NRS 463.337, may not request a hearing for reconsideration of the final administrative or judicial action which resulted in such objection, suspension or revocation for a period of one (1) year following the date of such final administrative or judicial action.

2. After the one (1) year period prescribed in subsection 1, an aggrieved person may request a hearing by filing a petition with the Board which sets forth the basis of the request for reconsideration. The aggrieved person shall, upon filing such petition, include the statement prescribed in subsections 1 and 2 of NRS 463.3351 and, if requested by the Board, two new complete sets of fingerprints together with the fee charged by the Central Repository for Nevada Records of Criminal History to process such fingerprints.

3. Upon receipt of a petition, the Board shall conduct an investigation of the person who filed such petition and schedule a hearing. At the hearing, the Board shall take any testimony deemed necessary. The Board Chair may designate a member of the Board or the Board may appoint a hearing examiner and authorize that person to perform on behalf of the Board any of the following functions required of the Board in the case of a hearing conducted pursuant to NRS 463.335:

(a) Conducting a hearing and taking testimony;

(b) Reviewing the testimony and evidence presented at the hearing;

(c) Making a recommendation to the Board based upon the testimony and evidence or rendering a decision on behalf of the Board pursuant to this section; and

(d) Notifying the person who filed the petition of the decision.

➥ Any decision rendered on behalf of the Board by a designated Board member or an appointed hearing examiner shall be deemed a unanimous decision of the Board and shall be treated as such for purposes of this section.

4. After conducting a hearing pursuant to subsection 3, the Board, designated Board member, or appointed hearing examiner shall in the case of a petition for reconsideration of:

(a) An objection entered pursuant to NRS 463.335 which is the subject of such hearing, review the testimony taken and any other evidence, and render a decision sustaining, modifying or withdrawing the objection which shall be mailed to the person within 45 days after the date of the hearing; or

(b) The suspension of a person's registration pursuant to 463.336 or the revocation of a person's registration pursuant to NRS 463.337, adopt a recommendation to the Commission to sustain, modify or reverse the administrative or judicial decision which is the subject of such hearing.

5. After the Board, designated Board member, or appointed hearing examiner:

(a) Renders a decision pursuant to subsection 4(a), other than a decision to withdraw an objection or a unanimous decision by the Board to sustain or modify an objection; or

(b) Adopts a recommendation pursuant to subsection 4(b), the Board shall present such decision or recommendation to the Commission at the next meeting of the Commission.

➥ In the case of a unanimous decision by the Board to sustain or modify an objection which is rendered by the Board pursuant to subsection 4(a), the Board is not required to present it to the Commission unless the person aggrieved by the decision applies in writing to the Commission for review of such decision within 15 days after the announcement of the decision. The failure of the person to apply for a review within such 15-day period shall be deemed to be an admission that the unanimous decision of the Board sustaining or modifying the objection is well founded and, pursuant to subsection 9, such person may not file another petition pursuant to this regulation for a period of five (5) years after the date of the Board's decision, or such lesser period of time as may be ordered by the Board.

6. The Commission, in reviewing a decision or recommendation of the Board, designated Board member, or appointed hearing examiner, may sustain, modify or reverse the decision or recommendation of the Board, designated Board member, or appointed hearing officer or remand the petition to the Board for such further investigation or reconsideration as the Commission may order. The review by the Commission of a Board, designated Board member, or appointed hearing examiner decision or recommendation is limited to the record of the proceedings before the Board, designated Board member, or appointed hearing examiner.

7. An aggrieved person who files a petition pursuant to this regulation may submit a written request for withdrawal of such petition to:

(a) The Board at any time prior to the Board rendering a decision or adopting a recommendation to the Commission pursuant to subsection 4; or

(b) The Commission at any time before the Commission has acted upon a decision or recommendation of the Board, designated Board member, or appointed hearing examiner pursuant to subsection 6.

8. If a person who files a petition pursuant to this regulation is deemed eligible for employment as a gaming employee, such person shall file a change of employment notice with the Board by submitting it to the licensee for whom the person becomes employed as a gaming employee within 10 days, unless otherwise prescribed by the Chair. Unless objected to by the Board, or otherwise suspended or revoked, the registration of such person as a gaming employee expires 5 years after the date employment commences with the applicable licensee or, in the case of an independent agent, 5 years after the date the independent agent contracts with a licensee. Such registration shall be subject to any limitations and conditions that are prescribed by the Board or Commission.

9. If a person who files a petition pursuant to this regulation is deemed ineligible for employment as a gaming employee, such person may not file a new petition for a period of five (5) years after the date of final Board or Commission action, as the case may be, or such lesser period of time as may be ordered by the Board or Commission. Any such petition shall be processed in accordance with the applicable provisions of this regulation.

(Adopted: 11/03. Effective 11/20/03. Amended: 6/15.)

5.110 In-house progressive payoff schedules.

1. As used in this section:

(a) “Base amount” means the amount of a progressive payoff schedule initially offered before it increases.

(b) “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

(c) “Incremental amount’’ means the difference between the amount of a progressive payoff schedule and its base amount.

(d) “Progressive payoff schedule” means a game or machine payoff schedule, including those associated with contests, tournaments or promotions, that increases automatically over time or as the game(s) or machine(s) are played.

2. The amount of a progressive payoff schedule shall be conspicuously displayed at or near the games or machines to which the payoff schedule applies. Each licensee shall record the base amount of each progressive payoff schedule when first exposed for play and subsequent to each payoff. At least once a day each licensee shall log the amount of each progressive payoff schedule at the licensee’s establishment except for those that can be paid directly from a slot machine’s hopper or those offered in conjunction with an inter-casino linked system. Explanations for reading decreases shall be maintained with the progressive logs. When the reduction is attributable to a payoff, the licensee shall record the payoff form number on the log or have the number reasonably available.

3. A licensee may change the rate of progression of any progressive payoff schedule provided that records of such changes are created.

4. A licensee may limit a progressive payoff schedule to an amount that is equal to or greater than the amount of the payoff schedule when the limit is imposed. The licensee shall post a conspicuous notice of the limit at or near the games(s) or machine(s) to which the limit applies.

5. A licensee shall not reduce the amount of a progressive payoff schedule or otherwise eliminate a progressive payoff schedule unless:

(a) A player wins the progressive payoff schedule;

(b) The licensee adjusts the progressive payoff schedule to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to subsection 4, and the licensee documents the adjustment and the reasons for it;

(c) The licensee distributes the entire incremental amount to another single progressive payoff schedule on similar game(s) or machine(s) at the licensee’s establishment and:

(1) The licensee documents the distribution;

(2) Any game or slot machine offering the payoff schedule to which the licensee distributes the incremental amount does not require that more money be played on a single play to win the payoff schedule than the game or slot machine from which the incremental amount is distributed unless the incremental amount distributed is increased in proportion to the increase in the amount of the wager required to win the payoff schedule;

(3) If from a slot machine, any slot machine offering the payoff schedule to which the incremental amount is distributed complies with the minimum theoretical payout requirement of Regulation 14.040(1); and

(4) The distribution is completed within 30 days after the progressive payoff schedule is removed from play or within such longer period as the Chair may for good cause approve;

(d) For games other than slot machines, the incremental amount may be distributed within 90 days of removal through a concluding contest, tournament or promotion and the contest, tournament or promotion is conducted with a game(s) similar to the game(s) from which the amounts are distributed; or

(e) The Chair, upon a showing of exceptional circumstances, approves a reduction, elimination, distribution, or procedure not otherwise described in this subsection, which approval is confirmed in writing.

6. A progressive payoff schedule may be temporarily removed for a period of up to 30 days to allow for the remodeling of the licensed gaming establishment, or for such longer period or other good cause as the Chair may approve.

7. Except as otherwise provided by this section, the incremental amount of a progressive payoff schedule is an obligation to the licensee’s patrons, and it shall be the responsibility of the licensee if the licensee ceases operation of the progressive game or slot machine for any reason, including a transfer of ownership of the licensed gaming establishment, to arrange for satisfaction of that obligation in a manner approved by the Chair.

8. Licensees shall maintain the records required by this section for at least five years after they are made unless the Chair approves otherwise in writing.

(Adopted: 9/72. Amended: 3/77; 2/88; 10/90; 9/91; 5/00.)

5.112 Inter-casino linked payoff schedules.

1. As used in this section:

(a) "Base amount" means the amount of a progressive payoff schedule initially offered before it increases.

(b) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(c) "Fixed payoff schedule" means a payoff schedule determined prior to the time the inter-casino linked system is offered to the public for play that does not increase automatically over time or as the inter-casino linked system is played.

(d) "Incremental amount" means the difference between the amount of a progressive payoff schedule and its base amount.

(e) "Operator" means any person or entity holding a license to operate an inter-casino linked 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 for affiliates.

(f) "Progressive payoff schedule" means a payoff schedule that increases automatically over time or as the inter-casino linked system is played.

(g) "Reset fund" means monies collected pursuant to a contribution schedule set by an operator that are intended to be used for the funding of future progressive payoff schedules.

2. Inter-casino linked systems shall have signs or award cards which conspicuously display:

(a) The fixed payoff schedules at or near each game and on each machine;

(b) The current progressive payoff schedules at or near all games or machines; and

(c) Rules and, if applicable, the specific qualifying and final round date(s) for tournaments or contests at or near all games or machines.

3. Each operator shall record the base amount of each progressive payoff schedule when first exposed for play and subsequent to each payoff. At least once each day, the operator must record on a log the amount of the progressive payoff schedule. Explanations for decreases in the payoff schedule shall be maintained with the progressive logs.

4. Subject to compliance with the minimum rate of progression requirements set forth in NGC Regulation 14.045(1), an operator may change the rate of progression, including those between multiple progressive payoff schedules and reset funds, provided that records of such changes are created and maintained. The operator, upon request, shall provide such information to the Board and participating locations.

5. An operator may limit the amount of progressive payoff schedule to an amount that is equal to or greater than the amount of the progressive payoff schedule when the limit is imposed. The operator shall post a conspicuous notice of the limit at or near each game or machine to which the limit applies. An operator shall notify the Board and the participating locations of such limitation, in writing, contemporaneously with the imposition of such limitation.

6. An operator, including an operator that ceases operations, shall not reduce the amount of a progressive payoff schedule or otherwise eliminate a progressive payoff schedule unless:

(a) A player wins the progressive payoff schedule and any reset fund;

(b) For games other than slot machines, the incremental amount of the progressive payoff schedule(s) and any reset fund may be distributed within 90 days of removal through a concluding contest, tournament or promotion and the contest, tournament or promotion is conducted with a game(s) similar to the game(s) from which the amounts are distributed;

(c) The progressive payoff schedule is adjusted to correct a malfunction or to prevent the display of an amount greater than a limit imposed by subsection 5, and the operator documents the adjustment and the reasons for it;

(d) The operator distributes the entire incremental amount and any reset fund to another single inter-casino linked payoff schedule and reset fund, whether progressive or not, on similar games or machines at substantially the same locations, and:

(1) The operator documents the distribution;

(2) Any game or slot machine offering the payoff schedule to which the operator distributes the incremental amount or reset fund does not require that more money be played on a single play to win the payoff schedule than the game or slot machine from which the incremental amount or reset fund is distributed unless the incremental amount distributed is increased in proportion to the increase in the amount of the wager required to win the payoff schedule;

(3) If from a slot machine, any slot machine offering the payoff schedule to which the incremental amount or reset fund is distributed complies with the minimum theoretical payout requirement of Regulation 14.040(1); and

(4) The distribution is completed within 30 days after the progressive payoff schedule or reset fund is removed from play or within such longer period as the Chair may for good cause approve; or

(e) The Chair, upon a showing of exceptional circumstances, approves a reduction, elimination, distribution, or procedure not otherwise described in this subsection, which approval is confirmed in writing.

7. An operator may remove from a licensee's premises games or machines with progressive payoff schedules which are part of an inter-casino linked system if the payoff schedule is otherwise available for play in the same city, or such other geographic area as may be determined by the Chair.

8. Operators shall maintain the records required by this section for at least five years after the records are made unless the Chair approves otherwise in writing.

(Adopted: 5/00.)

5.115 Periodic payments.

1. Except as provided in this regulation, a licensee shall remit the total prizes awarded to a patron as the result of conducting any game, including a race book or sports pool, tournament, contest, or promotional activity (hereinafter collectively referred to as "gaming or promotional activity") conducted in Nevada or arising from the operation of a multi-jurisdictional progressive prize system upon validation of the prize payout.

2. As used in this section of the regulation:

(a) "Approved funding sources" means cash or U.S. Treasury securities that are used for the funding of a trust pursuant to Regulation 5.115(3)(b) or the reserve method of funding periodic payments pursuant to Regulation 5.115(3)(c).

(b) "Brokerage firm" means an entity that:

(1) Is both a broker-dealer and an investment adviser;

(2) Has one or more classes of its equity securities listed on the New York Stock Exchange or American Stock Exchange, or is a wholly-owned subsidiary of such an entity; and

(3) Has assets under management in an amount of $10 billion or more as reported in its most recent report on Form 10–K or Form 10–Q filed with the United States Securities and Exchange Commission, or is a wholly-owned subsidiary of such an entity.

(c) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for the person's own account; and:

(1) Is licensed as a broker-dealer with the Nevada Secretary of State pursuant to NRS 90.310, as amended; or

(2) Is exempt from licensing pursuant to NRS 90.320, as amended, and is registered as a broker-dealer with the United States Securities and Exchange Commission and the National Association of Securities Dealers pursuant to Title 15 USC 780 as amended.

(d) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(e) "Date of calculation" means the last day for which a discount rate was obtained prior to the conclusion of the validation period.

(f) "Discount rate" means the current prime rate as published in the Wall Street Journal. For those licensees using the reserve method of funding pursuant to Regulation 5.115(3)(c), "discount rate" means either: (i) the aforementioned current prime rate, or (ii) a blended rate computed from the various U.S. Treasury securities selected by the licensee for which quotes are obtained at least three times a month.

(g) "Independent financial institution" means an institution that is not affiliated through common ownership with the licensee and is either:

(1) A bank or national banking association that is authorized to do business in this state, a banking corporation formed or regulated under the laws of this state or a wholly-owned subsidiary of such a banking association or corporation that is formed or regulated under the laws of this state or a national bank with an office in Nevada; or

(2) An insurance company admitted to transact insurance in the State of Nevada with an A.M. Best Insurance rating of at least “A+” or such other equivalent rating.

(h) “Investment adviser” means any person who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities and:

(1) Is registered as an investment adviser with the Nevada Secretary of State pursuant to NRS 90.330, as amended; or

(2) Is registered as an investment adviser with the United States Securities and Exchange Commission pursuant to Title 15 USC 80b–3a, as amended.

(i) “Periodic payments,” for purposes of this regulation only, means a series of payments that are paid at least annually for prizes awarded through gaming or promotional activity.

(j) “Present value” means the current value of a future payment or series of payments, discounted using the discount rate.

(k) “Qualified prize” means the sum of periodic payments, awarded to a patron as a result of any gaming or promotional activity, payable over a period of at least 10 years.

(l) “Qualified prize option” means an option that entitles a patron to receive from a licensee a single cash payment in lieu of receiving a qualified prize, or any remaining portion thereof, which shall be exercised no later than 60 days after validation of the qualified prize.

(m) “Reserve” means a restricted account consisting of approved funding sources used exclusively to satisfy periodic payments of prizes arising from all gaming or promotional activity conducted in Nevada, including such prizes arising from the operation of a multi-jurisdictional progressive prize system, and includes any existing funding methods previously approved by the Board or Commission. The reserve shall not be less than the sum of the following:

(1) The present value of the aggregate remaining balances owed on all prizes awarded to patrons who are receiving periodic payments. For balances previously funded using U.S. Treasury securities, the discount rate on the date of funding shall be used for calculating the present value of the reserve.

(2) An amount sufficient to pay the single cash payments offered in conjunction with qualified prize options for prizes previously awarded for which elections have not been made by the patrons;

(3) An amount sufficient to fully fund the present value of all prizes currently on public display for which periodic payments are offered;

(4) If cash is used as the approved funding source, an amount equal to satisfy the current liabilities to all patrons receiving periodic payments due and payable within 12 months; and

(5) Any additional amounts administratively required by the Chair.

➥ As used in this paragraph, the term "multi-jurisdictional progressive prize system" shall have the meaning ascribed by subsection 15 of regulation 14.010.

(n) “Restricted account” means an account with an independent financial institution described in Regulation 5.115(2)(g)(1), or a brokerage firm, which is to be exclusively used for the reserve method of funding of gaming or promotional activity as provided in this regulation.

(o) “Single cash payment” means a single discounted, lump-sum cash payment in the amount of the present value of the total periodic payments otherwise due and owing for a qualified prize, less the amount of any partial payment of such qualified prize previously made by the licensee to a patron.

(p) “Trust” means an irrevocable fiduciary relationship in which one person is the holder of the title to the property subject to an equitable obligation to keep or use the property for the benefit of another.

(q) “U.S. Treasury securities” means a negotiable debt obligation issued and guaranteed by the U.S. government.

(r) “Validation period” means the period of time between when a patron has met the conditions required to receive a prize, and when the prize payout is validated. The validation period shall not exceed 72 hours, unless otherwise extended by the Chair.

3. Periodic payments of prizes awarded to a patron as a result of conducting any gaming or promotional activity may be made if the method of funding the periodic payments provides such payments to a patron through the establishment of any one of the following funding methods:

(a) An irrevocable surety bond or an irrevocable letter of credit with an independent financial institution which will provide for either the periodic payments or a single cash payment for the remaining periodic payments should the licensee default on paying the scheduled periodic payments for any reason. The form of the written agreement establishing an irrevocable surety bond or the irrevocable letter of credit, and a

written commitment to execute such bond or letter from the financial institution, shall be submitted to the Chair for approval no less than 45 days prior to the commencement of the gaming or promotional activity.

(b) An irrevocable trust with an independent financial institution in accordance with a written trust agreement, the form of which shall be submitted to the Chair for approval at least 45 days prior to the commencement of any new gaming or promotional activity, and which provides periodic payments from an unallocated pool of assets to a group of patrons and which shall expressly prohibit the patron from encumbering, assigning or otherwise transferring in any way the patron's right to receive the deferred portion of the prizes except to the patron's estate. The assets of the trust shall consist of approved funding sources in an amount sufficient to meet the periodic payments as required.

(c) A reserve maintained at all times by a licensee, together with the continuing satisfaction of and compliance with certain financial ratios and tests, and monitoring and reporting procedures related thereto. The conditions under which a reserve method may be used shall be prescribed by the Chair in a written notice distributed to licensees and all interested persons. Licensees shall notify the Chair in writing at least 45 days prior to the commencement of any new gaming or promotional activity for which periodic payments may be used. Unless otherwise informed within such time period in writing by the Chair and assuming a stop order has not been issued during such period, the use of a reserve method for funding periodic payments shall be deemed approved.

(d) Another method of providing the periodic payments to a patron consistent with the purpose of this regulation and which is approved by the Commission prior to the commencement of the gaming or promotional activity. Proposed modifications to a periodic payment plan previously approved by the Commission shall be submitted to the Chair for review at least 45 days prior to the effective date of the change. The Chair, after whatever investigation or review the Chair deems necessary, may administratively approve the modification or require the licensee to submit the requested modification to the Commission for review and approval.

4. The funding of periodic payment plans shall be completed within 30 days of the conclusion of the validation period, or where a qualified prize option is offered for such prize payout, within 30 days of the date the patron makes an election thereunder. Where a single cash payment is elected, the licensee shall pay to the patron in cash, certified check or wire transfer the full amount less any prior payment(s) within 15 days after receiving the patron's written notification of such election.

5. Periodic payments shall not be used for prize payouts of $100,000 or less. Periodic payments for total amounts won greater than $100,000 shall be paid as follows:

(a) For amounts won greater than $100,000, but less than $200,000, payments shall be at least $10,000 annually;

(b) For amounts won greater than $200,000 or more, payments shall be no less than 1/20th of the total amount annually;

(c) For amounts won equal to or in excess of $5,000,000, payments shall be made in the manner set forth in (b), above, or in such manner as approved by the Commission upon application by the licensee; and

(d) The first installment payment shall be made upon the conclusion of the validation period, notwithstanding that a qualified prize option may be offered to the patron. In the event that a qualified prize option is offered to a patron, it shall not be construed as a requirement that the patron shall receive a single cash payment instead of periodic payments.

➥ Waivers of subsections (a), (b) and (c) of this section that have been previously granted by the Commission shall remain in full force and effect pursuant to the current terms and provisions of such waivers.

6. The licensee shall provide the Chair with an appropriate, signed legal document, prior to the commencement of any gaming or promotional activity for which periodic payments are to be offered, that shall irrevocably and unconditionally remise, release, indemnify and forever discharge the State of Nevada, the Commission, the Board, and their members, employees, agents and representatives, including those of the Attorney General's Office, of and from any and all claims, actions, causes of actions, losses, damages, liabilities, costs, expenses and suits of any nature whatsoever, in law or equity, including reasonable attorney's fees, arising from any act or omission of the Commission and the Board, and their members, employees, agents and representatives.

7. For any gaming or promotional activity for which periodic payments are used, the licensee shall provide a notice on each gaming device or, if no gaming device is used, then in each gaming or promotional

area specifically setting forth the terms of the periodic payment plan, and include in all radio, television, other electronic media, or print advertising that such prizes will be awarded using periodic payments.

8. Notwithstanding any other regulation to the contrary, if a licensee offers a qualified prize option to a patron who is awarded a qualified prize, the licensee shall provide the option to the patron in writing within five days after the conclusion of the validation period. Such written option shall explain the method used to compute the single cash payment, including the discount rate as of the date of calculation, and shall state that the patron is under no obligation to accept the offer of a single cash payment and may nevertheless elect to receive periodic payments for the qualified prize.

9. The licensee shall maintain the following amounts, as applicable, related to each gaming or promotional activity that uses periodic payments in calculating its minimum bankroll requirement for the purpose of complying with Regulation 6.150:

(a) For periodic payment plans approved in accordance with Regulation 5.115(3)(a), the installment payments due within the next 12-month period for all amounts won or on public display for which the licensee will be making periodic payments.

(b) For periodic payment plans approved in accordance with Regulation 5.115(3)(b), the first installment payment, if not yet paid, and the present value of all future payments:

(1) For amounts won or awarded but for which the funding has not been completed; and

(2) For all prizes which have not been won or awarded but are on public display, including a progressive meter.

(c) An alternative amount and/or method required by the Chair to satisfy the minimum bankroll requirement for other approved funding plans used for periodic payments.

10. At all times the licensee is responsible for the payment of all prizes resulting from any gaming or promotional activity upon conclusion of the validation period, regardless of the method used to fund the periodic payments allowed under this regulation. In the event of a default by any financial institution with which the licensee has contracted to guarantee or make periodic payments, the licensee will be liable for the periodic payments owed to patrons.

11. At least annually, the licensee shall verify that the independent financial institution and brokerage firm being used to guarantee or remit periodic payments to patrons or to hold approved funding sources related thereto continues to meet the applicable qualifications required by Regulation 5.115(2). In the event that such entities are found to no longer meet the defined requirements, the licensee shall immediately notify the Chair of the change in status and within 30 days provide a written plan to comply with these requirements.

12. At least 60 days prior to the cessation of operations, a licensee responsible for remitting periodic payments to patrons shall submit a plan to satisfy the liability for approval. The Chair, after whatever investigation or review the Chair deems necessary, may approve the plan.

13. Copies of the related contracts and agreements executed pursuant to Regulation 5.115(3)(a), (3)(b) and (3)(d) shall be submitted to the Board within 30 days after execution. For all methods of funding periodic payments, the licensee must maintain documents, executed contracts and agreements for a period no less than the duration of the periodic payments plus five years thereafter.

14. Where a licensee is found to be in noncompliance with the funding requirements provided in this regulation, the Chair may require the licensee to immediately cease offering any gaming or promotional activity for which periodic payments are used or the Chair may require other corrective action.

15. Any failure of the licensee to maintain full compliance with each and every provision set forth in this regulation, including the Chair's requirements established pursuant to Regulation 5.115(3)(c), or any failure of the licensee to immediately notify the Chair of any noncompliance thereof, shall constitute an unsuitable method of operation. Such noncompliance may subject the licensee to disciplinary action.

16. The Commission may waive one or more of the requirements of this regulation if it makes a written finding that such waiver is consistent with the public policy set forth in NRS 463.0129.

(Adopted: 2/91. Amended: 11/99; 2/01; 11/13.)

5.120 Finder's fees.

1. Except as limited by subsection 2, the term "finder's fee" means any compensation in money in excess of the sum of $10,000, or real or personal property valued in excess of the sum of $10,000 which is paid or transferred or agreed to be paid or transferred to any person in consideration for the arranging or negotiation of an extension of credit to a licensee, a registered company, or applicant for licensing or

registration if the proceeds of such extension of credit are intended to be used for any of the following purposes:

(a) The acquisition of an interest in a gaming establishment or registered company.

(b) To finance the gaming operations of a licensed gaming establishment.

2. The term "finder's fee" shall not include:

(a) Compensation to the person who extends the credit.

(b) Normal and customary payments to employees of the person to whom the credit is extended if the arranging or negotiation of credit is part of their normal duties.

(c) Normal and customary payments for bona fide professional services rendered by lawyers, accountants, engineers and appraisers.

(d) Underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.

3. It is an unsuitable method of operation for any licensee, registered company or applicant for licensing or registration to pay any finder's fee without the prior approval of the Commission, acting upon a recommendation of the Board. An application for approval of payment of a finder's fee shall make a full disclosure of all material facts. The Commission may disapprove any such application if the person to whom the finder's fee is proposed to be paid does not demonstrate that he or she is suitable to hold a state gaming license.

(Adopted: 6/75. Amended: 2/85.)

5.130 Slot machine jackpot limits. [Repealed: 3/23/06.]

5.140 Collection of gaming credit.

1. Only bonded, duly licensed collection agencies, or a licensee's employees, junket representatives, attorneys, or affiliated or wholly-owned corporation and their employees, may collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

2. Notwithstanding the provisions of subsection 1, no licensee shall permit any person who has been found unsuitable, or who has been denied a gaming license or work permit, or who has had a work permit revoked, to collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

3. Each licensee shall maintain for the Board's inspection records that describe credit collection arrangements and that include any written contracts entered into with the persons described in subsection 1, unless such persons are the licensee's key employees or junket representatives.

(Adopted: 2/85.)

5.150 Devices prohibited under NRS 465.075; exceptions.

1. It shall not be a violation of NRS 465.075 for a person to:

(a) Make and refer to handwritten records of the cards played at baccarat;

(b) Make and refer to handwritten records of roulette results; or

(c) Refer to records of the cards played at faro, where the records are made by the licensee in the manner traditional to that game.

2. The Chair, in the Chair's sole and absolute discretion, may approve the use of devices not described in subsection 1 upon the written request of a licensee, subject to such conditions as the Chair may impose. No approval shall be effective unless it is in writing. It shall not be a violation of NRS 465.075 for a person to possess or use, in accordance with the terms of the approval, a device approved pursuant to this subsection. As used in this subsection, "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(Adopted: 7/87.)

5.160 Surveillance systems.

1. As used in this section:

(a) "Applicant" means a person or entity having a pending application to become a licensee.

(b) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(c) "Licensed establishment" means the establishment of a licensee.

(d) "Licensee" means a person or entity licensed to conduct a non-restricted operation. The term does not include a person or entity licensed as a holder of a security or other ownership interest in the operation,

or as an officer, director or key employee of the operation, or due to any other relationship or involvement with the operation.

2. The Chair shall adopt standards for the installation, maintenance and operation of casino surveillance systems at all licensed establishments. The purposes of a casino surveillance system are to assist the licensee and the state in safeguarding the licensee's assets, in deterring, detecting and prosecuting criminal acts, and in maintaining public confidence and trust that licensed gaming is conducted honestly and free of criminal elements and activity.

3. At least 30 days before adopting any casino surveillance standards or revisions, the Chair shall:

(a) Publish notice of the proposed adoption or revision, together with the effective date thereof, by posting the proposed change or revision on the Board's website;

(b) Mail notice of the posting of the proposed casino surveillance standards or revisions on the Board's website, together with the effective date thereof, to each licensee and every other person who has filed a request therefor with the Board; and

(c) Provide a copy of the proposed casino surveillance standards or revisions and their effective date to the Commission.

4. Any licensee may object to the proposed casino surveillance standards or revisions, by filing a request for a review of the Chair's administrative decision, pursuant to Regulation 4.190. If, any licensee files a request for review, then the effective date of the proposed casino surveillance standards or revisions will be stayed pending action by the Board, and if the Board's decision is appealed pursuant to Regulation 4.195, the Commission. If no requests for review are filed with the Board, then the casino surveillance standards or revisions shall become effective on the date set by the Chair.

5. Any licensee may propose the repeal or revision of any existing casino surveillance standard or the adoption and approval of any new casino surveillance standard by submitting a request to the Chair, who shall consider the request at the Chair's discretion. If such a request is approved by the Chair, then the proposed repeal, revision or adoption must be processed in accordance with subsections 3 and 4. If such a request is denied by the Chair, then the licensee may file the request for a review as an administrative approval decision with the Board pursuant to Regulation 4.190, and the Commission, pursuant to Regulation 4.195.

6. Except as otherwise provided in subsections 8 and 9, each licensee shall install, maintain and operate a casino surveillance system in accordance with the casino surveillance standards adopted by the Chair. The failure of a licensee to comply with this section and the casino surveillance standards adopted by the Chair or any variation to the casino surveillance standards approved pursuant to subsection 8 is an unsuitable method of operation.

7. Neither this section or any casino surveillance standard adopted pursuant to it alters, amends, supersedes or removes any condition of any licensee or approval imposed on any licensee by the Commission. However, a licensee shall be deemed to have complied with a condition requiring the Board's approval of a surveillance system if the licensee complies with subsection 6.

8. Upon request and at the Chair's discretion, the Chair may exempt a licensee from compliance with any casino surveillance standard. All requests for exemption must be in writing and state the reasons for the request and the alternative measures, if any, the licensee will undertake to accomplish the objectives of the casino surveillance standard. The licensee must comply with the casino surveillance standard while the request for exemption is pending. Any request for exemption that is not granted, in writing, within 90 days after it is received by the Chair will be deemed denied.

9. Each licensee and applicant must submit a written casino surveillance system plan to the Chair. The plan must be in a form approved or required by the Chair, and must include a description of all equipment utilized in the casino surveillance system, a blueprint or diagram that shows all of the areas to be monitored and the placement of surveillance equipment in relation to the activities being observed, a description of the procedures utilized in the operation of the casino surveillance system, and any other information required by the casino surveillance standards. If an applicant will not be conducting or a licensee does not conduct an activity that is addressed in the casino surveillance standards, then the plan must include a statement to that effect. Each applicant must submit its plan within 60 days after its application is filed. Thereafter, the plan must be amended and the amendments to the plan or the plan as amended must be submitted to the Board on an annual basis by each licensee, to reflect any modification made to the licensee's casino surveillance system during the preceding year that resulted from (a) the repeal or revision of any existing casino surveillance standard or the adoption of any new casino surveillance standard, (b) a change in the layout or configuration of any area required to be monitored, or (c) any exemption granted by

the Chair pursuant to subsection 8. If no such modifications were made, then the licensee must submit a statement to the Board to that effect.

10. If, after reviewing the licensee's written casino surveillance system plan, the Chair determines the plan does not comply with subsection 9, the Chair shall notify the licensee in writing, and the licensee shall revise the plan to comply with subsection 9 and submit the revised plan within 30 days after receipt of the Chair's written notice.

(Adopted and Effective: 11/21/91. Amended: 7/05; 8/12.)

5.170 Programs to address problem gambling.

1. As used in this section "licensee" means each person who is licensed to conduct restricted or nonrestricted gaming operations.

2. Each licensee shall post or provide in conspicuous places in or near gaming and cage areas and cash dispensing machines located in gaming areas written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number of the National Council on Problem Gambling or a similar entity approved by the Board Chair that provides information and referral services for problem gamblers.

3. Each licensee shall implement procedures and training for all employees who directly interact with gaming patrons in gaming areas. That training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior and assisting patrons in obtaining information about problem gambling programs. This subsection shall not be construed to require employees of licensees to identify problem gamblers. Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures. Training programs conducted or certified by the Nevada Council on Problem Gambling are presumed to provide adequate training for the period certified by the Nevada Council on Problem Gambling.

4. Each licensee that engages in the issuance of credit, check cashing, or the direct mail marketing of gaming opportunities, shall implement a program containing the elements described below, as appropriate, that allows patrons to self-limit their access to the issuance of credit, check cashing, or direct mail marketing by that licensee. As appropriate, such program shall contain, at a minimum, the following:

(a) The development of written materials for dissemination to patrons explaining the program;

(b) The development of written forms allowing patrons to participate in the program;

(c) Standards and procedures that allow a patron to be prohibited from access to check cashing, the issuance of credit, and the participation in direct mail marketing of gaming opportunities;

(d) Standards and procedures that allow a patron to be removed from the licensee's direct mailing and other direct marketing regarding gaming opportunities at that licensee's location; and

(e) Procedures and forms requiring the patron to notify a designated office of the licensee within 10 days of the patron's receipt of any financial gaming privilege, material or promotion covered by the program.

5. The Board Chair may request that any licensee submit any of the elements of the licensee's program described in subsections 2 through 4 to the Chair for review. If the Chair makes an administrative determination that the licensee's program does not adequately address the standards as set forth in subsections 2 through 4 above, then the Chair may issue such a determination identifying the deficiencies and specifying a time certain within which such deficiencies must be cured. Any licensee affected by such an administrative determination may appeal the determination as provided in NGC Regulations 4.190 and 4.195.

6. Failure by a licensee to establish the programs set forth in subsections 2 through 4, or to cure a deficiency identified pursuant to subsection 5, constitutes an unsuitable method of operation and is grounds for disciplinary action.

7. Subsections 1, 2, 5, 6 and 7 of this regulation shall become effective on January 1, 1999. Subsections 3 and 4 shall become effective March 31, 1999.

(Adopted: 11/98. Effective as identified at 7.)

5.180 Operation of an inter-casino linked system.

1. Definitions. As used in this section:

(a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(b) "Licensed establishment" means the gaming establishment of a licensee.

(c) "Licensee" means a person or entity licensed to conduct a restricted or nonrestricted gaming operation. The term does not include a person or entity licensed as a holder of a security or other ownership

interest in the operation, or as an officer, director or key employee of the operation, or due to any other relationship or involvement with the operation.

(d) "Operator" means any person or entity holding a license to operate an inter-casino linked 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 for affiliates.

(e) "System" means an inter-casino linked system.

2. In addition to any other requirements set forth in the NRS or these regulations, all operators of systems and licensed establishments shall comply with the following requirements:

(a) All systems shall be connected only to gaming devices or games that have been approved by the Commission, that comply with these regulations, and that are operated in licensed gaming establishments. The exposure for play of games or devices that are part of a system shall be limited as follows:

(1) In the case of systems with fixed payoff schedules that exceed $250,000 or in the case of systems with progressive payoff schedules that are expected to exceed $250,000, installations are limited to nonrestricted gaming operations having gross revenue of $1,000,000 or more for the 12 months ended June 30 each year; or

(2) In the case of systems with fixed payoff schedules of $250,000 or less, systems with progressive payoff schedules that are expected to be $250,000 or less, or systems without payoff schedules, installations are permitted at any restricted or nonrestricted gaming operation.

➥ Notwithstanding the foregoing, any games or machines connected to an inter-casino linked system at the time this regulation is adopted may continue to be operated as part of the inter-casino linked system. Additionally, upon a showing of adequate surveillance and internal control procedures by a licensee, the Chair may waive the provisions of this subsection, provided that such waiver is not inconsistent with any license conditions placed on the operator or licensee and that such waiver is confirmed in writing.

(b) The operator or licensee, whichever may be liable for payment of the amount in dispute, shall be responsible for any patron dispute arising at the licensed establishment with respect to any system and the gaming devices or games connected thereto, and shall act in accordance with the provisions set forth in NRS 463.362. This fact shall be disclosed to the patron at the time of the dispute. Licensees and operators shall cooperate in the resolution of patron disputes arising at the licensee's establishment.

(c) Operators of systems featuring progressive payoff schedules shall, upon request, disclose to the Board and all licensees who have contracted to use their systems, on a confidential basis, the rate of progression of all progressive payoff schedules and, if applicable, any reset funds, of their systems.

(d) Operators shall provide the Board prior to commencing operations of the system with a list of all persons who may access the main computer or data communications components of their systems and any changes to that list shall be provided within ten (10) days to the Board.

(e) At the request of the Chair, an operator shall establish and maintain with the Board a revolving fund, in an amount not to exceed $10,000, for the purpose of funding periodic testing and evaluation of the system by the Board.

(f) At the request of the Chair, an operator shall provide and maintain, at its sole expense and at such location as the Chair may designate, a terminal and printer for the purpose of monitoring information regarding the system including, but not limited to, the current progressive payoff schedules, reset funds, the real-time date and time, the number and location of gaming devices and games connected to the system, the names of persons accessing the main computer or data communication components of the system, the identification of functions being performed by such persons, the audible notification of any progressive payoff schedule won, and the identification of the location, machine number, and amount of any progressive payoff schedule won.

(g) The operator shall provide in writing to each participating licensed establishment its method for determining the pro rata share of a system payout for purposes of gross revenue deductibility pursuant to NRS 463.3715(5), and its method for determining the proportionate share of gaming taxes and fees owed by the operator to the licensed establishment pursuant to NRS 463.370(4), 463.375(5), and 463.385(3).

(h) Operators shall retain and provide Board agents, upon request, all records pertaining to their inter-casino linked systems including, without limitation, all progressive payoff schedule payout verification documents, exception reports, end-of-day reports, progressive payoff schedule reports, computer room visitors logs, machine performance reports, weekly reconciliation reports, contribution to progressive payoff schedule reports, and tax sharing methodology.

3. Failure to comply with any of the requirements set forth in subsection 2 shall be an unsuitable method of operation.

4. The Chair may, upon request of an operator or an applicant for licensing as an operator, and for good cause, waive any of the requirements set forth in subsection 2 of this regulation.

5. Operators shall maintain the records required by this section for at least five years after they are made unless the Chair approves otherwise in writing.

(Adopted: 5/00.)

5.190 Aggregate payout limits for gambling games.

1. As used within this regulation, "aggregate payout limit" means a maximum payoff amount that will be paid by a licensee to two or more patrons as the result of winning wagers resulting from any single call of the game or hand of play.

2. Except as otherwise provided herein, a licensee may establish an aggregate payout limit on any game as defined within NRS 463.0152, as well as on a separate bonus feature requiring a separate wager made in conjunction with or in association with the game. Aggregate payout limits may not be combined for different types of wagers.

3. Each separate aggregate payout limit established for the game or bonus feature may not be an amount which is less than the highest award with the minimum wager required to play the game or bonus feature.

4. All aggregate payout limits must be prominently displayed on the table layout or on a sign placed on the table, which is unobstructed and clearly visible from all player positions, using language approved by the Board Chair or the Chair's designee.

5. Aggregate payout limits may not be imposed upon payouts from slot machines, race books, sports pools or any game where the highest payoff odds on a winning wager are less than 50 to 1, unless otherwise allowed by regulations of the Commission. This section does not apply to bingo or keno.

6. The Board Chair may, in the Chair's sole and absolute discretion, waive one or more of the provisions of this section, subject to such conditions as the Chair may impose.

(Adopted: 1/01. Effective: 5/01/01.)

5.200 Licensing and operation of a gaming salon.

1. Definitions. As used in this section:

(a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(b) "Gaming salon" means an enclosed gaming facility that is located anywhere on the property of a resort hotel that holds a nonrestricted gaming license, admission to which is based upon the financial criteria of the salon patron as established by the licensee and approved by the Board.

(c) "Guest" means any person accompanying a salon patron who is permitted access to a gaming salon.

(d) "Licensee" means the person to whom a nonrestricted gaming license has been granted to operate gaming, other than race or sports only, on the property of a resort hotel.

(e) "Property of a resort hotel" means the gaming establishment of a resort hotel.

(f) "Salon patron" means any patron who uses or will use a gaming salon and meets the financial criteria for admission to the gaming salon as set out in subsection 2(d) of this section.

2. Applications for a license to operate a gaming salon or gaming salons shall be made, processed, and determined in the same manner as applications for a nonrestricted gaming license, using such forms as the Chair may require or approve. Only the licensee of the establishment at which the gaming salon or gaming salons will be operated may apply for a license to operate the gaming salon or gaming salons. The application shall provide:

(a) A description of where the gaming salon or gaming salons will be located on the property of a resort hotel.

(b) Clear and legible diagrams of the interior of the gaming salon or gaming salons. The diagrams must be representative and proportional, and include specific reference to the size of the gaming salon or gaming salons through the use of detailed measurements. Diagrams must be submitted with the initial application that clearly depict each entrance and exit.

(c) The proposed amendments relating to the operation of the gaming salon or gaming salons to the establishment's administrative and accounting procedures adopted pursuant to Regulation 6.090.

(d) Financial criteria for admission of a salon patron to a gaming salon shall include a front money deposit of at least $300,000, or a $300,000 line of credit, or a combination thereof of at least $300,000, established by the licensee in accordance with Regulation 6.120 and the licensee's system of internal control.

(e) Plans for the surveillance and security system for the gaming salon or gaming salons.

(f) Such other or additional information and details as may be required or deemed necessary by the Chair.

3. A licensee who operates a gaming salon on the property of a resort hotel shall comply with the following restrictions and requirements, in addition to any other requirements set forth in the NRS or the regulations of the Commission. In this regard, the licensee shall:

(a) Provide the enforcement division of the Board prior notification by telephone, followed immediately thereafter by electronic mail transmission, each time the gaming salon is opened to patron play. The licensee shall be required to provide the same notification to the enforcement division promptly after any gaming salon closes and is no longer available for salon patron or guest play.

(b) Establish a log that contains the name of each salon patron of the gaming salon, as well as the times each salon patron enters and leaves the gaming salon. The log shall be maintained for a period of not less than two years.

(c) Surveillance shall be maintained in accordance with Surveillance Standard 10.

(d) Ensure that at all times the gaming salon is open to a patron for play, that at least one table game is available for play. Minimum wagers within the gaming salon shall not be less than $500 for slot machines. Minimum wagers within the gaming salon shall be set at the discretion of the licensee for table games.

(e) Ensure that at all times a gaming salon is open to a patron for play, a gaming employee, in addition to any dealer or dealers present to operate any table games, is physically present in the salon and actively supervising the operation.

(f) Admit into the gaming salon as salon patrons only those individuals who meet the approved financial criteria and retain for five (5) years, documentation evidencing each salon patron's qualifications under the criteria.

(g) Ensure that the gaming salon is not established in, and direct ingress or egress is not provided from, a room available for sleeping or living accommodations.

4. A salon patron may be accompanied by as many guests as the licensee permits. Prior or contemporaneous to any guest wagering in a gaming salon, a salon patron must be, or have been, physically present in the gaming salon. The licensee may permit guests to continue wagering during periods of time when the salon patron leaves the gaming salon for a period not to exceed 6 hours.

5. A license granted by the Commission to operate a gaming salon shall allow for the initial opening of one or more gaming salons at the resort hotel. Subsequent to initial gaming salon licensing, each additional gaming salon to be operated on the property of the resort hotel must adhere to all applicable statutes and regulations of the Commission and may only be opened after obtaining prior administrative approval from the Chair. The Chair, in the Chair's sole and absolute discretion, may refer a request for an additional gaming salon to the full Board and Commission for consideration of approval.

6. A licensee shall not change the size or location of any approved gaming salon, or materially alter its physical characteristics, without the prior written administrative approval of the Chair. A licensee may change the number, type and configuration of the games or devices offered within the gaming salon subsequent to initial licensing, provided security, internal controls, accounting and all other requirements of this section as well as all other applicable statutes and regulations of the Commission are fully satisfied. A licensee affected by an adverse administrative decision may appeal the determination as provided in NGC Regulations 4.190 and 4.195. The Chair, in the Chair's sole and absolute discretion, may refer a modification request to the full Board and Commission for consideration of approval.

7. Information provided to the Board pursuant to this section is considered to be confidential pursuant to the applicable provisions of NRS 463.120(4).

(Adopted and Effective: 1/24/02. Amended: 6/07; 11/08.)

5.210 Authorizing the imposition of a fee for admission to an area in which gaming is conducted.

1. As used in this section:

(a) "Area" means any portion of an establishment where any gaming is conducted, to which a fee is charged for admission.

(b) “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

(c) “Fee” means any charge, money, or monetary equivalent, paid, or payable, to a licensee, or any person, to enter, or remain in an area.

(d) “Licensee” means a person who has been granted a nonrestricted gaming license.

2. A licensee may not, directly or indirectly, restrict access to any portion of an establishment wherein gaming is conducted, through the assessment or imposition of a fee, except upon receiving prior written administrative approval from the Chair consistent with policies of the Commission, or as approved pursuant to NRS 463.408.

3. A request for an approval pursuant to subsection 2, shall be made on forms approved by the Chair, and shall include the following information:

(a) The size of the area;

(b) The amount of gaming that occurs, or will occur within the area;

(c) The types and quantity of gaming offered, or to be offered by the licensee within the area, as well as outside the area;

(d) The business purpose of the area;

(e) What other amenities will be offered within the area;

(f) The amount of costs and expenses incurred by the licensee in creating the area;

(g) The benefit to the State of Nevada in having gaming conducted within the area;

(h) The maximum amount of the fee that will be charged to enter or remain in the area, as well as whether the fee to be charged is reasonable as compared to the prevailing practice within the industry;

(i) Whether the area should more appropriately be treated as a gaming salon;

(j) Whether, if applicable, the licensee’s minimum internal control standards or minimum internal control procedures applicable to the area have been updated and approved by the Board;

(k) Whether, if applicable, all current surveillance requirements applicable to the area have been approved by the Board;

(l) A clear and legible diagram that depicts the number of games, slot machines and other gaming devices to be exposed for play as well as their location within the area of the establishment to which access will be restricted through the imposition of a fee; and

(m) Such additional or supplemental information as the Chair may require.

4. The Chair may refer a request for approval to the Board and Commission for consideration, or grant, deny, limit, restrict or condition a request made pursuant to this section for any cause the Chair deems reasonable. A licensee aggrieved by a decision of the Chair may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

5. The Chair is hereby granted the authority to issue an interlocutory order, revoking or suspending any administrative approval granted pursuant to this section for any cause deemed reasonable. An interlocutory order shall be deemed delivered and effective when personally served upon the licensee, or if personal service is impossible or impractical, when deposited, postage prepaid, in the United States mail, to the licensee at the address of the establishment as shown in the records of the Commission. If an interlocutory order revoking or suspending the administrative approval is issued, the effected licensee may request that the order be reviewed by the Board and Commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

6. A licensee who is allowed to charge a fee for a patron to enter or remain in an area pursuant to this section shall:

(a) Deposit with the Board and thereafter maintain a revolving fund in an amount of $5,000 unless a lower amount is approved by the Chair, which shall be used to pay the expenses of agents of the Board and Commission to enter the area. Upon a licensee’s termination of the admission fee, and upon its request, the Board shall refund the balance remaining in the licensee’s revolving fund;

(b) Arrange for immediate access by agents of the Board and Commission to the area; and

(c) At all times that a fee is charged for admission to an area within an establishment for which a nonrestricted gaming license has been issued, provide for the public at least the same number of gaming devices and games in a different area for which no fee is charged for admission.

7. A licensee who is allowed to charge a fee to enter or remain in an area pursuant to this section, shall not:

(a) Use a fee charged for admission to create a private gaming area that is not operated in association or conjunction with a non-gaming activity, attraction or facility; or

(b) Restrict admission to the area for which a fee for admission is charged to a patron on the grounds of race, color, religion, national origin, or disability of the patron. Whenever a licensee and a patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves an admission fee of:

(1) At least $500, the licensee shall immediately notify the Board; or

(2) Less then $500, the licensee shall inform the patron of the patron's right to request that the Board conduct an investigation.

➥ Disputes must be resolved pursuant to the provisions and requirements of NRS 463.362 through 463.366, inclusive.

8. If a gaming licensee who holds a nonrestricted license charges a fee pursuant to this section, unless the area for which a fee for admission is charged is otherwise subject to the excise tax on admission to any facility in this State where live entertainment is provided pursuant to chapter 368A of NRS, the determination of the amount of the liability of the gaming licensee for that tax:

(a) Includes the fees charged for admission pursuant to this section; and

(b) Does not include charges for food, refreshments and merchandise collected in the area for which admission is charged.

9. Once approval has been granted pursuant to this section to charge a fee, the amount of the fee may not be increased, nor may the number or location of the games or devices be changed without the prior administrative approval of the Chair. Requests to change the number or location of any games or devices shall be accompanied by a diagram depicting the new location, and number of games and devices to be exposed within the area to which a fee is being charged.

10. Notwithstanding the forgoing, a fee may be charged for admission to an establishment, or any area thereof, for which a restricted gaming license has been issued, provided, that there be posted a sign of a suitable size, which shall be placed near the entrance to the establishment, that provides notice to patrons that they do not need to pay a fee to engage in gaming within the establishment.

(Adopted: 3/06.)

5.215 Operation of a system supported or system based gaming device.

1. Definitions. As used in this section:

(a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(b) "Licensee" means a person or entity licensed to conduct a restricted or nonrestricted gaming operation. The term does not include a person or entity licensed as a holder of a security or other ownership interest in the operation, or as an officer, director or key employee of the operation, or due to any other relationship or involvement with the operation.

(c) "Operator" means any licensee that operates a system supported or system based gaming device on the premises where its gaming operation is located.

(d) "System" means system supported or system based gaming device.

2. In addition to any other requirements set forth in the NRS or NGC Regulations, all operators of a system shall comply with the following requirements:

(a) Prior to commencing operations of its system, an operator shall provide the Board with a list of all persons who may access the main computer or data communications components of its system. The list shall describe the role or roles assigned to each person on the list. Any changes to the list in a particular month shall be provided to the Board on or before the fifteenth (15th) day of the following month.

(b) At the request of the Chair, an operator shall establish and maintain with the Board a revolving fund, in an amount not to exceed $10,000, for the purpose of funding periodic testing and evaluation of the system by the Board.

(c) At the request of the Chair, an operator shall provide and maintain, at its sole expense and at such location as the Chair may designate, networked equipment for the purpose of monitoring information regarding the system including, but not limited to, the names of persons accessing the main computer or data communications components of the system, the identification of functions being performed by such persons, gaming application authentication information, and any other information required to be logged by the system in accordance with Regulation 14 Technical Standards.

(d) An operator shall retain and provide Board agents, upon request, all records pertaining to its system, including, without limitation, computer room visitor logs and system transaction logs.

3. Failure to comply with any of the requirements set forth in subsection 2 shall be an unsuitable method of operation.

4. The Chair may, upon request of an operator or an applicant for licensing as an operator, and for good cause, waive any of the requirements set forth in subsection 2 of this regulation.

(Adopted: 01/10.)

5.220 Operation of a mobile gaming system.

1. Definitions. As used in this section:

(a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(b) "Communications technology" means any method used and the components employed by a licensed gaming establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wireless network, wireless fidelity, wire, cable, radio, microwave, light, optics or computer data networks. The term does not include the Internet.

(c) "Equipment associated with mobile gaming" means associated equipment as defined within NRS 463.0136, that will be approved as associated equipment.

(d) "Licensed gaming establishment" means the establishment of a licensee, which includes all land, together with all buildings and improvements located thereon.

(e) "Licensee" means a person or entity licensed to conduct nonrestricted gaming operations, who at all times exposes to the public for play, 100 or more slot machines and at least one table game, within its licensed gaming establishment. The term does not include a person or entity licensed as a holder of a security or other ownership interest in the licensee, or as an officer, director or key employee of the licensee, or due to any other relationship or involvement with the licensee or gaming operation.

(f) "Mobile communications device" means a device which displays information relating to the game to a participant in the game as part of a system.

(g) "Mobile gaming system" or "system" means a system that allows for the conduct of games through mobile communications devices operated solely within 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.

(h) "Operator of a mobile gaming system" or "operator" means a licensee who has been licensed to operate a mobile gaming system, or a person or entity, who, under any agreement whereby consideration is paid or payable for the right to place a mobile gaming system, engages in the business of placing and operating a mobile gaming system within a licensed gaming establishment and who is authorized to share in the revenue from the mobile gaming system without having been individually licensed to conduct gaming at the establishment.

2. Mobile gaming systems may be exposed for play as follows:

(a) A system may only be exposed for play to the public by an operator licensed by the Commission at a licensed gaming establishment in an area approved by the Chair.

(b) A licensee or an operator may submit a request to the Chair for approval to expose a system for play at a licensed gaming establishment.

(1) Such a request must specify at a minimum:

(A) In what areas the system will be exposed for play;

(B) How the operator intends to:

(i) Adequately monitor play of the system and

(ii) Reasonably assure only players of lawful age will operate the mobile communications devices; and

(C) Such additional information as the Chair may require.

(2) A licensee or an operator aggrieved by a decision of the Chair may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

3. In addition to any other requirements set forth in the NRS or these regulations, the operator and licensee where a system is operated shall comply with the following requirements:

(a) Only a system that has been approved by the Commission may be exposed for play within a licensed gaming establishment.

(b) The licensee shall be responsible for any patron dispute arising at the licensed gaming establishment with respect to any system and games exposed thereby, and shall act in accordance with the provisions set forth in NRS 463.362, et. seq. This fact shall be disclosed to the patron at the time of the dispute. Operators and licensees shall cooperate in the resolution of patron disputes arising at the licensee's establishment, and the licensee may contractually seek indemnity from the operator for any losses.

(c) The licensee shall be responsible for all payouts from each system operated within its licensed gaming establishment.

(d) Systems that expose games with fixed payoff schedules that exceed $250,000 or in the case of systems that expose games with progressive payoff schedules that are expected to exceed $250,000, are limited to Group I, nonrestricted gaming operations.

(e) At the request of the Chair, an operator shall deposit with the Board and thereafter maintain a revolving fund in an amount of $20,000 unless a lower amount is approved by the Chair, which shall be used to ensure compliance of the system with applicable laws and regulations. Upon surrendering its operator's license, the Board may refund the balance remaining in the revolving fund.

(f) All revenue received from the system, regardless of whether any portion of the revenue is shared with the operator, must be attributed to the licensee of the licensed gaming establishment and counted as part of the gross revenue of the licensee pursuant to NRS 463.370. The operator, if receiving a share of the revenue from a system, is liable to the licensee for the operator's proportionate share of the license fees paid by the licensee pursuant to NRS 463.370.

(g) Each separate mobile communications device is subject to the same fees and taxes made applicable to slot machines by NRS 463.375, if it is activated on the system and made available for play by a patron at any time during a calendar quarter, and by NRS 463.385, if it is activated on the system and made available for play by a patron at any time during a fiscal year. The operator shall be liable to the licensee for the operator's proportionate share of the license fees paid by the licensee pursuant to NRS 463.375 and 463.385.

(h) Operators shall retain and provide Board agents, upon request, all records pertaining to their mobile gaming systems including, without limitation, all revenue and cash records, end-of-day reports, computer room visitors logs, details of any patron disputes, device or game performance reports, weekly reports, and any other financial or non-financial records or reports required to be provided by the Chair.

4. Failure to comply with any of the requirements set forth in subsection 3 shall be an unsuitable method of operation.

5. Except for subsections 3(f) and 3(g), the Chair may, for good cause shown, waive any of the requirements set forth in subsection 3 of this regulation.

6. Operators shall maintain the records required by this section for at least five years after the records are made unless the Chair approves otherwise in writing.

7. Before a wager may be made on a system, a wagering account must be established in accordance with Regulation 5.225.

(Adopted: 3/06; Amended: 9/11; 5/17.)

5.225 Wagering accounts.

1. Definitions. As used in this section:

(a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(b) "Licensee" means any person to whom a valid gaming license has been issued.

(c) "Secure personal identification" means a method of uniquely identifying a patron through which the licensee may verify access to, or use of, a wagering account.

(d) "Wagering account" means an electronic ledger operated and maintained by a licensee for a patron in connection with the patron's use and play of any or all authorized games and gaming devices, including, but not limited to, race books, sports pools, mobile gaming systems, and interactive gaming, wherein information relative to such use and play is recorded on behalf of the patron including, but not limited to, the following types of transactions:

(1) Deposits;
(2) Withdrawals;
(3) Debits;
(4) Credits;
(5) Service or other transaction-related charges authorized by the patron; and
(6) Adjustments to the wagering account.

2. Except as otherwise specified in Regulations 5A, 22, and 26C, as applicable, a licensee shall comply with the provisions of this section for the creation and use of wagering accounts for all forms of wagering.

3. Scope of use of wagering accounts.

(a) Subject to paragraph (b) of this subsection, a licensee may establish and allow the use of wagering accounts for patrons' gaming activity with any licensed gaming establishment of the licensee and with any affiliate of the licensee.

(b) Before a licensee allows its wagering accounts to be used by patrons in connection with their use and play of games and gaming devices with any other gaming establishment of the licensee or with any affiliate of the licensee, the licensee must:

(1) Submit to the Chair a written proposal for implementation of such wagering accounts that addresses the following:

(I) The proper reporting of revenue;

(II) How minimum bankroll requirements will be satisfied;

(III) How the reserve requirements of this section will be satisfied;

(IV) Compliance with the Board's minimum internal control procedures adopted pursuant to Regulation 6.090; and

(V) Any additional items or information as the Chair may require.

(2) Obtain the written administrative approval from the Chair subject to such conditions or limitations that the Chair may impose.

4. Operation and maintenance of wagering accounts by third-parties.

(a) A licensee may use a licensed cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on behalf of the licensee provided such wagering accounts are within the State of Nevada.

(b) A licensed cash access and wagering instrument service provider or a licensed manufacturer that acts on behalf of a licensee to operate and maintain wagering accounts shall be subject to the provisions of this section applicable to such services to the same extent as the licensee.

(c) A licensee continues to have an obligation to ensure, and remains responsible for compliance with, this regulation, the Gaming Control Act and all other regulations of the Commission regardless of its use of a licensed cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on its behalf.

(d) A licensed cash access and wagering instrument service provider or a licensed manufacturer acting on behalf of a licensee, and with the consent of the licensee and the patron, may use a patron's personal identification information to administer all other wagering accounts created for that patron on behalf of additional licensees.

5. To the extent not otherwise inconsistent with NRS 463.245(3), a licensee may create a wagering account for a patron only after it has registered the patron, either remotely or in person, as follows:

(a) Obtained, recorded, and verified:

(1) The identity of the patron;

(2) The patron's date of birth;

(3) The patron's physical address; and

(4) The patron's social security number, if a United States resident.

(b) Have the patron affirm:

(1) That the information provided by the patron to the licensee to open the wagering account is accurate;

(2) That the patron has reviewed and acknowledged the rules and procedures established by the licensee for use of the wagering account;

(3) That the patron has been informed of and acknowledged that they are prohibited from allowing any other person not assigned to the wagering account access to or use of their wagering account; and

(4) That the patron consents to the monitoring and recording by the licensee and the Board of the use of the wagering account.

(c) Determined that the patron is not on the list of excluded persons established pursuant to NRS 463.151 and Regulation 28.

➥ A licensee may assign more than one patron to a single wagering account provided that each additional patron is registered as provided herein.

6. Once a wagering account is created, a secure personal identification for each patron authorized to use the wagering account shall be implemented by the licensee that is reasonably designed to prevent the unauthorized access to, or use of, the wagering account by any person other than the patron or patrons for whom the wagering account is established.

7. A licensee shall not allow a patron to make any wagers using the wagering account until the patron personally appears before an employee of the licensee at its licensed gaming establishment or at the licensed gaming establishment of its affiliate where the patron presents a government issued picture identification credential confirming the patron's identity.

8. A licensee shall not allow a wagering account to be created anonymously or in a fictitious name. Patrons may, while using or playing a game or gaming device, represent themselves using a name other than their actual name or may remain anonymous.

9. Funds may be deposited by a patron into the patron's wagering account as follows:

(a) Cash deposits made directly with the licensee;

(b) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the licensee;

(c) Transfers from a patron's safekeeping or front money accounts otherwise held by the licensee;

(d) Debits from the patron's debit instrument, prepaid access instrument, or credit card;

(e) Transfers from another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;

(f) Funds derived from the extension of credit to the patron by the licensee; or

(g) Any other means approved by the Chair.

10. Funds may be withdrawn by a patron from their wagering account as follows:

(a) Issuance of cash directly to the patron by the licensee;

(b) Issuance of a personal check, cashier's check, money order, or wire transfer by the licensee made payable to the patron and issued directly or mailed to the patron;

(c) Transfers to the patron's safekeeping or front money accounts held by the licensee;

(d) Credits to the patron's debit instrument, prepaid access instrument, or credit card;

(e) Transfers to another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;

(f) As repayment of outstanding credit owed by the patron to the licensee; or

(g) Any other means approved by the Chair.

11. Credits to a wagering account may be made by the following means:

(a) Deposits;

(b) Amounts won by the patron;

(c) Transfers from a game or gaming device;

(d) Promotional credits, or bonus credits provided by the licensee and subject to the terms of use established by the licensee and as long as such credits are clearly identified as such;

(e) Adjustments made by the licensee following the resolution of a dispute; or

(f) Any other means approved by the Chair.

12. Debits to a wagering account may be made by the following means:

(a) Withdrawals;

(b) Amounts wagered by the patron;

(c) Transfers to a game or gaming device;

(d) Adjustments made by the licensee following the resolution of a dispute;

(e) Service or other transaction-related charges authorized by the patron; or

(f) Any other means approved by the Chair.

13. Unless there is a pending unresolved player dispute or investigation, a licensee shall comply with a request for a withdrawal of funds by a patron from the patron's wagering account in accordance with the terms of the wagering account agreement between the licensee and its patron.

14. A licensee shall not allow a patron to electronically transfer funds from their wagering account to any other patron's wagering account.

15. A licensee shall not allow a wagering account to be overdrawn unless caused by payment processing issues outside the control of the licensee.

16. A licensee shall suspend a wagering account if the wagering account has not been used to make any wagers for a consecutive 16-month period. The licensee may re-activate a suspended wagering account only after re-verifying the information required by subsection 5(a) of this regulation and upon the patron presenting a current government issued picture identification credential.

17. A licensee shall record and maintain, for a period of at least 5 years after creation, the following in relation to a wagering account:

(a) All information used by the licensee to register a patron and create the wagering account pursuant to subsection 5 of this regulation;

(b) The method used to verify the information provided by a patron to establish the wagering account, including a description of the identification credential provided by a patron to confirm their identity and its date of expiration;

(c) The date and time the wagering account is opened and terminated;

(d) The date and time the wagering account is accessed by any person, including the patron or the licensee;

(e) All deposits, withdrawals, credits and debits; and

(f) The patron's account number.

18. Responsible Gambling.

(a) Licensees shall ensure that, within one year following the effective date of this regulation, its patrons have the ability to select responsible gambling options associated with their wagering account that include deposit limits establishing the amount of total deposits a patron can make to their wagering account within a specified period of time.

(b) Licensees shall conspicuously display and make available to patrons, upon access to their wagering account, the following responsible gambling message:

> [Licensee's name] encourages you to gamble responsibly. For problem gambling information and assistance, call the 24-hour confidential Problem Gamblers HelpLine at 1-800-522-4700, or visit www.WhenTheFunStops.org.

➥ If either the helpline number or website address changes, the Chair may administratively approve the use of an alternative helpline number or website address.

19. Each licensee that offers wagering accounts shall adopt, conspicuously display, make available, and adhere to written, comprehensive rules governing wagering account transactions. Such rules must include, at a minimum, the following:

(a) That the licensee's house rules apply to wagering accounts, as applicable.

(b) That the licensee shall provide each patron, upon reasonable request and consistent with its internal control policies, with a statement of account showing each wagering account deposit, withdrawal, credit, and debit made during the time period reported by the account statement. The patron may dispute any transaction in accordance with Regulation 7A.

(c) That for all wagers, the licensee is required to make a voice, print, electronic or other approved record of the entire transaction and shall not accept any such wager if the recording system is inoperable. The licensee's record of a patron's confirmation of all wagers shall be deemed to be the transaction of record. Such records are made available to the Board upon request.

(d) That the licensee has the right to;

(1) Refuse to establish a wagering account for what it deems good and sufficient reason;

(2) Refuse deposits to wagering accounts for what it deems good and sufficient reason;

(3) Refuse to accept all or part of any wager for what it deems good and sufficient reason;

(4) Declare that any or all wagers will no longer be received; and

(5) Unless there is a pending Board investigation or patron dispute, suspend or close any wagering account at any time pursuant to the terms of the agreement between the licensee and the patron, provided, however, when a wagering account is closed, the licensee shall immediately return the balance of the wagering account at the time of said action, subject to compliance with these regulations, the licensee's house rules, and federal and state laws and regulations, by sending a check to the patron's address of record or as otherwise provided pursuant to the terms of the wagering account agreement; and

(e) That the licensee shall keep confidential, except from the Board, except from financial institutions participating in a program established in accordance with Section 314(b) of the USA Patriot Act, except as required by state or federal law, or except as otherwise authorized by the patron, the following:

(1) The amount of money credited to, debited from, or present in any particular patron's wagering account;

(2) The amount of money wagered by a particular patron on any game or gaming device;

(3) The account number and secure personal identification method that identifies the patron;

(4) The identities of particular entries on which a patron is wagering or has wagered; and

(5) The name, address, and other information in the possession of the licensee that would identify the patron to anyone other than the Board or the licensee.

(f) That the licensee shall disclose its policy regarding the acceptance of personal checks, cashier's checks, wire transfers, money orders, debit instruments, credit cards and electronic transfers of money to the patron.

➥ Prior to adopting or amending such wagering account rules, a licensee shall submit them to the Chair for approval.

20. Reserve requirements for licensees.

(a) A licensee shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination thereof for the benefit and protection of patrons' funds held in wagering accounts. The reserve may be maintained by a licensee's holding company and may be combined as a single amount for all patrons' funds held in wagering accounts maintained by the licensee and its affiliate licensees.

(b) The amount of the reserve shall be not less than the greater of $25,000 or the sum of all patrons' funds held in the wagering accounts. Amounts available to patrons for play that are not redeemable for cash may be excluded from the reserve requirement. In calculating the sum of all patrons' funds held in wagering accounts when such wagering accounts are used for multiple types of wagering, this subsection, and Regulations 5A, 22, and 26C, as applicable, shall not be construed to require the tallying of such patrons' funds more than once.

(c) If a reserve is maintained in the form of cash, cash equivalent, or an irrevocable letter of credit, it must be held or issued, as applicable, by a federally-insured financial institution. If the reserve is maintained in the form of a bond, it must be written by a bona fide insurance carrier. The reserve must be established pursuant to a written agreement between the licensee and the financial institution or insurance carrier, but the licensee may engage an intermediary company or agent acceptable to the Chair to deal with the financial institution or insurance carrier, in which event the reserve may be established pursuant to written agreements between the licensee and the intermediary and between the intermediary and the financial institution or insurance carrier.

(d) The agreements described in paragraph (c) of this subsection must reasonably protect the reserve against claims of the licensee's creditors other than the patrons for whose benefit and protection the reserve is established, and must provide that:

(1) The reserve is established and held in trust for the benefit and protection of patrons to the extent the licensee holds money in wagering accounts for such patrons;

(2) The reserve must not be released, in whole or in part, except to the Board on the written demand of the Chair or to the licensee on the written instruction of the Chair. The reserve must be available within 60 days of the written demand or written notice. The licensee may receive income accruing on the reserve unless the Chair instructs otherwise pursuant to paragraph (k) of this subsection;

(3) The licensee has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in this subsection;

(4) Nevada law and this subsection govern the agreements and the licensee's interest in the reserve and income accruing on the reserve;

(5) The agreements are not effective until the Chair's approval has been obtained pursuant to paragraph (e) of this subsection; and

(6) The agreements may be amended only with the prior, written approval of the Chair.

(e) Each licensee shall submit to the Chair all information and copies of all documents relating to its proposed reserve arrangement, including copies of the agreements described in paragraphs (c) and (d) of this subsection, and must obtain the Chair's approval of the agreements and of the reserve arrangements generally. The Chair shall determine whether the agreements and arrangements satisfy the purposes and requirements of this subsection, may require appropriate changes or withhold approval if they do not, and shall notify the licensee of the determination. Amendments to reserve agreements or arrangements must be approved in the same manner.

(f) A licensee must calculate its reserve requirements each day. In the event a licensee determines that its reserve is not sufficient to cover the calculated requirement, the licensee must, within 24 hours, notify the Chair of this fact in writing and must also indicate the steps the licensee has taken to remedy the deficiency.

(g) Each licensee must engage an independent certified public accountant to examine the pertinent records relating to the reserve each month and determine the reserve amounts required by this subsection

for each day of the previous month and the reserve amounts actually maintained by the licensee on the corresponding days. The licensee shall make available to the accountant whatever records are necessary to make this determination. The accountant shall report the findings with respect to each day of the month under review in writing to the Board and the licensee no later than the tenth day of the next month. The report shall include the licensee's statement addressing each day of noncompliance and the corrective measures taken.

(h) The report described in paragraph (g) of this subsection may be prepared by an employee of the licensee that is independent of the gaming operations if written approval has been received from the Chair. The report must contain the signature of an employee attesting to the accuracy of the submitted information.

(i) If the Chair is notified pursuant to paragraph (f) of this subsection, or the report described in paragraph (g) of this subsection indicates that at any time during the month under review the amount of the reserve did not meet the requirements of this section, the Chair may instruct the book to either increase the reserve accordingly or cease accepting wagers and money for the account of patrons until such time as the reserve meets the requirements of this subsection and is confirmed to the Chair's satisfaction. The Chair may demand that this reserve be increased to correct any deficiency or for good cause to protect patrons.

(j) If the reserve exceeds the requirements of this subsection, the Chair shall, upon the licensee's written request, authorize the release of the excess.

(k) When a licensee ceases operating and its license lapses, is surrendered, or is revoked, the Chair may demand payment of the reserve, any income accruing on the reserve after operations cease, and, if instructions from the Chair that income accruing on the reserve not be paid to the licensee are in effect when operations cease, any income accruing since the instructions took effect. The Board may interplead the funds in state district court for distribution to the patrons for whose protection and benefit the reserve was established and to such other persons as the court determines are entitled thereto, or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.

(l) As used in this subsection, "month" means a calendar month unless the Chair requires or approves a different monthly period to be used for purposes of this subsection, in which case "month" means the monthly period so required or approved.

21. Upon written request and good cause shown, the Chair may waive one or more of the requirements of subsection 20 of this Regulation. If a waiver is granted, the Chair may impose alternative requirements.

(Adopted: 5/17.)

5.230 Hosting center; registration required.

1. Before certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation can be operated at a hosting center, the hosting center, along with all owners and operators of the hosting center, and persons having significant involvement with the hosting center as determined by the Commission, including but not limited to key employees, must register with the Board pursuant to this regulation. Such registration does not become effective until the registration is approved by the Board Chair or the Chair's designee in writing. Any person or entity whose request for registration is not approved by the Board Chair or the Chair's designee may appeal the decision using the administrative appeal process found under Regulations 4.185 through 4.195, inclusive.

2. Registration required by subsection 1, shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. The information requested shall include, but not be limited to, the following:

(a) For the registration of natural persons:

(1) Full name, including aliases, past and present;

(2) Residential address or addresses for the last five years;

(3) Contact information, including phone numbers and email addresses;

(4) Employment history, both current and for the past ten years;

(5) Date and place of birth;

(6) Social Security Number;

(7) Full legal name of the hosting center to which the person's registration relates;

(8) Description of the person's relationship with the relevant hosting center, and the person's duties or responsibilities under that relationship;

(9) List and description of any professional licenses that the person has held, past and present, and any past or current disciplinary action against those licenses;

(10) List and description of any arrests or convictions of the person by law enforcement involving a felony or crime of moral turpitude;

(11) List and description of any incidents in which the person has, either individually or part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;

(b) For the registration of business organizations or associations:

(1) Legal name, address, and contact information of every business organization or association under which the entity does business;

(2) Date and jurisdiction under which each business organization or association provided under subsection (2)(b)(1) is registered as a legal entity;

(3) Tax identification number of each business organization or association provided under subsection (2)(b)(1);

(4) List of all affiliates of the business organization or association as defined under NRS 463.0133;

(5) Organization chart depicting the business organization's or association's management structure;

(6) Organization chart depicting the business organization's or association's ownership structure, including, but not limited to any parent and affiliated entities;

(7) List of the names of all officers, directors, managers, and key employees of the business organization or association;

(8) Where the business organization or association is not the hosting center itself, a description of the business organization's or association's relationship to the relevant hosting center, and of what duties or responsibilities it will have under that relationship;

(9) List and description of any professional licenses that the business organization or association has held, past and present, and any past or current disciplinary action against those licenses;

(10) List and description of any criminal charges brought against the business organization or association involving a felony or crime of moral turpitude; and

(11) List and description of any incidents where the business organization or association has, either individually or as part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;

(c) For each hosting center provide a description of the facility and services available. The following descriptions must be provided:

(1) Location description including:

(a) Floor plan;
(b) Reliability of power and telecommunications;
(c) Bandwidth availability;
(d) Compliance of server room to international standards;
(e) Redundancy of power and telecommunications feeds;
(f) Offline power capabilities (e.g. UPS and generator power);
(g) Refueling requirements of generators and fuel acquisition arrangements;
(h) Fire suppression system(s);
(i) Temperature and humidity control system(s);
(j) Procedures for switching to offline power; and

(2) Security description including:

(a) Perimeter boundary fences;
(b) Use of security guards (employees or contracted);
(c) Access controls;
(d) Alarm systems;
(e) Video surveillance coverage and storage;
(f) Monitoring of personnel access to sensitive areas;
(g) Anti-surveillance measures;
(h) Tenants; and
(i) Contractors in use for services such as cleaning and maintenance.

(3) Disaster recovery capabilities, testing, and auditing.

(4) Internal Control Procedures including:

(a) Visitor access procedures and controls;
(b) Maintenance and audit of access logs;
(c) Alarm procedures for technical and security response;

(d) Due diligence performed on contractors, tenants, and staff;
(e) Emergency access procedures; and
(f) Any other relevant procedures.

3. Any request for registration pursuant to subsection 1 shall contain a statement subscribed by the applicant for registration that:

(a) The information being provided to the Board is accurate and complete;

(b) That the applicant for registration agrees to cooperate with requests, inquiries, or investigations of the Board and Commission; and

(c) The applicant for registration acknowledges that the Commission may demand the person or entity to submit an application for finding of suitability, 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. Any applications for registration required under this section shall be prepared and submitted by the relevant hosting center.

5. By the 15th day of each January, each registered hosting center shall inform the Board in writing of any changes in the information provided in its application for registration, and the applications for registration of any owner, operator, or person having significant involvement with the hosting center, or provide the Board with an affirmative statement indicating that there have been no changes to that information. If such information or statement is not provided to the Board within ninety days of January 15th of each year, the hosting center's registration, and the registrations of each owner, operator, and person having significant involvement with the hosting center will lapse. If any registrations lapse pursuant to this subsection, the applicable registrants must reapply for registration with the Board in order to reinstate the person's or entity's registered status.

6. The Board Chair, or the Chair's designee, in his or her sole and absolute discretion may, upon receipt of a written request:

(a) Waive the registration requirements of subsections 2(a) and 2(b) for an individual or entity that currently holds a nonrestricted gaming license, or an affiliate thereof that has been registered or found suitable by the Commission; or

(b) Waive the registration requirements of subsection 2(c) if the hosting center can demonstrate, to the Chair's or the Chair's designee's satisfaction, that the disclosure to the Board of certain information required under that subsection would hinder operations or pose a hardship due to contractual obligations.

(Adopted: 7/11.)

5.231 Hosting center; access to premises.

1. The premises on which a registered hosting center is located is subject to the power and authority of the Board and Commission pursuant to NRS 463.140, as though the premises is where gaming is conducted and as if the hosting center is a gaming licensee. The Chair may waive this requirement for portions of the hosting center premises if the hosting center can demonstrate to the Chair's satisfaction that:

(a) Such portions do not host certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation; and

(b) Access to such portions of the premises causes undue hardship on the hosting center or its tenants.

(Adopted: 7/11.)

5.232 Hosting center; determination of suitability.

1. The Commission may, upon recommendation of the Board, require a person or entity owning, operating or having a significant involvement with a hosting center to file an application for finding of suitability to be associated with licensed gaming, including race book or sports book operations.

2. The Commission shall give written notice to a person or entity of its decision to require the filing of an application for a finding of suitability under subsection 1. Unless otherwise stated by the Commission in its written notice, a person or entity that has been ordered to file an application for a finding of suitability may continue to own, operate, or otherwise be involved with a registered hosting center unless and until the Commission finds the person unsuitable.

3. If the Commission finds any person or entity to be unsuitable under this section:

(a) The registration of such person or entity is thereupon cancelled; and

(b) All registered hosting centers and gaming licensees shall, upon written notification from the Board, terminate any existing relationship, direct or indirect, with such person.

4. Failure of a gaming licensee to terminate any association or agreement, direct or indirect, with a person or entity found unsuitable under this section upon receiving written notice of the determination of unsuitability constitutes an unsuitable method of operation.

5. Failure of a registered hosting center to terminate any association or agreement with a person or entity found unsuitable under this section upon receiving written notice of the determination of unsuitability shall constitute grounds for the revocation of the hosting center's registration.

6. The Commission retains jurisdiction to determine the suitability of a person or entity described in paragraph 1 regardless of whether or not that person or entity has severed any relationship with a registered hosting center or gaming licensee.

7. Failure on the part of a person or entity described in paragraph 1 to submit an application for a finding of suitability within 30 days of being demanded to do so by the Commission shall constitute grounds for a finding of unsuitability of that person or entity.

(Adopted: 7/11.)

5.235 Hosting center; requirements on licensees utilizing hosting centers; limitations on operations at hosting centers.

1. Gaming licensees may only operate parts of any game, gaming device, cashless wagering system or race book or sports pool operation at hosting centers that have an active registration with the Board pursuant to regulation 5.230.

2. A gaming licensee must report in writing to the Board the name of any registered hosting center it intends to utilize along with a description of what operations will take place at the hosting center. A gaming licensee must inform the Board in writing should any operations at the hosting center change or if the gaming licensee ceases operations at the hosting center altogether.

3. The parts of the operation of any game, gaming device, cashless wagering system or race book or sports pool operation that involve the physical acceptance of a wager from a patron or payout of winnings to a patron cannot occur at the hosting center, but rather must only occur in such manner and location as allowed under the Gaming Control Act or the regulations adopted thereunder.

(Adopted: 7/11.)

5.240 Service Providers.

1. Findings. The Commission hereby finds that service providers are secure and reliable, that service providers do not pose a threat to the integrity of gaming, and that service providers are consistent with the public policy of this State pursuant to NRS 463.0129.

2. Definitions.

(a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

(b) "Assumes responsibility" means to acquire control over, or ownership of, a person, or to acquire the authority, by contract or otherwise, to direct a person to make corrections, modifications, or changes to any aspect of the service or services provided by the person, including corrections, modifications or changes to software or hardware.

(c) "Geolocation service provider" means a person who identifies, or provides information for the identification of, the geographic location of individuals to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems for purposes of interactive gaming. This definition does not include:

(i) A person who otherwise generally provides such information for purposes other than interactive gaming;

(ii) A licensed operator of interactive gaming who obtains such information for its own use;

(iii) A licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems who provides such information; or

(iv) A person who provides such information to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems so long as the licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems assumes responsibility for the information provided.

(d) "Information technology service provider" means a person who, on behalf of another licensee, provides management, support, security, or disaster recovery services for Board regulated hardware or software.

(e) "Patron identification service provider" means a person who verifies, or provides information for the verification of, the identification of individuals to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems for purposes of interactive gaming. This definition does not include:

(i) A person who otherwise generally provides such information for purposes other than interactive gaming;

(ii) A licensed operator of interactive gaming who obtains such information for its own use;

(iii) A licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems who provides such information; or

(iv) A person who provides such information to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems so long as the licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems assumes responsibility for the information provided.

(f) "Payment processing service provider" means a person who directly facilitates the depositing of funds into or withdrawing of funds from interactive gaming accounts for a licensed operator of interactive gaming or licensed interactive gaming service provider. This definition does not include:

(i) A licensed operator of interactive gaming who provides such services for its patrons;

(ii) A licensed interactive gaming service provider who provides such services; or

(iii) A person who provides such services to a licensed operator of interactive gaming or licensed interactive gaming service provider, so long as the licensed operator of interactive gaming or licensed interactive gaming service provider assumes responsibility for the service provided.

(g) "Service provider" means a person who:

(i) Acts on behalf of another licensed person who conducts nonrestricted gaming operations, and who assists, manages, administers or controls wagers or games, or maintains or operates the software or hardware of games on behalf of such a licensed person, and is authorized to share in the revenue from games without being licensed to conduct gaming at an establishment;

(ii) Is an interactive gaming service provider as defined pursuant to Regulation 5A.020;

(iii) Is a cash access and wagering instrument service provider;

(iv) Is an information technology service provider;

(v) Acts on behalf of another licensed person who conducts nonrestricted gaming operations where the services provided include those functions that fall within the definition of "gaming employee" pursuant to NRS 463.0157;

(vi) Is a geolocation service provider;

(vii) Is a patron identification service provider; or

(viii) Is a payment processing service provider.

➥ A service provider granted a license by the Commission is a licensee.

3. Service provider investigation classifications. The level of investigation conducted by the Board of a service provider applicant is classified based on the significance of the activities to be provided on behalf of a licensee and regulatory risk of the service provider. The investigation classifications are as follows:

(a) The following service providers are subject to a class 1 investigation:

(i) Any interactive gaming service provider;

(ii) Any service provider who receives payments based on earnings or profits from any gambling game; or

(iii) Any other applicant for a service provider license who, upon a determination of the Chair, should be subject to a class 1 investigation. Such determination shall be based on the policy set forth in NRS 463.0129 and this subsection.

(b) Any service provider other than those identified in subsection 3(a) of this section is subject to a class 2 investigation.

4. A licensee may only use a service provider that is licensed as such by the Commission.

5. A licensee continues to have an obligation to ensure, and remains responsible for, compliance with this regulation, the Gaming Control Act and all other regulations of the Commission regardless of its use of a service provider.

6. A person may act as a service provider only if that person holds a license authorizing the person to act as a service provider and subject to any further conditions, limitations and restrictions imposed by the Commission. Once licensed, a service provider may act on behalf of one or more gaming licensees.

7. Licensing.

(a) Applications for a service provider license that is subject to a class 1 investigation shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require or approve.

(b) Applications for a service provider license that is subject to a class 2 investigation shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. Such service providers shall be subject to an investigation and review by the Board as deemed necessary by the Chair based on the regulatory risk and the intended activities of the service provider but that is at a level less than a class 1 investigation.

(c) Before receiving a license, a service provider must meet the qualifications for licensing pursuant to NRS 463.170.

(d) Nothing in this Regulation shall be construed to limit or prevent the Board from conducting such supplementary or expanded investigations of any applicant for a service provider license as determined necessary by the Chair or the Chair's designee. The Board may require an applicant for a service provider license to pay any supplementary investigative fees and costs in accordance with Regulation 4.070.

8. An applicant for a service provider's license shall have the burden of showing that its operations are secure and reliable.

9. Applications for a service provider license shall be subject to the application and investigative fees established pursuant to Regulation 4.070.

10. The premises on which a service provider conducts its operations is subject to the power and authority of the Board and Commission pursuant to NRS 463.140. It shall be an unsuitable method of operation for a service provider holding a license issued by the Commission to deny any Board or Commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of their operations.

11. A service provider shall be liable to the licensee on whose behalf the service provider acts for the service provider's proportionate share of the fees and taxes paid by the licensee.

12. Employees of Service Provider. Any employee of a service provider who is connected directly with the operations of the service provider or who, on behalf of a licensee or on behalf of the service provider, performs the duties of a gaming employee as provided pursuant to NRS 463.0157 is a gaming employee subject to the provisions of NRS 463.335 and 463.337 and Regulations 5.100 through 5.109.

13. License fees.

(a) Before the Commission issues an initial license or renews a license for a service provider, the service provider shall pay a license fee of $1,000.

(b) All service provider licenses shall be issued for the calendar year beginning on January 1 and expiring on December 31. If the operation as a service provider is continuing, the fee prescribed by subsection (a) shall be due on or before December 31 of the ensuing calendar year. Regardless of the date of application or issuance of the license, the fee charged and collected under this section is the full annual fee.

14. Any provisions of Regulation 5A specifically applicable to interactive gaming service providers shall control over this regulation.

15. Grounds for Disciplinary Action.

(a) Failure to comply with the provisions of this regulation shall be an unsuitable method of operation and grounds for disciplinary action.

(b) The Commission may limit, condition, suspend, revoke or fine any license, registration, finding of suitability or approval given or granted under this regulation on the same grounds as it may take such action with respect to any other license, registration, finding of suitability or approval.

(Adopted: 12/11. Amended: 8/12; 9/12; 4/16.)

CLUB VENUES

5.300 Applicability.

1. Sections 5.300 through 5.380 shall only apply to club venues which:

(a) Serve alcohol from at least one bar which is not portable;

(b) Have at least one designated area where patrons are permitted to dance; and

(c) Charge an admission fee or cover charge.

2. The Chair may, in the Chair's sole and absolute discretion, designate additional club venues to which sections 5.300 through 5.380 shall apply.

3. The Chair may, in the Chair's sole and absolute discretion, limit the application of sections 5.300 through 5.380 with regard to:

(a) Club venues operating primarily as showrooms, theaters, concert venues, or interactive entertainment centers;

(b) Club venues hosting short-term events conducted by a licensee or club venue operator in conjunction with a convention, corporate, or charitable event; or

(c) Other club venues the Chair finds are not venues which require regulation as a club venue.

4. Sections 5.300 through 5.380 shall not apply to venues which hold an event or events which would cause the venue to qualify as a club venue only during the event or events if the cumulative time period of such event or events does not exceed 4 days per year. If a venue holds an event or events which would cause the venue to qualify as a club venue only during the event or events and the cumulative time period of such event or events exceeds 4 days per year, the venue shall comply with sections 5.300 through 5.380 only while holding such event or events.

(a) For the purposes of this subsection, "day" means one period of 24 consecutive hours commencing at a time and date chosen by a licensee or club venue operator.

(b) For the purposes of this subsection, "year" means July 1st through June 30th.

(Adopted: 11/15. Amended: 3/18.)

5.305 Definitions. As used for sections 5.300 through 5.380:

1. "Chair" means the Chair of the Board or the Chair's designee.

2. "Consideration" specifically includes but is not limited to:

(a) A waived entrance/admission fee, line pass, drink voucher, or any type of monetary compensation and

(b) A trade or credit that is only valid at the club venue where earned whether or not the trade or credit is transferable.

3. "Hosting or VIP services" means:

(a) Arranging access to a club venue or

(b) Reserving tables at a club venue

➥ If the person providing such services has any in-person contact with the patrons of a club venue at the club venue or at the premises on which the club venue is located.

4. "Independent host"

(a) Means a person who is not directly employed by a licensee or club venue operator and who provides hosting or VIP services for a club venue for any form of consideration.

(b) Does not mean:

(1) Hotel concierges,

(2) Licensed ticket brokers, and employees of licensed ticket brokers, and

(3) Persons who would otherwise be considered an independent host under this subsection who the Chair finds do not require regulation as independent hosts.

(Adopted: 11/15. Amended: 3/18.)

5.310 Employees designated to monitor club venues. A licensee shall designate at least one of its employees to monitor club venues at its establishment. Such employees shall be specifically designated as "club venue monitors" on employee reports submitted to the Board pursuant to Regulation 3.100. If an employee designated as "club venue monitor" ceases to be employed in that capacity and no other employee is designated as a "club venue monitor" for a licensee, the licensee shall designate a new "club venue monitor" within 10 days.

(Adopted: 11/15. Amended: 3/18.)

5.320 Registration of club venue employees.

1. When not in conflict with this section, the gaming employee provisions of NRS 463.335 through 463.337, inclusive, and Regulations 5.100 through 5.109, inclusive, shall apply to persons required to register in the same manner as gaming employees pursuant to this section.

2. The following individuals who are employed by a club venue or who perform services for or at a club venue pursuant to contract are club venue employees:

(a) Any individual who provides hosting or VIP services;
(b) Bartenders and bar backs; [Effective 7/1/18.]
(c) Restroom attendants;
(d) Security and surveillance personnel;
(e) Servers, server assistants, and bussers; and
(f) Supervisors and managers who supervise any individuals required to register pursuant to this section.

➥ These individuals shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in Nevada Revised Statute 463.0129.

3. Independent hosts required to register pursuant to section 5.345 are not required to register in the same manner as gaming employees. Employees or contractors of an independent host which have in-person contact with club venue patrons shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in Nevada Revised Statute 463.0129. A licensee or club venue operator shall not allow the employees and contractors of an independent host to represent the independent host in its club venue unless such employees or contractors are registered pursuant to this section.

4. Employees of a club venue operator or independent host who have access to the Board's system of records for the purpose of processing the registrations required by this section shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in Nevada Revised Statute 463.0129.

5. The licensee which operates a club venue, club venue operator, or independent host shall be responsible for compliance with the registered gaming employee requirements for persons employed or contracted to work at the club venue.

(Adopted: 11/15. Amended: 3/18.)

5.330 Security and surveillance.

1. A licensee or club venue operator, as applicable, shall regularly assess entertainment and events occurring within the club venue or which may impact attendance at the club venue to determine and engage appropriate security personnel.

2. To the extent applicable, the procedures, rights, remedies, and requirements set out in section 5.160 and applicable surveillance standards shall apply to the club venue surveillance systems.

(Adopted: 11/15.)

5.335 Medical staffing requirements.

1. As used in this section, the terms "emergency medical technician" and "advanced emergency medical technician" shall have the meanings ascribed by NRS chapter 450B.

2. A club venue operator or licensee which anticipates attendance of between 1,000 and 2,000 patrons within a club venue and waiting for entrance into the club venue shall have or contract to have at least one emergency medical technician onsite during club venue operation to perform initial emergency or non-emergency assessment and care and to make proper transport decisions. An emergency medical technician may concurrently perform security functions for the club venue.

3. A club venue operator or licensee which anticipates a total of 2,000 or more patrons to be present within the club venue and awaiting entrance into the club venue shall have or contract to have at least one advanced emergency medical technician ambulance on site during club venue operation to perform initial emergency or non-emergency assessment and care and to make proper transport decisions.

4. Security personnel employed or contracted to work at a club venue shall receive annual awareness training on how to best interact with and assist onsite or responding emergency medical service providers. Such training shall be reviewed and approved by an instructor who has a current endorsement as an instructor in emergency medical services from the State of Nevada, Department of Health and Human Services, Division of Public and Behavioral Health or from the Southern Nevada Health District. It will be the responsibility of the licensee and club venue operators to document the completion of said training for each employee on an annual basis.

(Adopted: 11/15. Amended: 3/18.)

5.340 Independent host written agreements. A licensee or club venue operator shall have a written agreement with an independent host for the club venues owned or operated by the licensee or club venue operator at which the independent host provides hosting or VIP services.

(Adopted: 11/15. Amended: 3/18.)

5.345 Registration of Independent Hosts or Promoters. [Effective through 4/30/18.]

1. An independent host or promoter must register with the board pursuant to this section for each club venue where the person will act as an independent host or promoter. The registration must be renewed every five years.

2. A licensee or club venue operator shall not provide any consideration to an independent host or promoter who must register pursuant to this section for services rendered for a club venue until the chairman notifies the licensee or club venue operator in writing that the board has registered the independent host or promoter at the club venue.

3. A filing for registration or renewal pursuant to this section must include the following:

(a) A fee set by the chairman not to exceed the fee charged for registering as an independent agent;

(b) The name and address of the club venue(s) with which the person will be affiliated;

(c) The name and address of the person registering;

(d) A list of all felony, drug-related, or prostitution related arrests and convictions;

(e) A signed statement from the person registering in which the person agrees the person is governed and bound by the laws of the State of Nevada and the regulations of the commission;

(f) A copy of the written agreement between the club venue(s) and the independent host or promoter;

(g) One complete set of fingerprints (if a natural person);

(h) The results of a drug test performed by a facility licensed as a medical laboratory in the State of Nevada (if a natural person); and

(i) Such additional information as the chairman may require.

➥ The Chairman or designee may authorize a person who is registered as an independent host or promoter for at least one club venue to register as an independent host or promoter for additional club venues for such fees and requirements as he determines are appropriate.

4. The independent host or promoter shall provide its filing to the licensee or club venue operator for transmittal to the board. The board may reject filings made directly by an independent host or promoter.

5. A person registered pursuant to this section shall report changes to the information required pursuant to subsection 3 to the board within 30 days of such change.

6. The chairman may require a person registered pursuant to this section to file an application for a finding of suitability at any time in the chairman's sole and absolute discretion by sending notice to the person through the United States Postal Service to the person's address on file with the board. A person called forward pursuant to this subsection shall apply for a finding of suitability as required by the chairman within 30 days of the person's receipt of notice. The notice shall be deemed to have been received by the person 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

7. If a person registered pursuant to this section does not file an application for a finding of suitability within 30 days following receipt of notice that the chairman is requiring a person registered pursuant to this section to file an application for a finding of suitability, the board shall notify all licensees and club venue operators which operate a club venue where such person is registered pursuant to this section. Upon such notice, a licensee or club venue operator shall provide documentary evidence that the person no longer acts as an independent host or promoter for the club venue. Failure of the licensee or club venue operator to respond as required by this section shall constitute grounds for disciplinary action.

8. If the commission finds a registered independent host or promoter to be unsuitable, the registration of such registered independent host or promoter is thereupon cancelled. A licensee, club venue operator, or independent host or promoter shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such independent host or promoter. Failure to terminate such relationship may be deemed to be an unsuitable method of operation. No determination of suitability of an independent host or promoter shall preclude a later determination by the commission of unsuitability.

9. Upon the chairman requiring a person who is required to be registered by this section to apply for a finding of suitability, the person does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder.

Judicial review is not available for decisions of the board and commission made or entered under the provisions of this section.

10. A licensee or club venue operator shall provide a monthly report to the board listing all independent hosts or promoters with which the licensee or club venue operator has terminated its business relationship during the time period covered by such report. Such reports shall include truthful statements of the reason(s) for each termination of business relationship and any additional information regarding the terminations requested by the chairman.

[Effective May 1, 2016.]

(Adopted: 11/15. Amended 3/18.)

5.345 Registration of Independent Hosts. [Effective 5/1/18.]

1. An independent host must register with the Board. The registration must be renewed every five years.

2. An independent host shall not provide hosting or VIP services until the Chair notifies the independent host in writing that the Board has registered the independent host. A licensee or club venue operator shall not allow an independent host to provide hosting or VIP services in its club venue unless the independent host is registered with the Board pursuant to this section. The Board shall make a list of registered independent hosts available to licensees and club venue operators.

3. An application for registration or renewal pursuant to this section must include the following:

(a) Completed forms, information, and documents as required by the Chair;

(b) A written statement, signed under penalty of perjury on a form furnished or approved by the Board, that the independent host:

(1) Submits to the jurisdiction of the State of Nevada, the Board, and the Commission;

(2) Designates the Secretary of State as its representative upon whom service of process may be made;

(3) Agrees to be governed and bound by the laws of the State of Nevada and the regulations of the Commission;

(4) Provided complete and accurate information to the Board; and

(5) Will cooperate with all requests, inquiries, and investigations of the Board or Commission;

(c) One complete set of fingerprints from the person registering and from each of the direct and beneficial owners thereof, if any (if a natural person);

(d) Signed statements from the person registering and each of the direct and beneficial owners thereof, if any, agreeing to comply with any drug testing ordered by the Chair;

(e) A fee set by the Chair not to exceed the fee charged for registering as an independent agent; and

(f) Any additional information requested by the Chair.

4. The Chair may object to the registration of an independent host for any cause the Chair deems reasonable. If the Chair objects to the registration of an independent host, the Chair shall send written notice of the decision to the independent host.

(a) Objection by the Chair to the registration of an independent host shall be considered an administrative decision and shall be reviewable upon appeal by the objected to independent host pursuant to the procedures set forth in Regulations 4.185, 4.190, and 4.195.

(b) An independent host may not file for registration with the Board prior to the expiration of 1 year from the date of a notice of the Chair objecting to the registration of the independent host. Such independent host shall not commence providing hosting or VIP services prior to the Chair approving the registration.

5. A person registered, or a person who has a pending filing for registration, pursuant to this section shall report changes to the information required pursuant to subsection 3 to the Board within 30 days of such change. The Chair may, in the Chair's sole and absolute discretion, require a new registration pursuant to subsection 1 of this section if there is a change in ownership.

6. The Chair may cancel the registration of an independent host if the independent host or direct or beneficial owner thereof:

(a) Is convicted of a felony;

(b) Is convicted for illegal activity occurring on the premises of a licensee; or

(c) Fails to comply with any drug testing ordered by the Chair or a drug test ordered by the Chair shows a positive result for a controlled substance.

➥ The effective date of cancellation pursuant to this subsection shall be 5 days after the Board deposits notice of cancellation to the independent host's last known address with the United States Postal Service with the postage thereon prepaid. The Board shall notify all licensees which operate a club venue and club venue operators of such cancellation and the effective date thereof. The Board shall also send notice of the cancellation to the Secretary of State as designated representative of the independent agent upon whom service of process may be made.

7. The cancellation of the registration of an independent host shall be considered an administrative decision and shall be reviewable upon appeal by the independent host pursuant to the procedures set forth in Regulations 4.185, 4.190, and 4.195. An independent host may not file for registration with the Board prior to the expiration of 1 year from the date of the later of notice of the cancellation or the final decision on any appeal of such cancellation.

8. If the Board receives a copy of a court order related to child support issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is registered as an independent host:

(a) The Board shall deem the registration of that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Board receives a letter issued to the independent host by the district attorney or other public agency pursuant to NRS 425.550 stating that the independent host has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

(b) The Board shall reinstate the registration as an independent host of a person that has been suspended by a district court pursuant to NRS 425.540 if the Board receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose registration was suspended stating that the person whose registration was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

(c) The Board shall notify all licensees which operate a club venue and club venue operators of such suspension or reinstatement and the effective dates thereof.

9. The Commission may require a person registered pursuant to this section to file an application for a finding of suitability at any time by sending notice to the person through the United States Postal Service to the person's address on file with the Board. A person called forward pursuant to this subsection shall apply for a finding of suitability as required by the Commission within 30 days of the person's receipt of notice. The notice shall be deemed to have been received by the person 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

10. If a person registered pursuant to this section does not file an application for a finding of suitability within 30 days following receipt of notice that the Commission is requiring a person registered pursuant to this section to file an application for a finding of suitability, the Board shall notify all licensees which operate a club venue and club venue operators. A licensee or club venue operator shall not allow an independent host which has failed to file an application for finding of suitability pursuant to this section to provide services in a club venue. A licensee or club venue operator allowing such independent host to provide services in a club venue shall constitute grounds for disciplinary action.

11. If the Commission finds a registered independent host to be unsuitable, the registration of such registered independent host is thereupon cancelled. A licensee, club venue operator, or independent host shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such independent host. Failure to terminate such relationship may be deemed to be an unsuitable method of operation. No determination of suitability of an independent host shall preclude a later determination by the Commission of unsuitability.

12. Upon the Commission requiring a person who is required to be registered by this section to apply for a finding of suitability, the person does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

13. A licensee or club venue operator shall provide to the Board within 15 days following each calendar month, separate reports listing all independent hosts:

(a) With which the licensee or club venue operator has an active agreement and

(b) With which the licensee or club venue operator terminated its business relationship during that month. Such reports shall include truthful statements of the reason(s) for each termination of business relationship and any additional information regarding the terminations requested by the Chair.

(Adopted: 11/15. Amended: 3/18.)

5.350 Reserved.
(Adopted: 11/15.)

5.360 Required policies and procedures.

1. Each Licensee with at least one club venue on its premises shall have written policies and procedures for club venues that seek to foster the public health, safety, morals, good order, and general welfare of the patrons.

2. In order to determine whether a licensee has established appropriate policies and procedures to monitor, control and regulate club venues, the Board and Commission may consider some or all of the following factors:

(a) What procedures are in place to demonstrate compliance with these regulations;

(b) The extent of background investigations conducted by the licensee or club venue operator prior to hiring club venue security, employees, independent host, vendors and entertainers;

(c) The extent to which the licensee or club venue operator provides every club venue employee, or independent host with a written policy detailing the standard of conduct for club venue operations, and the extent to which the licensee or club venue operator informs the club venue employees, and independent host of the club venue policy and receives their agreement to follow it;

(d) The extent to which the licensee or club venue operator conducts regular meetings with club venue employees, independent host, on-site and relevant vendors, and entertainment talent and their staff to discuss club venue policies and daily operating, security and safety concerns;

(e) The extent of the training and work experience of security management and staff responsible for enforcing the licensee's or club venue operator's club venue policy;

(f) The extent to which a program is in place to conduct undercover "shop" operations at the club venue to determine if employees are engaging in, or otherwise permitting, illegal or inappropriate behavior, the type of background or training the individuals involved in the undercover "shop" program have, and records detailing the results of the undercover "shop" program;

(g) The extent to which the licensee's or club venue operator's management is actively involved in the oversight of club venue policies and procedures including management's participation in initial and continued training of club venue security and employees and management's active participation in monitoring club venue activities;

(h) The extent to which the licensee's or club venue operator's management interacts with law enforcement agencies and other licensees to develop and implement best practices regarding club venue operations and the extent to which management solicits the assistance of, and training by, law enforcement agencies or reputable private industry firms to reduce incidents of illegal or inappropriate behavior by employees, independent host, and patrons;

(i) The extent to which the licensee or club venue operator engages in pro-active and cooperative support of law enforcement agencies in their efforts to help regulate, monitor and protect the licensee, the club venue operator, if applicable, and the club venue operations;

(j) The extent to which the licensee conducts meetings with the club venue operator, as necessary, to discuss issues related to club venue operations;

(k) The extent to which club venue management, employees and security staff are trained to detect the use of false or misused identification. Such training should include similar detection techniques for foreign identifications and passports and other forms of identification not readily encountered in the U.S.;

(l) The extent to which club venue management, employees and security staff receive training with regard to ensuring the safety of all employees and guests. Such training topics should include, but not be limited to, sexual assault, controlled substance use, gangs, and active shooter;

(m) The extent to which the club venue will deter excessive consumption of alcohol by patrons, will require employees to notify club venue management of individuals showing significant signs of impairment due to alcohol or any other drug, and will regularly assess the need for medical response services, so that patrons exhibiting signs of excessive inebriation or drug impairment can be treated or transported to a medical facility, as determined by trained emergency medical personnel;

(n) The extent to which club venues maintain procedures for confiscation and disposal of suspected illegal controlled substances or other suspected illegal contraband;

(o) The criteria for trespassing patrons or referring patrons to law enforcement because of suspected illegal conduct;

(p) The extent to which club venues maintain procedures for termination of employees and exclusion of independent hosts who are involved in illegal or inappropriate conduct and the extent to which the licensee or club venue operator maintains records detailing terminations and exclusions;

(q) How the licensee or club venue operator will control its restrooms. Such policy shall address, but not be limited to, security and restroom attendants;

(r) The extent to which the licensee or club venue operator maintains records showing the number of individuals trespassed from club venues or referred to law enforcement because of illegal or inappropriate behavior;

(s) The extent to which drug testing of club venue employees occurs; and

(t) The extent to which any other policies or procedures implemented by the licensee or club venue operator exhibit commitment to promoting the public health, safety, morals, good order and general welfare of patrons and employees at club venues.

3. Each Licensee with at least one club venue on its premises shall submit such policies and procedures to the Chair for approval at least annually and shall submit material changes to such policies and procedures within 60 days of such changes. If the Chair does not disapprove the submitted policies and procedures within 60 working days of receipt of them, the policies and procedures will be deemed approved. From time to time, the Board or Commission may publish topics believed to impact the public health, safety, morals, good order and general welfare of patrons and employees of club venues and request that the club venue policies and procedures be updated to address such topics.

4. Whether licensees and club venue operators are operating in accordance with the policies and procedures approved by the Chair shall be considered by the Board in deciding whether or not to file any disciplinary action related to a club venue and by the Commission in determining whether discipline is appropriate.

(Adopted: 11/15. Amended: 3/18.)

5.370 Access to club venue and production of records.

1. Upon request, a licensee or club venue operator shall produce to the Board all records regarding the operation of a club venue that the Board deems relevant to a Board investigation or inquiry.

2. Upon display of a badge issued by the Board and an identification card signed by a Board member, a licensee or club venue operator shall ensure all Board members and agents have immediate access to all areas of a club venue owned or operated by the licensee or club venue operator. In addition to areas accessible by the club venue's patrons, this shall include areas not accessible to the club venue's patrons including but not limited to offices, kitchens, storage rooms, record rooms, computer rooms, and surveillance rooms. Similar access shall be granted to any Commission member who displays an identification card signed by the governor.

3. A licensee with one or more club venues at its establishment on or after January 1, 2016, shall establish a revolving account with the board in the amount of $10,000 unless a lower amount is approved by the chairman, which shall be used to pay the expenses of agents of the board and commission conducting undercover observations and operations at club venues.

[Effective through 6/30/18.]

3. A licensee with one or more club venues at its establishment, shall establish a revolving account with the Board in an amount determined by the Chair which shall not exceed $20,000 which shall be used to pay the expenses of the Board and Commission conducting undercover observations and operations at club venues. In lieu of each licensee establishing such revolving account, a single revolving account may be established with the Board by affiliated licensees in an amount determined by the Chair which shall not exceed $50,000. With a request from the Board that additional funds be transferred into a revolving account established pursuant to this subsection, the Board shall provide the total amount of expenditures from the account for each club venue covered by the account.

[Effective 7/1/18.]

4. A licensee with a club venue at its establishment operated by a club venue operator shall be responsible for the club venue operator's compliance with this section.

5. All records, reports and information provided to the Board or Commission pursuant to this section, and any communications related thereto with the Board or the Commission or any of their agents or employees, will be subject in all cases to NRS 463.120 and 463.3407.

(Adopted: 11/15. Amended: 3/18.)

5.380 Unsuitable methods of operation.

1. It may be deemed an unsuitable method of operation where a licensee fails to take immediate appropriate action if it knew or should have known an employee of the licensee, an employee of a club venue operator, or an independent host was engaging in or facilitating illegal activity at the licensee's establishment.

2. The requirements herein set a minimum threshold if a licensee allows a club venue at its establishment.

3. It may be deemed an unsuitable method of operation where the licensee meets the requirements concerning club venues in this regulation but fails to cause club venues to operate in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the inhabitants of the State of Nevada or to prevent club venues from allowing incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the industry. Compliance with the requirements concerning club venues in this regulation may be considered by the Board in deciding whether or not to pursue discipline related to a club venue.

4. The primary responsibility to protect the reputation of gaming in Nevada, to foster the development of the gaming industry, and to protect the reputation of the State of Nevada is on the licensee which allows a club venue on its premises. Primary responsibility for protecting the health, safety, morals, good order, and general welfare of the patrons and employees of a club venue is on the licensee which allows a club venue on its premises.

(Adopted: 11/15. Amended: 3/18.)

End – Regulation 5

REGULATION 5A

OPERATION OF INTERACTIVE GAMING

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5A.010 Scope. Regulation 5A shall govern the operation of interactive gaming. The provisions of the Gaming Control Act and all regulations promulgated thereunder shall still otherwise apply when not in conflict with Regulation 5A.

(Adopted: 12/11.)

5A.020 Definitions. As used in this regulation:

1. "Authorized player" means a person who has registered with the operator of interactive gaming to engage in interactive gaming.
2. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
3. "Interactive gaming account" means a wagering account as that term is defined in Regulation 5.225.
4. "Interactive gaming service provider" means a person who acts on behalf of an operator of interactive gaming and:

(a) Manages, administers or controls wagers that are initiated, received or made on an interactive gaming system;

(b) Manages, administers or controls the games with which wagers that are initiated, received or made on an interactive gaming system are associated;

(c) Maintains or operates the software or hardware of an interactive gaming system; or

(d) Provides products, services, information or assets to an operator of interactive gaming and receives therefor a percentage of gaming revenue from the establishment's interactive gaming system.

5. "Interactive gaming system" shall have the same meaning as provided in Regulation 14.010.
6. "Inter-operator poker network" means a pool of authorized players from two or more operators collected together to play the game of poker on one interactive gaming system.
7. "Operate interactive gaming" means to operate, carry on, conduct, maintain or expose for play in or from the State of Nevada interactive gaming on an interactive gaming system.
8. "Operator of interactive gaming" or "operator" means a person who operates interactive gaming. An operator of interactive gaming who is granted a license by the Commission is a licensee.

9. “Poker” means the traditional game of poker, and any derivative of the game of poker as approved by the Chair and published on the Board’s website, wherein two or more players play against each other and wager on the value of their hands. For purposes of interactive gaming, poker is not a banking game.

10. “Wagering communication” means the transmission of a wager between a point of origin and a point of reception through communications technologies as defined by NRS 463.016425(2).

(Adopted: 12/11; Amended: 4/16; 5/17.)

5A.030 License Required; Applications.

1. A person may act as an operator of interactive gaming only if that person holds a license specifically permitting the person to act as an operator of interactive gaming.

2. Applications for an operator of interactive gaming license shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require or approve.

(Adopted: 12/11.)

5A.040 Initial and Renewal License Fees. Before the Commission issues an initial license or renews a license for an operator of interactive gaming the operator of interactive gaming shall pay the license fees established pursuant to NRS 463.765.

(Adopted: 12/11.)

5A.050 Investigative Fees. Applications for an operator of interactive gaming license shall be subject to the application and investigative fees established pursuant to Regulation 4.070.

(Adopted: 12/11.)

5A.060 Interactive Gaming Systems.

1. An operator shall not operate a new interactive gaming system in this state unless the interactive gaming system has been approved by the Commission.

2. Operators shall provide the Board, prior to commencing operations of their interactive gaming system, with a list of all persons who may access the main computer or data communications components of their interactive gaming system and any changes to that list shall be provided to the Board within ten (10) days.

(Adopted: 12/11.)

5A.070 Internal Controls for Operators of Interactive Gaming. Each operator shall establish, maintain, implement and comply with standards that the Chair shall adopt and publish pursuant to the provisions of Regulation 6.090. Such minimum standards shall include internal controls for:

1. As specified under Regulation 6.090(1), administrative, accounting and audit procedures for the purpose of determining the licensee’s liability for taxes and fees under the Gaming Control Act and for the purpose of exercising effective control over the licensee’s internal affairs;

2. Maintenance of all aspects of security of the interactive gaming system;

3. Registering authorized players to engage in interactive gaming;

4. Identification and verification of authorized players to prevent those who are not authorized players from engaging in interactive gaming. The procedures and controls must incorporate robust and redundant identification methods and measures in order to manage and mitigate the risks of non face-to-face transactions inherent in interactive gaming;

5. Protecting and ensuring confidentiality of authorized players’ interactive gaming accounts;

6. Reasonably ensuring that interactive gaming is engaged in between human individuals only;

7. Reasonably ensuring that interactive gaming is conducted fairly and honestly, including the prevention of collusion between authorized players.

8. Testing the integrity of the interactive gaming system on an ongoing basis;

9. Promoting responsible interactive gaming and preventing individuals who have self-excluded from engaging in interactive gaming. Such internal controls shall include provisions for substantial compliance with Regulation 5.170; and

10. Protecting an authorized player’s personally identifiable information, including, but not limited to:

(a) The designation and identification of one or more senior company officials having primary responsibility for the design, implementation and ongoing evaluation of such procedures and controls;

(b) The procedures to be used to determine the nature and scope of all personally identifiable information collected, the locations in which such information is stored, and the devices or media on which such information may be recorded for purposes of storage or transfer;

(c) The policies to be utilized to protect personally identifiable information from unauthorized access by employees, business partners, and persons unaffiliated with the company;

(d) Notification to authorized player of privacy policies;

(e) Procedures to be used in the event the operator determines that a breach of data security has occurred, including required notification to the Board's enforcement division; and

(f) Provision for compliance with all local, state and federal laws concerning privacy and security of personally identifiable information.

"Personally identifiable information" means any information about an individual maintained by an operator including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

➥ The Chair may determine additional areas that require internal controls having minimum standards. The Chair shall adopt and publish any such additional internal controls and their minimum standards pursuant to the provisions of Regulation 6.090.

(Adopted: 12/11.)

5A.080 Detection and Prevention of Criminal Activities. Each operator shall implement procedures that are designed to detect and prevent transactions that may be associated with money laundering, fraud and other criminal activities and to ensure compliance with all federal laws related to money laundering.

(Adopted: 12/11.)

5A.090 Access to Premises and Production of Records; Revolving Investigative Fund.

1. Operators holding a license issued by the Commission are subject to the provisions of NRS 463.140. It shall be an unsuitable method of operation for an operator holding a license issued by the Commission to deny any Board or Commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of their operations.

2. Upon being granted a license by the Commission, operators shall deposit with the Board and thereafter maintain a revolving fund in an amount of $20,000, unless a lower amount is approved by the Chair, which shall be used to pay the expenses of agents of the Board and Commission to investigate compliance with this regulation.

(Adopted: 12/11.)

5A.100 House Rules. Each operator shall adopt, and adhere to written, comprehensive house rules governing wagering transactions by and between authorized players that are available for review at all times by authorized players through a conspicuously displayed link. Such house rules shall include, but not be limited to, specifying the following:

1. Clear and concise explanation of all fees;
2. The rules of play of a game;
3. Any monetary wagering limits; and
4. Any time limits pertaining to the play of a game.

➥ Prior to adopting or amending such house rules, an operator shall submit such rules to the Chair for the Chair's approval.

(Adopted: 12/11.)

5A.110 Registration of Authorized Player.

1. Before allowing or accepting any wagering communication from an individual to engage in interactive gaming, an operator must register the individual as an authorized player and create an interactive gaming account for the individual in accordance with this section.

2. An operator may register an individual as an authorized player only if the individual provides the operator with the following information:

(a) The identity of the individual;

(b) The individual's date of birth showing that the individual is 21 years of age or older;

(c) The physical address where the individual resides;

(d) The social security number for the individual, if a United States resident,

(e) That the individual had not previously self-excluded with the operator and otherwise remains on the operator's self-exclusion list; and

(f) That the individual is not on the list of excluded persons established pursuant to NRS 463.151 and Regulation 28.

3. Before registering an individual as an authorized player, the operator must have the individual affirm the following:

(a) That the information provided to the operator by the individual to register is accurate;

(b) That the individual has reviewed and acknowledged access to the house rules for interactive gaming;

(c) That the individual has been informed and has acknowledged that, as an authorized player, the individual is prohibited from allowing any other person access to or use of his or her interactive gaming account;

(d) That the individual has been informed and has acknowledged that, as an authorized player, the individual is prohibited from engaging in interactive gaming from a state or foreign jurisdiction in which interactive gaming is illegal and that the operator is prohibited from allowing such interactive gaming;

(e) That the individual has been informed and has acknowledged that, if the operator is unable to verify the information provided by the individual pursuant to subsection 2 within 30 days of registration, any winnings attributable to the individual will be retained by the operator and the individual shall have no right to such winnings;

(f) Consents to the monitoring and recording by the operator and the Board of any wagering communications; and

(g) Consents to the jurisdiction of the State of Nevada to resolve disputes arising out of interactive gaming.

4. An operator may allow an individual to register as an authorized player either remotely or in person.

5. Within 30 days of the registration of the authorized player, the operator shall verify the information provided by the individual pursuant to subsection 2. Until such verification has occurred:

(a) The authorized player may not deposit more than $5,000 in his or her interactive gaming account; and

(b) The authorized player may not withdraw any funds from his or her interactive gaming account.

6. If verification of the information provided pursuant to subsection 2 has not occurred within 30 days, the operator shall:

(a) Immediately suspend the interactive gaming account and not allow any further interactive gaming;

(b) Retain any winnings attributable to the authorized player; and

(c) Refund the balance of deposits made to the interactive gaming account to the source of such deposit or by issuance of a check and then permanently close the account.

7. Any winnings due to an authorized player prior to completion of the verification process shall be credited to the authorized player's interactive gaming account immediately upon successful verification.

(Adopted: 12/11. Amended 5/17.)

5A.120 Interactive Gaming Accounts. In addition to the requirements established pursuant to Regulation 5.225, an operator shall comply with the following for interactive gaming accounts:

1. An operator shall record and maintain the physical location, by state or foreign jurisdiction, of the authorized player while logged in to the interactive gaming account.

2. An operator shall ensure the following:

(a) That an individual registered as an authorized player holds only one interactive gaming account with the operator; and

(b) That no authorized player shall occupy more than one position at a game at any given time.

3. Notwithstanding subsection 9 of Regulation 5.225, an operator shall neither extend credit to an authorized player for use in interactive gaming player nor allow the deposit of funds into an interactive gaming account for use in interactive gaming that are derived from the extension of credit by affiliates or agents of the operator. For purposes of this subsection, credit shall not be deemed to have been extended where, although funds have been deposited into an interactive gaming account, the operator is awaiting actual receipt of such funds in the ordinary course of business.

4. An operator shall ensure that an authorized player has the ability, through the authorized player's interactive gaming account, to select responsible gambling options that include without limitation:

(a) Loss limits establishing the net loss that can occur within a specified period of time;

(b) Deposit limits establishing the amount of total deposits an authorized player can make to his or her interactive gaming account within a specified period of time;

(c) Tournament limits establishing the total dollar amount of tournament entries a patron can purchase within a specified period of time;

(d) Buy in limit establishing the total amount of funds an authorized player can allocate for the play of poker within a specified period of time, exclusive of tournament entries purchased;

(e) Play time limits establishing the total amount of time available for play during a specified period of time; and

(f) Time based exclusion from gambling settings.

5. An operator shall not allow the use of an interactive gaming account established pursuant to this regulation for forms of wagering other than interactive gaming unless:

(a) The establishment and use of the wagering account otherwise meets all of the requirements of regulation 5.225; and

(b) Administrative approval has been granted by the Chair.

(Adopted: 12/11. Amended: 10/13; 5/17.)

5A.125 Reserve Requirements. In addition to the reserve required pursuant to Regulation 5.225, and other requirements that may be imposed pursuant to Regulation 6.150, the operator shall maintain cash in the sum of the following:

1. 25% of the total amount of authorized players' funds held in interactive gaming accounts, excluding those funds that are not redeemable for cash; and

2. The full amount of any progressive jackpots related to interactive gaming.

(Adopted: 12/11. Amended: 5/17.)

5A.130 Self-Exclusion.

1. Operators must have and put into effect policies and procedures for self-exclusion and take all reasonable steps to immediately refuse service or to otherwise prevent an individual who has self-excluded from participating in interactive gaming. These policies and procedures include without limitation the following:

(a) The maintenance of a register of those individuals who have self-excluded that includes the name, address and account details of self-excluded individuals;

(b) The closing of the interactive gaming account held by the individual who has self-excluded;

(c) Employee training to ensure enforcement of these policies and procedures; and

(d) Provisions precluding an individual who has self- excluded from being allowed to again engage in interactive gaming until a reasonable amount of time of not less than 30 days has passed since the individual self-excluded.

2. Operators must take all reasonable steps to prevent any marketing material from being sent to an individual who has self-excluded.

(Adopted: 12/11.)

5A.135 Compensation. Any compensation received by an operator for conducting any game in which the operator is not party to a wager shall be no more than 10% of all sums wagered in each hand.

(Adopted: 12/11.)

5A.140 Acceptance of Wagers.

1. Operators shall not accept or facilitate a wager:

(a) On any game other than the game of poker and its derivatives as approved by the Chair and published on the Board's website;

(b) On any game which the operator knows or reasonably should know is not between individuals;

(c) On any game which the operator knows or reasonably should know is made by a person on the self-exclusion list;

(d) From a person who the operator knows or reasonably should know is placing the wager in violation of state or federal law;

(e) Using an inter-operator poker network except as otherwise allowed by the Commission; or

(f) From any officer, director, owner or key employee of such an operator or its affiliates; or

(g) Except as provided in subsection 2, from stakes players, proposition players or shills.

2. Operators may use a celebrity player for marketing purposes to attract authorized players if the operator clearly identifies the celebrity player to the authorized players and does not profit beyond the rake. For purposes of this subsection, a "celebrity player" is an authorized player under agreement with the operator whereby the celebrity player is paid a fixed sum by the operator to engage in interactive gaming and whom may or may not use their own funds to engage in interactive gaming.

(Adopted: 12/11. Amended: 10/13.)

5A.145 Progressive payoff schedules.

1. As used in this section:

(a) "Base amount" means the amount of a progressive payoff schedule initially offered before it increases.

(b) "Incremental amount'' means the difference between the amount of a progressive payoff schedule and its base amount.

(c) "Progressive payoff schedule" means any payoff schedule associated with a game played on an interactive gaming system, including those associated with contests, tournaments or promotions, that increases automatically over time or as the game(s) or machine(s) are played.

2. To the extent an operator offers any progressive payoff schedule, the operator shall comply with this section.

3. The amount of a progressive payoff schedule shall be conspicuously displayed during an authorized player's play of a game to which the payoff schedule applies. Each operator shall record the base amount of each progressive payoff schedule when first exposed for play and subsequent to each payoff. Explanations for reading decreases shall be maintained with the progressive logs. When the reduction is attributable to a payoff, the operator shall record the payoff form number on the log or have the number reasonably available.

4. An operator may change the rate of progression of any progressive payoff schedule provided that records of such changes are created.

5. An operator may limit a progressive payoff schedule to an amount that is equal to or greater than the amount of the payoff schedule when the limit is imposed. The operator shall conspicuously provide notice of the limit during an authorized player's play of a game to which the limit applies.

6. An operator shall not reduce the amount of a progressive payoff schedule or otherwise eliminate a progressive payoff schedule unless:

(a) An authorized player wins the progressive payoff schedule;

(b) The operator adjusts the progressive payoff schedule to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to subsection 5, and the operator documents the adjustment and the reasons for it; or

(c) The Chair, upon a showing of exceptional circumstances, approves a reduction, elimination, distribution, or procedure not otherwise described in this subsection, which approval is confirmed in writing.

7. Except as otherwise provided by this section, the incremental amount of a progressive payoff schedule is an obligation to the operator's authorized players, and it shall be the responsibility of the operator, if the operator ceases operation of the progressive game, to arrange satisfaction of that obligation to the satisfaction of the Chair.

8. Distribution of progressive payoffs shall only be made to authorized players.

(Adopted: 12/11.)

5A.150 Information Displayed on Website. Operators must provide for the prominent display of the following information on a page which, by virtue of the construction of the website, authorized players must access before beginning a gambling session:

1. The full name of the operator and address from which it carries on business;

2. A statement that the operator is licensed and regulated by the Commission;

3. The operator's license number;

4. A statement that persons under the age of 21 are not permitted to engage in interactive gaming;

5. A statement that persons located in a jurisdiction where interactive gaming is not legal are not permitted to engage in interactive gaming; and

6. Active links to the following:

(a) Information explaining how disputes are resolved;

(b) A problem gambling website that is designed to offer information pertaining to responsible gaming;

(c) The Board's website;

(d) A website that allows for an authorized player to choose to be excluded from engaging in interactive gaming; and

(e) A link to the house rules adopted by the operator.

(Adopted: 12/11.)

5A.155 Advertising and Promotions. An operator, including its employees or agents, shall be truthful and non-deceptive in all aspects of its interactive gaming advertising and promotions. An operator which engages in any promotion related to interactive gaming shall clearly and concisely explain the terms of the promotion and adhere to such terms.

(Adopted: 12/11.)

5A.160 Suspicious Wagering Report.

1. As used in this section, "suspicious wagering activity" means a wager which an operator licensee knows or in the judgment of it or its directors, officers, employees and agents has reason to suspect is being attempted or was placed:

(a) In violation of or as part of a plan to violate or evade any federal, state or local law or regulation;

(b) Has no business or apparent lawful purpose or is not the sort of wager which the particular authorized player would normally be expected to place, and the licensee knows of no reasonable explanation for the wager after examining the available facts, including the background of the wager.

2. An operator shall file a report of any suspicious wagering activity, regardless of the amount, if the operator believes it is relevant to the possible violation of any law or regulation.

3. The report in subsection 2 shall be filed no later than 7 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. If no suspect was identified on the date of the detection of the incident requiring the filing of the report, an operator may delay filing a report for an additional 7 calendar days to identify a suspect. In no case shall reporting be delayed more than 14 calendar days after the date of initial detection of a reportable transaction. In situations involving violations that require immediate attention, the operator shall immediately notify, by telephone, the Board in addition to timely filing a report.

4. An operator shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report. Supporting documentation shall be identified, and maintained by the operator as such, and shall be deemed to have been filed with the report. An operator shall make all supporting documentation available to the Board and any appropriate law enforcement agencies upon request.

5. An operator and its directors, officers, employees, or agents who file a report pursuant to this regulation shall not notify any person involved in the transaction that the transaction has been reported.

(Adopted: 12/11.)

5A.170 Gross Revenue License Fees, Attribution, Liability and Computations for Interactive Gaming.

1. Gross revenue received by an establishment from the operation of interactive gaming is subject to the same license fee provisions of NRS 463.370 as the games and gaming devices of the establishment, unless federal law otherwise provides for a similar fee or tax.

2. For a nonrestricted licensee granted an operator of interactive gaming license pursuant to the provisions of NRS 463.750(4), gross revenue received from the operation of interactive gaming shall be attributed to the nonrestricted licensee and counted as part of the gross revenue of the nonrestricted licensee for the purpose of computing the license fee.

3. For an affiliate of a nonrestricted licensee granted an operator of interactive gaming license pursuant to the provisions of NRS 463.750(5), gross revenue received from the operation of interactive gaming by the affiliate is subject to the same licensee fee provisions of NRS 463.370 as the games and gaming devices of the affiliated nonrestricted licensee and shall be attributed to the affiliated nonrestricted licensee and counted as part of the gross revenue of the affiliated nonrestricted licensee for the purpose of computing the license fee, unless federal law otherwise provides for a similar fee or tax. The operator, if

receiving all or a share of the revenue from interactive gaming, is liable to the affiliated nonrestricted licensee for the operator's proportionate share of the license fees paid by the affiliated nonrestricted licensee pursuant to NRS 463.370.

4. For each game in which the operator is not a party to the wager, gross revenue equals all money received by the operator as compensation for conducting the game, or for conducting any contest or tournament in conjunction with interactive gaming.

5. The nonrestricted licensee holding an operator of interactive gaming license or the nonrestricted licensee affiliated with an operator of interactive gaming licensee is responsible for reporting all gross revenue derived through interactive gaming.

(Adopted: 12/11. Amended: 10/13.)

5A.180 Resolution of Disputes.

1. In the event that an authorized player has a dispute with an operator regarding interactive gaming, the operator may freeze the disbursement of all disputed amounts until resolution of the dispute.

2. Operators may establish procedures that allow for or require informal arbitration to resolve disputes pertaining to interactive gaming that fall within the provisions of NRS 463.362(1). Upon the completion of informal arbitration, where an authorized player is not satisfied with the resolution of the dispute, the provisions of NRS 463.362 to 463.3668 shall apply.

3. Disputes arising between authorized players which are potentially resolved without Board involvement are ultimately the responsibility of the operator.

(Adopted: 12/11.)

5A.190 Records. In addition to any other record required to be maintained pursuant to this regulation or Regulation 5.225, each operator shall maintain complete and accurate records of all matters related to their interactive gaming activity, including without limitation the following:

1. The identity of all current and prior authorized players;
2. All information used to register an authorized player;
3. A record of any changes made to an interactive gaming account;
4. A record and summary of all person-to-person contact, by telephone or otherwise, with an authorized player;
5. All deposits and withdrawals to an interactive gaming account;
6. A complete game history for every game played including the identification of all authorized players who participate in a game, the date and time a game begins and ends, the outcome of every game, the amounts wagered, and the amounts won or lost by each authorized player; and
7. Disputes arising between authorized players.

➥ Operators shall preserve the records required by this regulation for at least 5 years after they are made. Such records may be stored by electronic means, but must be maintained on the premises of the operator or must otherwise be immediately available for inspection.

(Adopted: 12/11. Amended: 5/17.)

5A.200 Grounds for Disciplinary Action.

1. Failure to comply with the provisions of this regulation shall be an unsuitable method of operation and grounds for disciplinary action.

2. The Commission may limit, condition, suspend, revoke or fine any license, registration, finding of suitability or approval given or granted under this regulation on the same grounds as it may take such action with respect to any other license, registration, finding of suitability or approval.

(Adopted: 12/11.)

5A.210 Power of Commission and Board.

1. The Chair shall have the power to issue an interlocutory stop order to an operator suspending the operation of its interactive gaming system to allow for examination and inspection of the interactive gaming system by Board agents.

2. An operator that is the subject of an interlocutory stop order issued by the Chair shall immediately cease the operation of its interactive gaming system until the interlocutory stop order is lifted. Unless the interlocutory stop order is lifted, the Board shall comply with NRS 463.311(5) and (6) within 5 days after issuance of the interlocutory stop order.

(Adopted: 12/11.)

5A.220 Interactive Gaming Service Providers.

1. An interactive gaming service provider that acts on behalf of an operator to perform the services of an interactive gaming service provider shall be subject to the provisions of this regulation applicable to such services to the same extent as the operator. An operator continues to have an obligation to ensure, and remains responsible for compliance with this regulation regardless of its use of an interactive gaming service provider.

2. A person may act as an interactive gaming service provider only if that person holds a license specifically permitting the person to act as an interactive gaming service provider. Once licensed, an interactive gaming service provider may act on behalf of one or more operators.

3. An operator may only use the services of a service provider that is licensed by the Commission as an interactive gaming service provider.

4. License fees.

(a) Before the Commission issues an initial license or renews a license for an interactive gaming service provider, the interactive gaming service provider shall pay a license fee of $1,000.

(b) All interactive gaming service provider licenses shall be issued for the calendar year beginning on January 1 and expiring on December 31. If the operation is continuing, the fee prescribed by subsection (a) shall be due on or before December 31 of the ensuing calendar year. Regardless of the date of application or issuance of the license, the fee charged and collected under this section is the full annual fee.

5. Any employee of an interactive gaming service provider whose duties include the operational or supervisory control of the interactive gaming system or the games that are part of the interactive gaming system are subject to the provisions of NRS 463.335 and 463.337 and Regulations 5.100 through 5.109 to the same extent as gaming employees.

6. Interactive gaming service providers holding a license issued by the Commission are subject to the provisions of NRS 463.140. It shall be an unsuitable method of operation for an interactive gaming service provider holding a license issued by the Commission to deny any Board or Commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of their operations.

7. An interactive gaming service provider shall be liable to the licensee on whose behalf the services are provided for the interactive gaming service provider's proportionate share of the fees and taxes paid by the licensee.

(Adopted: 12/11.)

5A.230 Waiver of Requirements of Regulation. Upon written request and good cause shown, the Chair may waive one or more of the requirements of 5A.070, 5A.100, 5A.110, 5A.120, 5A.150, or 5A.190. If a waiver is granted, the Chair may impose alternative requirements.

(Adopted: 12/11.)

End – Regulation 5A

REGULATION 6

ACCOUNTING REGULATIONS

6.010 Definitions.
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6.010 Definitions. As used in this regulation:

1. Unless otherwise specified, “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

2. “Business year” means the annual period used by a licensee for internal accounting purposes.

3. “Electronic transfer” means the transmission of money as described in NRS 463.01473, or data via an electronic terminal, a telephone, a magnetic tape or a computer and a modem to the Board or the Commission.

4. “Fiscal year” means a period beginning on July 1st and ending June 30th of the following year.

5. “Group I licensee” defined.

(a) “Group I licensee” means a nonrestricted licensee having gross revenue at or above certain amounts ascertained by the Board for a fiscal year. The Board shall post such amounts on its website no later than the December 15th preceding the fiscal year for which such amounts shall be effective.

(b) Once a nonrestricted licensee qualifies as a “Group I licensee” pursuant to the definitions contained within this section, it shall remain a “Group I licensee” in subsequent years. This “Group I licensee” designation shall continue unless cancelled in writing by the Chair, even if the increase or decrease in the Consumer Price Index as provided for in section 7 would otherwise cause the licensee’s designation to change to a “Group II licensee.”

6. “Group II licensee” defined. “Group II licensee” means a nonrestricted licensee having gross revenue less than certain amounts ascertained by the Board for a fiscal year. The Board shall post such amounts on its website no later than the December 15th preceding the fiscal year for which such amounts shall be effective.

7. The amounts of annual gross revenue provided for in subsections 5 and 6 shall be increased or decreased annually in an amount corresponding to the percentage of increase or decrease in the Consumer Price Index (All Items) published by the United States Department of Labor for the preceding year.

8. “Operator” means any person or entity holding a license to operate an inter-casino linked 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 for affiliates.

9. “Statements on auditing standards” means the auditing standards and procedures published by the American Institute of Certified Public Accountants.

10. “Statements on standards for accounting and review services” means the standards and procedures published by the American Institute of Certified Public Accountants.

11. “Statistical drop” means the dollar amount of cash wagered by a patron that is placed in the drop box plus the dollar amount of chips or tokens issued at a table to a patron for currency, credit instruments or rim credit.

12. “Statistical win” means the dollar amount won by the licensee through table play.

(Adopted: 10/87. Amended: 2/88; 12/91; 11/96; 5/00; 11/01; 11/02; 5/03; 11/03; 11/04; 11/05; 11/06; 11/07; 11/08; 11/09; 11/10; 10/11; 11/12; 10/13. Effective 5/22/03 except (5) and (6) as noted.)

6.020 Board audit procedures.

1. The Board shall organize and maintain an audit division and a tax and license division whose authority it shall be:

(a) To conduct periodic audits or reviews of the books and records of nonrestricted licensees;

(b) To review the accounting methods and procedures used by licensees;

(c) To review and observe methods and procedures used by licensees to count and handle cash, chips, tokens, negotiable instruments, and credit instruments;

(d) To examine the licensees’ records and procedures in extending credit, and to confirm with gaming patrons the existence of an amount of debt and any settlement thereof, unless the licensee requests that the debt or settlement not be confirmed;

(e) To examine and review licensees’ internal control procedures;

(f) To examine all accounting and bookkeeping records and ledger accounts of the licensee or a person controlling, controlled by, or under common control with the licensee;

(g) To examine the books and records of any licensee when conditions indicate the need for such action or upon the request of the Chair or the Commission; and

(h) To investigate each licensee’s compliance with the Gaming Control Act and the regulations of the Commission.

2. The audit division shall conduct each audit in conformity with the statements on auditing standards. The audit division shall prepare an appropriate report at the conclusion of each audit and shall submit a copy of the report to the Board.

3. At the conclusion of each audit or review, the audit division or the tax and license division shall confer with and go over the results of the audit or review with the licensee. The licensee may, within 10 days of the conference, submit written reasons why the results of the audit or review should not be accepted. The Board shall consider the submission prior to its determination.

4. When the audit division or tax and license division finds that the licensee is required to pay additional fees and taxes or finds that the licensee is entitled to a refund of fees and taxes, it shall report its findings, and the legal basis upon which the findings are made, to the Board and to the licensee in sufficient detail to enable the Board to determine if an assessment or refund is required.

(Adopted: 10/87. Effective: 1/88. Amended: 6/14.)

6.030 Procedure for reporting and paying gaming taxes and fees.

1. Taxes and fees required under chapter 368A, 463 or 464 of NRS and all reports relating thereto must be received by the Board electronically not later than the due date specified by law, except as otherwise provided under a waiver granted pursuant to subsection 2.

2. A licensee shall report and pay its gaming taxes and fees, and file all reports relating thereto, pursuant to an electronic transfer procedure approved by the Board. The Chair, in the Chair’s sole and absolute discretion may, upon written request, waive this requirement if the requesting licensee can demonstrate good cause why it cannot comply.

(Adopted: 10/87. Amended: 11/21/96; 9/22/16; Effective: 11/1/16.)

6.031 Transferable tax credits.

1. For the purposes of Chapter 463 of the Nevada Revised Statutes, “transferable tax credit” means a tax credit issued by the State of Nevada, Office of Economic Development for use by a licensee subject to the gaming license fees imposed by the provisions of NRS 463.370.

2. A licensee shall notify the Board of the amount of transferable tax credits received, the name of the producer from whom the licensee received the transferable tax credits, the amount of transferable tax credits the licensee will apply, and the months and/or years the licensee will apply the transferable tax credits.

3. A licensee subject to the gaming license fees imposed by the provisions of NRS 463.370 shall offset such fees to the extent the licensee tenders to the Board any transferable tax credit transferred to the licensee.

4. Transferable tax credits may only be used to reduce the license fees imposed by the provisions of NRS 463.370. Fees paid with transferable tax credits shall not be refunded. An overpayment of fees paid with transferable tax credits may only be credited against the future fees owed by the licensee which overpaid the fees and may not be refunded to the licensee.

5. Transferable tax credits shall expire 4 years after the date on which the transferable tax credits are issued to the producer

(Adopted: 10/13.)

6.040 Accounting records.

1. Each licensee, in such manner as the Chair may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to fees under chapters 463 and 464 of NRS. Each licensee that keeps permanent records in a computerized or microfiche fashion shall provide the audit division, or the tax and license division, upon request, with a detailed index to the microfiche or computer record that is indexed by casino department and date.

2. Each nonrestricted licensee shall keep general accounting records on a double entry system of accounting, maintaining detailed, supporting, subsidiary records, including:

(a) Detailed records identifying revenues, expenses, assets, liabilities, and equity for each establishment;

(b) Detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;

(c) Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by table for each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, either by each shift or other accounting period approved by the Chair, and individual and statistical game records reflecting similar information for all other games;

(d) Slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

(e) For Group I licensees, the records required either by the minimum standards for internal control systems or by the licensee's system of internal control;

(f) For Group II licensees, the records required by the internal control procedures applicable to such licensees;

(g) Journal entries prepared by the licensee and its independent accountant; and

(h) Any other records that the Chair specifically requires be maintained.

3. Each restricted licensee shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its gaming operations.

4. If a licensee fails to keep the records used by it to calculate gross gaming revenue, the Board may compute and determine the amount of taxable revenue upon the basis of an audit conducted by the audit division, or the tax and license division, upon the basis of any information within the Board's possession, or upon statistical analysis.

5. The Chair may, in the Chair's sole and absolute discretion, permit multiple nonrestricted gaming operations to use a combined double entry system of accounting to reflect the accounting information required to be maintained by Regulation 6 if:

(a) The accounting information that is combined occurs only with respect to nonrestricted gaming operations owned and operated by the same licensee or by an affiliate of the same licensee;

(b) Each separate gaming operation conducts no more than 50 slot machines and no other games;

(c) The revenues subject to taxes or fees pursuant to NRS chapter 463 are readily identifiable and traceable to each separate gaming operation and its respective licensee; and

(d) The licensee and its affiliate comply with all other requirements of Regulation 6 as may be applicable.

(Adopted: 10/87. Amended: 2/88; 11/93; 2/00.)

6.045 On-line slot metering systems.

1. Each Group I nonrestricted licensee (or applicant for a nonrestricted license) having actual (or projected) gross revenue of $10 million or more for the 12 months ended June 30th each year shall:

(a) Install and thereafter maintain an on-line slot metering system meeting the specifications addressed in Regulation 14, as applicable to its operation, unless a specification is waived by the Chair. The Chair may waive this system requirement if a significant portion of the licensee's gaming devices are incapable of communicating with an on-line slot metering system.

(b) Within six months of installing the on-line slot metering system, ensure that all gaming devices properly communicate to the on-line slot metering system the information required by the Regulation 14 Technical Standards, unless this requirement is waived by the Chair. Gaming devices that are unable to communicate with the on-line slot metering system need not be interfaced with the system.

2. The Chair may require that a nonrestricted licensee not meeting the above gross revenue threshold be subject to this section through written notification. Such notification shall be sent to the licensee at least 6 months before compliance with this section is required. The imposition of this requirement shall be considered an administrative decision and, therefore, reviewable pursuant to Regulations 4.185, 4.190 and 4.195.

3. A licensee shall be in full compliance with this regulation within six months of becoming subject to this requirement as a result of exceeding the $10 million gross revenue threshold. Once a licensee becomes subject to this requirement, the licensee shall remain subject to this requirement in subsequent years unless waived by the Chair in writing.

(Adopted: 5/03. Effective: 5/22/05.)

6.050 Records of ownership.

1. Each corporate licensee shall keep on the premises of its gaming establishment, or shall provide to the audit division or the tax and license division, upon request, the following documents pertaining to the corporation:

(a) A certified copy of the articles of incorporation and any amendments;

(b) A copy of the bylaws and any amendments;

(c) A copy of the certificate issued by the Nevada secretary of state authorizing the corporation to transact business in Nevada;

(d) A list of all current and former officers and directors;

(e) Minutes of all meetings of the stockholders;

(f) Minutes of all meetings of the directors;

(g) A list of all stockholders listing each stockholder's name, address, the number of shares held, and the date the shares were acquired;

(h) The stock certificate ledger;

(i) A record of all transfers of the corporation's stock; and

(j) A record of amounts paid to the corporation for issuance of stock and other capital contributions.

2. Each partnership licensee shall keep on the premises of its gaming establishment, or provide to the audit division or the tax and license division, upon request, the following documents pertaining to the partnership:

(a) A copy of the partnership agreement and, if applicable, the certificate of limited partnership;

(b) A list of the partners, including their names, addresses, the percentage of interest held by each, the amount and date of each capital contribution of each partner, the date the interest was acquired, and the salary paid by the partnership; and

(c) A record of all withdrawals of partnership funds or assets.

3. Each sole proprietorship licensee shall keep on the premises of its gaming establishment, or provide to the audit division or the tax and license division, upon request, a schedule showing the name and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals.

(Adopted: 10/87. Amended: 2/00.)

6.060 Record retention; noncompliance. Each licensee shall provide the audit division, or the tax and license division, upon request, with the records required to be maintained by Regulation 6. Unless the

Chair approves or requires otherwise in writing, each licensee shall retain all such records within Nevada for at least 5 years after they are made. Failure to keep and provide such records is an unsuitable method of operation.

(Adopted: 10/87. Amended: 2/00.)

6.070 Standard financial statements.

1. Each nonrestricted licensee having gross revenue of $1 million or more for the 12 months ended June 30th each year shall prepare in such manner and using such forms as the Chair may approve or require, a financial statement covering all financial activities of the licensee's establishment for each fiscal year. If the licensee or a person controlling, controlled by, or under common control with the licensee owns or operates room, food, or beverage facilities at the establishment, the financial statement must cover those operations as well as gaming operations. Licensees shall submit the financial statements to the Board not later than September 15th following the end of the fiscal year covered by the statement. Each financial statement must be signed by a licensee who thereby attests to the completeness and accuracy of the statement. In the event of a license termination, change in the business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 75 days after the event, submit to the Board a financial statement covering the period since the period covered by the previous standard financial statement.

2. The Chair shall prescribe a uniform chart of accounts and accounting classifications. Licensees shall prepare their financial statements in accordance with the chart or in a similar form producing the same information.

3. Each nonrestricted licensee shall furnish to the Board, upon the Chair's written request, statistical and financial data for the purpose of compiling, evaluating, and disseminating financial information regarding the economics and trends within the gaming industry.

(Adopted: 10/87. Amended: 2/00.)

6.080 Audited financial statements.

1. Each Group I or Group II licensee shall prepare financial statements covering all financial activities of the licensee's establishment for each business year.

2. Each nonrestricted licensee having gross revenue at or above certain amounts ascertained by the Board pursuant to NRS 463.159(3) during the 12 months ended December 31st each year, and each operator, shall engage an independent accountant who shall audit the licensee's financial statements in accordance with generally accepted auditing standards. The Board shall post such amounts on its website no later than the December 15th preceding the year such amounts shall be effective.

3. Each nonrestricted licensee having gross revenue between certain amounts ascertained by the Board pursuant to NRS 463.159(3) during the 12 months ended December 31st each year, shall engage an independent accountant who shall review the licensee's financial statements in accordance with the statements on standards for accounting and review services or, if the Chair requires or the licensees engages the independent accountant to do so, the independent accountant shall audit the financial statements in accordance with generally accepted auditing standards. The Board shall post such amounts on its website no later than the December 15th preceding the year such amounts shall be effective.

4. The Chair may require any nonrestricted licensee having gross revenue at or below certain amounts ascertained by the Board pursuant to NRS 463.159(3) during the 12 months ended December 31st each year, to prepare financial statements covering all financial activities of the licensee's establishment for a business year and to engage an independent accountant to audit the financial statements in accordance with generally accepted auditing standards or to review the financial statements in accordance with standards for accounting and review services. The Board shall post such amounts on its website no later than the December 15th preceding the year such amounts shall be effective.

5. Unless the Chair approves otherwise in writing, the financial statements required by subsections 2 and 3 must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated establishments, but the consolidated financial statements must include consolidating financial information or consolidating schedules presenting separate financial statements for each establishment. The independent accountant shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the audit of the consolidated financial statements.

6. Each licensee shall submit to the Board 2 copies of its audited or reviewed financial statements not later than 120 days after the last day of the licensee's business year. Unless the Chair approves otherwise in writing, in the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 120 days after the event, submit to the Board 2 copies of audited or reviewed financial statements covering the period since the period covered by the previous financial statement. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of a business year for which a financial statement has not been submitted, the licensee may submit financial statements covering both the business year and the final period of business.

7. If a licensee changes its business year, the licensee shall prepare and submit to the Board audited or reviewed financial statements covering the "stub" period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the financial statements for the new business year.

8. Reports that communicate the results of the audit or review, including management advisory letters or activities not related to the gaming operation, must be submitted within 120 days after the end of the licensee's business year.

9. The Chair may request additional information and documents from either the licensee or the licensee's independent accountant, through the licensee, regarding the financial statements or the services performed by the accountant. Failure to submit the requested information or documents is an unsuitable method of operation.

(Adopted: 10/87. Amended: 6/92; 11/92; 11/93; 11/94; 10/95; 11/96; 11/97; 11/98; 11/99; 2/00; 5/00; 11/00; 11/01; 11/02; 5/03; 11/03; 11/04; 11/05; 11/06; 11/07; 11/08; 11/09; 11/10; 10/11; 11/12; 10/13.)

6.090 Internal control for Group I licensees. As used in this section, "licensee" means a Group I licensee and "Chair" means the Chair or other member of the Nevada Gaming Control Board.

1. Each licensee shall establish administrative and accounting procedures for the purpose of determining the licensee's liability for taxes and fees under chapters 463 and 464 of NRS and for the purpose of exercising effective control over the licensee's internal fiscal affairs. The procedures must be designed to reasonably ensure that:

(a) Assets are safeguarded;

(b) Financial records are accurate and reliable;

(c) Transactions are performed only in accordance with management's general or specific authorization;

(d) Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes, and to maintain accountability for assets;

(e) Access to assets is permitted only in accordance with management's specific authorization;

(f) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and

(g) Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

2. Each licensee and each applicant for a nonrestricted license shall describe, in such manner as the Chair may approve or require, its administrative and accounting procedures in detail in a written system of internal control. Each licensee and applicant for a license shall submit a copy of its written system to the Board. Each written system must include:

(a) An organizational chart depicting segregation of functions and responsibilities;

(b) A description of the duties and responsibilities of each position shown on the organizational chart;

(c) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsection 1;

(d) A written statement signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner attesting that the system satisfies the requirements of this section;

(e) If the written system is submitted by an applicant, a letter from an independent accountant stating that the applicant's written system has been reviewed by the accountant and complies with the requirements of this section; and

(f) Such other items as the Chair may require.

3. The Chair shall adopt and publish minimum standards for internal control procedures that in the Chair's opinion satisfy subsection 1. At least 45 days prior to adopting or revising minimum standards, the Chair shall:

(a) Publish notice of the proposed action by posting the proposed change or revision on the Board's website;

(b) Mail notice of the posting of the proposed minimum standards or revision on the Board's website and a copy of this section of Regulation 6 to every Group I licensee and every person who has filed a request therefor with the Commission; and

(c) Provide a copy of the proposed minimum standards or revision to the Commission.

4. Prior to adopting or revising the minimum standards, the Chair shall consider all written statements, arguments, or contentions submitted by interested parties within 30 days of service of the notice provided for in subsection 3.

5. The Chair shall send written notice that he or she has adopted standards pursuant to subsection 3 to all Group I licensees and to every person who has filed a request therefor with the Commission.

6. Not later than 30 days after service of written notice that the Chair has adopted or revised the minimum standards, any Group I licensee may object to the minimum standards or revisions by filing a written objection with the Commission. If a licensee files an objection, the effective date of the standards or revisions is stayed. The Commission may, on its own initiative, review the minimum standards or revisions adopted by the Chair and may stay the effective date of the standards or revisions. If no objections are filed within 30 days, or the Commission does not stay the effective date in order to review the minimum standards or revisions, the minimum standards or revisions shall become effective. If objections to particular portions of the minimum standards or revisions are filed, the portions of the minimum standards or revisions not objected to shall become effective upon expiration of the 30 days. If the Commission fails to sustain an objection within 60 days of its filing, the objection will be deemed denied and the minimum standards shall become effective upon expiration of the 60 days. If the Commission sustains the objection, the Chair shall revise the minimum standards to reflect the order of the Commission. The Chair shall send written notice of the effective date of the standards to all Group I licensees and every person who has filed a request therefor with the Commission.

7. Not later than 30 days after service of written notice that the minimum standards adopted or revised pursuant to this section are effective, each licensee whose procedures are affected by the minimum standards or revisions shall amend its written system, submit a copy of the written system as amended to the Board, and comply with the standards and system as amended. The Chair, in the Chair's sole and absolute discretion, may extend the time for complying with this subsection.

8. The licensee may not implement a system of internal control procedures that does not satisfy the minimum standards unless the Chair, in the Chair's sole discretion, determines that the licensee's proposed system satisfies subsection 1, and approves the system in writing. Within 30 days after a licensee receives notice of the Chair's approval of procedures that satisfy the requirements of subsection 1, but that do not satisfy the minimum standards, the licensee shall comply with the approved procedures, amend its written system accordingly, and submit to the Board a copy of the written system as amended and a written description of the variations signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner.

9. Each licensee shall require the independent accountant engaged by the licensee to examine the financial statements or to review the licensee's financial statements to submit to the licensee 2 copies of a written report of the compliance of the procedures and written system with the minimum internal control standards. Using the criteria established by the Chair, the independent accountant shall report each event and procedure discovered by or brought to the accountant's attention that the accountant believes does not satisfy the minimum standards or variations from the standards that have been approved by the Chair pursuant to subsection 8. Not later than 150 days after the end of the licensee's business year, the licensee shall submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the Board accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures taken. Unless the Chair approves otherwise in writing, in the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 150 days after the event, submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the Board accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures

taken covering the period since the period covered by the previous report. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 150 days after the end of a business year for which a report has not been submitted, the licensee may submit a report covering both the business year and the final period of business.

10. Before adding or eliminating a counter game; eliminating all table games; adding a table game at a gaming establishment not offering table games; adding any computerized system that affects the proper reporting of gross revenue; adding any computerized system of betting at a race book or sports pool; or adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the licensee must:

(a) Amend its accounting and administrative procedures and its written system of internal control to comply with the minimum standards;

(b) Submit to the Board a copy of the written system as amended, and a written description of the amendments signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner;

(c) Comply with any written requirements imposed by the Chair regarding administrative approval of computerized associated equipment; and

(d) After paragraphs (a) through (c) have been complied with, implement the procedures and written system as amended.

11. Each licensee shall annually report any amendments to the licensee's procedures and written system, not reported pursuant to Regulation 6.090(10), that have been made since the previous annual report. The report must include either a copy of the written system as amended or a copy of each amended page of the written system, and a written description of the amendments signed by the licensee's chief financial officer.

12. If the Chair determines that a licensee's administrative or accounting procedures or its written system does not comply with the requirements of this section, the Chair shall so notify the licensee in writing. Within 30 days after receiving the notification, the licensee shall amend its procedures and written system accordingly, and shall submit a copy of the written system as amended and a description of any other remedial measures taken.

13. Each licensee shall comply with its written system of internal control submitted pursuant to subsection 2 as it relates to compliance with the minimum standards, variations from the minimum standards approved pursuant to subsection 8, and Regulation 14 associated equipment approvals.

14. Failure to comply with subsection 13 is an unsuitable method of operation.

15. Using guidelines, checklists, and other criteria established by the Chair, the licensee's internal auditor shall perform observations, document examinations, and inquiries of employees to determine compliance with applicable statutes, regulations, and minimum internal control standards. Two copies of the internal auditor's report summarizing all instances of noncompliance and management responses must be submitted to the Board within 120 days after the end of the first six months of the licensee's business year and must include all work required to be performed during that six-month period along with any additional procedures that were performed. Noncompliance noted in the second half of the business year must be submitted to the Board within 120 days after the end of the business year unless the noncompliance is to be disclosed in the independent accountant's report submitted pursuant to Regulation 6.090(9).

(Adopted: 10/87. Formerly Reg. 6.090A. Amended: 2/00; 5/03; 6/30/07; 5/12.)

6.100 Internal control procedures for Group II licensees. As used in this section "licensees" mean Group II licensees and "Chair" means the Chair or other member of the Nevada Gaming Control Board.

1. The Chair shall prepare and publish internal control procedures that in the Chair's opinion establish administrative and accounting procedures for the purpose of determining the licensee's liability for taxes and fees under chapters 463 and 464 of NRS and for the purpose of exercising effective control over the licensee's internal fiscal affairs.

2. At least 45 days prior to adopting or revising the internal control procedures, the Chair shall:

(a) Publish notice of the proposed action by posting the proposed change or revision on the Board's website;

(b) Mail notice of the posting of the proposed internal control procedures or revisions on the Board's website and a copy of this section of Regulation 6 to every Group II licensee and every person who has filed a request therefor with the Commission; and

(c) Provide a copy of the proposed internal control procedures to the Commission.

3. Prior to adopting or revising the internal control procedures, the Chair 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. The Chair shall send written notice of the adoption of the internal control procedures to all Group II licensees and every person who has filed a request therefor with the Commission.

5. Not later than 30 days after service of written notice that the Chair has adopted or revised the internal control procedures, any Group II licensee may object to the internal control procedures by filing a written objection with the Commission. If a licensee files an objection, the effective date of the internal control procedures is stayed. The Commission may, on its own initiative, review the internal control procedures adopted by the Chair and may stay the effective date of the standards or revisions. If no objections are filed within 30 days, or the Commission does not stay the effective date in order to review the internal control procedures, the internal control procedures shall become effective. If objections to particular portions of the internal control procedures are filed, the portions of the internal control procedures not objected to shall become effective upon expiration of the 30 days. If the Commission fails to sustain an objection within 60 days of its filing, the objection will be deemed denied and the internal control procedures shall become effective upon expiration of the 60 days. If the Commission sustains the objection, the Chair shall revise the internal control procedures to reflect the order of the Commission. The Chair shall send written notice of the effective date of the internal control procedures to all Group II licensees and every person who has filed a request therefor with the Commission.

6. Not later than 30 days after service of written notice that the internal control procedures adopted or revised pursuant to this section are effective, each licensee shall comply with the procedures. The Chair, in the Chair's sole and absolute discretion, may extend the time for complying with this subsection.

7. A licensee may not implement internal control procedures that deviate from the published internal control procedures unless the deviations are approved in writing by the Chair.

8. Failure to follow the internal control procedures issued by the Chair, or approved deviations from the procedures, is an unsuitable method of operation.

(Adopted: 10/87. Formerly Reg. 6.100A. Amended: 2/00; 5/12.)

6.105 Internal control for operators of inter-casino linked systems and mobile gaming systems.

1. Each operator shall prepare and submit a written internal control system describing the operation of the inter-casino linked system or mobile gaming system, in accordance with this regulation. Each operator shall, if required by the Chair, amend the written system to comply with any requirements consistent with this regulation that the Chair deems appropriate.

2. Each operator and each licensee participating in each operator's inter-casino linked system or mobile gaming system shall comply with the internal control system and all amendments to such internal control system as have been approved by the Chair.

3. Unless the Chair approves otherwise in writing, each operator shall direct an independent accountant engaged by the operator to perform observations, document examinations and inquiries of employees to determine compliance with the operator's internal control system using procedures approved by the Chair. The independent accountant engaged by the operator will submit to the operator two copies of a written report of its compliance with the internal control system approved by the Chair. Not later than 150 days after the end of the operator's business year, the operator shall submit two copies of the independent accountant's report summarizing all instances of noncompliance or any other correspondence directly relating to the operator's system of internal control to the Board, accompanied by the operator's statement addressing each item of noncompliance noted by the independent accountant and describing the corrective measures taken.

(Adopted: 5/00. Amended 5/03; 3/06.)

6.110 Gross revenue computations.

1. For each table game, gross revenue equals the closing table game bankroll plus credit slips for cash, chips, tokens, or personal/payroll checks returned to the casino cage, plus drop, less opening table game bankroll, fills to the table, money transfers issued from the game through the use of a cashless wagering system.

(Adopted: 10/87. Amended: 5/03.)

2. For each slot machine, or gaming device, gross revenue equals drop less fills to the machine or gaming device and jackpot payouts, and includes all money received by the licensee from a patron to play a slot machine or gaming device. Additionally, the initial hopper load is not a fill and does not affect gross revenue. The difference between the initial hopper load and the total amount that is in the hopper at the end of the licensee's fiscal year must be adjusted accordingly as an addition to or subtraction from the drop for that year. If a licensee does not make such adjustments, or makes inaccurate adjustments, the audit division may compute an estimated total amount in the slot machine hoppers and may make reasonable adjustments to gross revenue during the course of an audit.

(Adopted: 10/87. Amended: 11/18/99; 9/15.)

3. For each counter game, gross revenue equals:

(a) The counter games write on events or games that occur during the month or will occur in subsequent months, less counter games payout during the month ("cash basis"); or

(b) The counter games write on events or games that occur during the month, plus counter games write not previously included in gross revenue that was accepted by the licensee in previous months on events or games occurring during the month, less counter games payouts during the month ("modified accrual basis").

(Adopted: 10/87. Amended: 5/03.)

4. For each card game and any other game in which the licensee is not a party to a wager, gross revenue equals all money received by the licensee as compensation for conducting the game.

(Adopted: 10/87. Effective: 1/88.)

5. A licensee shall not include either shill win or shill loss in gross revenue computations.

(Adopted: 10/87. Effective: 1/88.)

6. In computing gross revenue for a slot machines, keno and bingo, the actual cost to the licensee, its agent or employee, or a person controlling, controlled by, or under common control with the licensee, of any personal property distributed as losses to patrons may be deducted from winnings (other than costs of travel, lodging, services, food, and beverages) if the licensee maintains detailed documents supporting the deduction.

(Adopted: 10/87. Amended: 11/18/99.)

7. If the licensee provides periodic payments to satisfy a payout resulting from a wager, the initial installment payment when paid and the actual cost of a payment plan approved pursuant to Regulation 5.115 and funded by the licensee may be deducted from winnings. For any funding method which merely guarantees the licensee's performance and under which the licensee makes payments directly out of cash flow (e.g., irrevocable letters of credits, surety bonds, or other similar methods), the licensee may only deduct such payments when paid to the patron.

(Adopted: 10/87. Amended: 11/99; 5/00.)

8. For payouts by inter-casino linked system operators a licensee may deduct from winnings its pro rata share of an inter-casino linked system payout, except for a payout made in conjunction with a card game, pursuant to NRS 463.3715(5) under the provisions of its contract with the operator of the system and in accordance with the requirements stated herein.

(Adopted: 10/87. Amended: 11/99; 5/00.)

9. A licensee shall not exclude money paid out on wagers that are knowingly accepted by the licensee in violation of chapters 463 or 465 of the Nevada Revised Statutes or the regulations of the Commission from gross revenue.

(Adopted: 10/87. Amended: 11/18/99; 5/00.)

10. If in any month the amount of gross revenue is less than zero, the licensee may deduct the excess in the succeeding months, until the loss is fully offset against gross revenue.

(Adopted: 10/87. Amended: 11/18/99; 5/00.)

11. Payout receipts and wagering vouchers issued at a game or gaming device, other than a slot machine offered for play at a gaming establishment that operates under a nonrestricted license, shall be deducted from gross revenue as jackpot payouts in the month the receipts or vouchers are issued by the game or gaming device. Payout receipts and wagering vouchers deducted from gross revenue that are not redeemed within 60 days of issuance shall be included in gross revenue. An unredeemed payout receipt or wagering voucher previously included in gross revenue may be deducted from gross revenue in the month redeemed. For purposes of this section, the term "slot machine" means a gaming device for which gross revenue is calculated pursuant to the method described under section 2 above.

(Adopted: 5/03. Amended: 9/22/11.)

12. For payout receipts and wagering vouchers issued at a slot machine offered for play at a gaming establishment that operates under a nonrestricted license:

(a) The redemption value shall be deducted from gross revenue as a jackpot payout in the month the receipt or voucher is issued at the slot machine.

(b) Such receipts and wagering vouchers shall be deemed expired if not redeemed on or before the expiration date printed on the payout receipt or wagering voucher or within 180 days of issuance, whichever period is less. For payout receipts or wagering vouchers that have been deemed expired under this section, the licensee shall:

(1) Include 25 percent of the redemption value in reported gross revenue in the month that the payout receipt or wagering voucher expired; and

(2) On or before the 15th day of the month following the end of each calendar quarter:

(i) Report to the Commission the total redemption value of all unredeemed payout receipts and wagering vouchers that expired during the preceding calendar quarter; and

(ii) Remit to the Commission 75 percent of the total redemption value of all unredeemed payout receipts and wagering vouchers that expired during the preceding calendar quarter.

(c) While under no legal obligation to do so, a licensee may allow a patron to redeem a payout receipt or wagering voucher that has been deemed expired pursuant to this section. In such cases:

(1) If any portion of the redemption value of the expired payout receipt or wagering voucher had been included in reported gross revenue, the licensee shall deduct that amount from reported gross revenue for the month the receipt or voucher was redeemed.

(2) If redeemed in the same quarter it expired, no portion of the redemption value of the payout receipt or wagering voucher is to be remitted to the Commission, nor is any portion of the redemption value to be included in the quarterly report to the Commission.

(3) If any portion of the redemption value of the expired payout receipt or wagering voucher was previously remitted to the Commission, the licensee shall deduct that amount from the next quarterly payment due the Commission up to the total amount due for that quarter. Any remaining amount shall be deducted in the same manner from amounts due in subsequent quarters until the amount has been fully deducted.

(d) A record of all expired payout receipts and wagering vouchers shall be created and maintained in accordance with the record keeping requirements set forth in regulations 6.040 and 6.060.

(e) For purposes of this section, the term "slot machine" means a gaming device for which gross revenue is calculated pursuant to the method described under section 2 above.

(f) This section only applies to payout receipts and wagering vouchers issued at a slot machine after June 30, 2011. For payout receipts and wagering vouchers issued at a slot machine on or before June 30, 2011, the requirements of section 11 apply.

(Adopted: 9/22/11. Amended: 6/14.)

6.115 Uncollected baccarat commissions.

1. If a licensee does not collect baccarat commissions due from a patron at the conclusion of play and elects to waive payment, such action must be authorized and documented in accordance with subsection 2 hereof.

2. Concurrently with the decision to not collect the baccarat commission, the licensee must record, in such manner and using such preprinted, prenumbered forms as the Chair has approved:

(a) Date, shift and time the licensee determined to not collect the baccarat commission;

(b) The amount of the baccarat commission not collected;

(c) The baccarat table number;

(d) Patron name, if known;

(e) The dealer's signature; and

(f) A baccarat supervisor's signature.

3. Such forms shall be sent to the accounting department at least every 24 hours and reconciled numerically to account for all forms. A form may be used to record more than one transaction; however each transaction must indicate all of the above required signatures. Descriptions of the forms and procedures utilized must be included in the licensee's submitted system of internal control.

4. An uncollected baccarat commission that is not waived in accordance with this regulation shall be documented by a credit instrument that clearly indicates it represents an uncollected baccarat commission,

and that conforms to all documentation and procedural requirements of the licensee's submitted system of internal control.

5. Failure to comply with these regulations is an unsuitable method of operation, but shall not subject the licensee to any payment of taxes or fees on any baccarat commission not collected.

(Adopted: 8/93.)

6.118 Mandatory disclosure provisions for credit applications and credit instruments.

1. Each credit application must contain a statement approved by the Chair, separately signed by the patron, and in a font size of not less than 9 points, acknowledging the patron's understanding, that under Nevada law a credit instrument is the same as a personal check, and knowingly writing a credit instrument with insufficient funds in the account upon which it is drawn, or with intent to defraud, is a criminal act in the State of Nevada which may result in criminal prosecution. The following language, if used on a credit application, is deemed approved:

"Warning: For the purposes of Nevada law, a credit instrument is identical to a personal check and may be deposited in or presented for payment to a bank or other financial institution on which the credit instrument is drawn. Willfully drawing or passing a credit instrument with the intent to defraud, including knowing that there are insufficient funds in an account upon which it may be drawn, is a crime in the State of Nevada which may result in criminal prosecution in addition to civil proceedings to collect the outstanding debt."

2. Each credit instrument must contain a notification, approved by the Chair, permanently and legibly printed on the face of the original credit instrument, in a font size of not less than 6 points, that notifies the patron of the requirements of Nevada law regarding personal checks. The following language, if used on a credit instrument, is deemed approved:

"A credit instrument is identical to a personal check. Willfully drawing or passing a credit instrument knowing there are insufficient funds in an account upon which it may be drawn, or with the intent to defraud, is a crime in the State of Nevada which may result in criminal prosecution."

3. All documents created pursuant to this section must be retained in accordance with the requirements of Regulation 6.060.

4. Credit applications and credit instruments issued by licensees to patrons after the effective date of this section must contain the required wording. Such documentation issued by licensees to patrons before the effective date need not include the required disclosures.

(Adopted: 3/06. Effective: 9/19/06.)

6.120 Treatment of credit for purposes of computing gross revenue.

1. Gross revenue does not include credit extended or collected by the licensee for purposes other than gaming. Gross revenue included the amount of gaming credit extended to a patron that is not documented in a credit instrument.

2. Each licensee shall:

(a) Document, prior to extending credit, that it:

(1) Has received information from a bona fide credit-reporting agency that the patron has an established credit history that is not entirely derogatory; or

(2) Has received information from a legal business that has extended credit to the patron that the patron has an established credit history that is not entirely derogatory; or

(3) Has received information from a financial institution at which the patron maintains an account that the patron has an established credit history that is not entirely derogatory; or

(4) Has examined records of its previous credit transactions with the patron showing that the patron has paid substantially all of the patron's credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or

(5) Was informed by another licensee that extended gaming credit to the patron that the patron has previously paid substantially all of the debt to the other licensee and the licensee otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or

(6) If no credit information was available from any of the sources listed in subparagraphs (1) through (5) for a patron who is not a resident of the United States, the licensee has received, in writing, information from an agent or employee of the licensee who has personal knowledge of the patron's credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the patron's disposal;

(7) In the case of personal checks, has examined and has recorded the patron's valid driver's license or, if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks, and has recorded a bank check guarantee card number or credit card number or has documented one of the credit checks set forth in subparagraphs (1) through (6);

(8) In the case of third party checks for which cash, chips, or tokens have been issued to the patron or which were accepted in payment of another credit instrument, has examined and has recorded the patron's valid driver's license, or if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks and has, for the check's maker or drawer, performed and documented one of the credit checks set forth in subparagraphs (1) through (6);

(9) In the case of guaranteed drafts, has complied with the issuance and acceptance procedures prescribed by the issuer.

(b) Ensure that the patron to whom the credit is extended either signs the credit instrument when credit is extended or, unless the requirements of subsection 5 and 6 have been met, acknowledges the debt and the instrument's validity in a signed, written statement within 30 days of the audit division's request;

(c) Obtain and record the patron's address before extending the credit, or, unless the requirements of subsections 5 and 6 have been met, furnish the patron's current address within 30 days of the audit division's request.

3. A licensee, after extending credit, shall:

(a) Document that it has:

(1) Attempted to collect payment from the patron once every ninety (90) days from the date:

(i) The credit is extended; or

(ii) Upon which the licensee and patron agree that the debt will become due and payable. An agreement by the licensee and the patron to extend the date the debt becomes due and payable beyond ninety (90) days from the date the credit was extended must be documented. If the agreement is not documented, collection attempts must be made as provided in this subsection, until the agreement is documented. Notwithstanding the forgoing, the licensee must commence collection efforts within ninety (90) days after the date which is eighteen (18) months after the date on which the credit is extended regardless of any agreement to extend the due date.

(2) Attempted to collect payment from the patron by requesting payment in letters sent to the patron's last-known address, or via facsimile transmission or electronic mail, or in personal or telephone conversations with the patron, or by presenting the credit instrument to the patron's bank for collection, or by a collection method or methods which the Chair determines to constitute good faith efforts to collect the full amount of the debt.

(b) Furnish the credit instrument to the Board within 30 days after the audit division's request, unless the licensee has independent, written, and reliable verification that the credit instrument is in the possession of a court, governmental agency, or financial institution; has been returned to the patron upon partial payment of the instrument; has been returned to the patron upon the licensee's good faith belief that it had entered into a valid settlement and the licensee provides a copy of the original credit instrument and a document created contemporaneously with the settlement that contains the information required by subsection 6(b)(1)-(6) of this section; has been stolen and the licensee has made a written report of the theft to an appropriate law enforcement agency, other than the Board, having jurisdiction to investigate the theft; or the Chair waives the requirements of the subsection because the credit instrument cannot be produced because of any other circumstances beyond the licensee's control.

(1) Theft reports made pursuant to this paragraph must be made within 30 days of the licensee's discovery of the theft and must include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged theft, and the names of employees or agents of the licensee who may be contacted for further information. Each licensee shall furnish to the audit division a copy of theft reports made pursuant to this paragraph within 30 days of its request.

(2) If the licensee has returned a credit instrument upon partial payment, consolidation, or redemption of the debt, it shall issue a new "substituted" credit instrument in place of the original and shall furnish the substituted credit instrument to the audit division within 30 days of its request, unless the licensee has independent, written, and reliable verification that the substituted credit instrument cannot be produced because it is in the possession of a court, governmental agency, or financial institution; has been stolen and the licensee has made a written report of the theft to an appropriate law enforcement agency, other than the Board, having jurisdiction to investigate the theft; or the Chair waives the requirements of this

subparagraph because the substituted credit instrument cannot be produced because of any other circumstances beyond the licensee's control.

(c) Submit a written report of a forgery, if any, of the patron's signature on the instrument to an appropriate law enforcement agency, other than the Board, having jurisdiction to investigate the forgery. The report must include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged forgery, and identification of employees or agents of the licensee who may be contacted for further information. Each licensee shall furnish a copy of forgery reports made pursuant to this paragraph to the audit division within 30 days of its request.

(d) Permit the audit division within 30 days of its request to confirm in writing with the patron the existence of the debt, the amount of the original credit instrument, and the unpaid balance, if any.

(e) Retain all documents showing, and otherwise make detailed records of, compliance with this subsection, and furnish them to the audit division within 30 days after its request.

4. Each licensee shall include in gross revenue all or any portion of an unpaid balance on any credit instrument if the Board determines that, with respect to that credit instrument, the licensee has failed to comply with the requirements of subsection 2 or 3.

5. A licensee need not include in gross revenue the unpaid balance of a credit instrument even if the Board determines that a licensee has failed to comply with subsections 2 and 3 if the requirements of subsections 6, 7 and one or more of the following paragraphs are satisfied, and the licensee documents or otherwise keeps detailed records of compliance with this subsection and furnishes them to the audit division within 30 days after its request. In the case in which the debts of several patrons are consolidated for purposes of settlement, the licensee shall document that the consolidation of the accounts of several patrons is not for the purpose of avoiding an adverse determination under subsections 2 and 3.

(a) The licensee settles the debt for less than its full amount to induce the patron to make a partial payment. This paragraph is satisfied only if the licensee first requests payment of the debt in full from the patron, the patron fails to respond to the request or refuses to pay the debt in full, and the patron then makes a partial payment in consideration for settlement of the debt for less than the full amount.

(b) The licensee settles the debt for less than its full amount to compromise a genuine dispute between the patron and the licensee regarding the existence or amount of the debt.

(c) The licensee settles the debt for less than its full amount because the licensee in good faith believes, and records the basis for its belief, that the patron's business will be retained in the future, or the patron's business is in fact retained.

(d) The licensee settles the debt for less than its full amount to obtain a patron's business and to induce timely payment of the credit instrument. This paragraph is only satisfied if the percentage of the discount off the face value of the credit instrument is reasonable as compared to the prevailing practice in the industry at the time the credit instrument was issued.

6. Each licensee shall ensure:

(a) That a debt settled pursuant to subsection 5 is settled either with the patron to whom the credit was initially extended or the patron's personal representative. For purposes of this section, a personal representative is an individual who has been authorized by the patron to make a settlement on the patron's behalf. The licensee shall document its reasonable basis for its belief that the patron has authorized the individual to settle the patron's debt.

(b) That the settlement is authorized by persons designated to do so in the licensee's system of internal control, and the settlement agreement is reflected in a single document prepared within 30 days of the agreement and the document includes:

(1) The patron's name;

(2) The original amount of the credit instrument;

(3) The amount of the settlement stated in words;

(4) The date of the agreement;

(5) The reason for the settlement;

(6) The signatures of the licensee's employees who authorized the settlement;

(7) The patron's signature or in cases in which the patron's signature is not on the settlement document, confirmation from the patron acknowledging the debt, the settlement and its terms and circumstances in a signed, written statement received by the audit division within 30 days of its request. If confirmation from the patron is not available because of circumstances beyond the licensee's control, the licensee shall provide such other information regarding the settlement as the Chair determines is necessary to confirm the debt and settlement.

7. If the Chair determines that it is necessary to independently verify the existence or the amount of a settlement made pursuant to subsection 5, the licensee shall allow the audit division to confirm the settlement and its terms and circumstances with the patron to whom the credit was initially extended.

8. A licensee shall include in gross revenue all money, and the net fair market value of property or services received by the licensee, its agent or employee, or a person controlling, controlled by, or under common control with the licensee in payment of credit instruments.

9. A licensee may exclude money received in payment of credit instruments from gross revenue if the licensee notifies the Board in writing within 30 days of the licensee's discovery of the alleged criminal misappropriation of the money by an agent or employee of the licensee or by a person controlling, controlled by, or under common control with the licensee where the agent, employee, or person was involved in the collection process, and if the licensee:

(a) Files a written report with an appropriate law enforcement agency, other than the Board, alleging criminal misappropriation of the money and furnishes a copy of such report to the Board within 30 days of the audit division's request;

(b) Files and prosecutes a civil action against the agent, employee, or person for recovery of the misappropriated money and furnishes copies of legal pleadings to the Board within 30 days of the audit division's request; or

(c) Otherwise demonstrates to the Chair's satisfaction, within the time limits set by the Chair, that the money was in fact criminally misappropriated and not merely retained by the agent, employee, or person as payment for services or costs.

10. If the licensee recovers any money, previously excluded from gross revenue pursuant to subsection 9, the licensee shall include the money in gross revenue for the month in which the money is recovered.

(Adopted: 10/87. Amended: 5/03; 3/06.)

6.125 Treatment of credit instruments upon conclusion of gaming operation.

1. As used in this section:

(a) "Licensee" may mean former licensee and may also include any affiliate of the licensee or former licensee, as the context requires.

(b) "Value of all collectible credit instruments" means the amount of cash or other compensation the licensee may reasonably expect to receive in payment of its credit instruments after the conclusion of its gaming operation. This amount must be computed with reference to the unpaid balances of the instruments, the effect of the conclusion of the gaming operation on the likelihood of collecting the instruments, the licensee's collection experience, the ages of the instruments, the past collection efforts on the instruments, the financial stability of the patrons, the general economic conditions of the patrons' countries of residence, and any other pertinent factors. This amount must not include the amount of any credit instrument for which a gross revenue license fee was paid pursuant to NRS 463.371.

2. To ensure collection of the fee imposed by NRS 463.3857, the licensee must make a cash deposit or post security of a type specified in NRS 100.065 by no later than the 24th day of the month after the month in which the licensee concluded its gaming operation. The amount of the cash deposit or security must be computed by multiplying the value of all collectible credit instruments by the rate derived from the formula in subsection 4. The cash deposit or security must be paid to or posted with the Commission and be accompanied by a report of its computation on a form prescribed by the Board Chair. Interest on the cash deposit or security accrues to the licensee at the statutory or stated rate. If the licensee makes a cash deposit, then, as the fee imposed by NRS 463.3857 becomes due, it may be paid out of the cash deposited, including any accrued interest, in which case the amount of the cash deposit will be reduced by a corresponding amount. If the licensee posts security, then the amount of the security may be reduced as the fee imposed by NRS 463.3857 is paid, and the security must be released when the total amount of the fee that has been paid equals or exceeds the amount of the security.

3. The fee imposed by NRS 463.3857 must be collected each month in which the licensee receives cash or other compensation in payment of its credit instruments. The amount of the fee collected each month must be computed by multiplying the rate derived from the formula in subsection 4 by the total of all cash or other compensation received by the licensee that month in payment of its credit instruments. This monthly fee amount must be paid by the licensee to the Commission by no later than the 24th day of the month after the month in which the cash or other compensation is received, and must be accompanied by a report of its computation on a form prescribed by the Board Chair.

4. For purposes of the computations in subsections 2 and 3, the rate is determined by dividing the sum of the licensee's projected monthly fee payments by the value of all collectible credit instruments. The licensee's projected monthly fee payments are determined by applying the rates and monetary limits set forth in NRS 463.370(1) to each one of the licensee's projected monthly collections. The licensee's projected monthly collections are determined by multiplying the licensee's historical collection percentages by the value of all collectible credit instruments. The licensee's historical collection percentages are determined by dividing all of the cash or other compensation received by the licensee in payment of credit instruments during each of 24 monthly aging periods beginning 36 months before the month in which the gaming operation is concluded, by the sum of all of the cash or other compensation received by the licensee in payment of those credit instruments during all of those 24 monthly aging periods. If the licensee has concluded its gaming operation within 36 months after the operation began, or if the licensee has failed to maintain adequate aging information, then the licensee and the Board may agree on different intervals or methods for determining the licensee's historical collection percentages. If the licensee and the Board cannot agree on different intervals or methods for determining the licensee's historical collection percentages, or on the value of all collectible credit instruments, then the Board shall determine the percentages or value the licensee must use to compute the rate. If that computation results in the licensee paying a greater fee than it believes should have been collected, then the licensee may file a claim for refund pursuant to Regulation 6.180.

5. Not earlier than 12 months after the month in which the gaming operation is concluded, the licensee may submit a claim for the refund of any cash remaining on deposit or the release of any security posted pursuant to subsection 2, including any accrued interest. The claim for refund or release must be allowed if the licensee can furnish the Board all unpaid credit instruments which demonstrate that more cash or security remains on deposit than will be collected pursuant to subsection 3. The licensee need not furnish an unpaid credit instrument if the licensee has independent, written, and reliable verification that the credit instrument is in the possession of a court, governmental agency, or financial institution, or was returned to the patron upon acceptance of a partial payment for the full amount of the instrument. Acceptance of a partial payment for the full amount of a credit instrument must be documented by a receipt bearing the patron's signature or by other supporting evidence demonstrating that the licensee attempted to obtain the patron's signature.

6. A claim for refund pursuant to subsection 5 must not be allowed to the extent that the licensee receives any property or services in payment of a credit instrument in whole or in part.

7. For a period of five years after the date its gaming operation is concluded, the licensee must maintain adequate records of all cash or other compensation received in payment of credit instruments and all credit instruments that remain unpaid. The Commission may deny any claim for refund pursuant to subsection 5 if the licensee fails to maintain or does not allow the Board to audit such records and unpaid credit instruments.

8. This section does not preclude the Board and Commission from collecting any gross revenue license fee that may be due on any credit instrument pursuant to NRS 463.371 at the conclusion of a licensed gaming operation.

9. This section does not apply to:

(a) Any credit instrument that is transferred by operation of law to a successor-in-interest who continues the gaming operation, such as a trustee in bankruptcy, a receiver, or a supervisor appointed pursuant to chapter 463B of NRS, or any credit instrument that remains unpaid when the successor-in-interest ceases its gaming operation.

(b) Any credit instrument that is purchased by another licensee, provided that the purchaser agrees in writing to assume the liability for any fee due or that may become due on the credit instrument, including any fee that may become due under NRS 463.370, 463.371 or 463.3857.

(Adopted: 9/26/91. Amended: 5/93.)

6.130 Mandatory count procedure.

1. Except as otherwise provided in subsection 2:

(a) Each nonrestricted licensee shall report annually to the Board, on or before July 15th, the time or times when drop boxes will be removed and the contents counted. All drop boxes must be removed and counted at the time or times previously designated to the Board. Removal and counting of drop box contents at other than the designated times is prohibited unless the licensee provides advance written notice to the Chair of a change in times or the Chair requires a change of authorized times.

(b) Within 10 days after the end of each calendar quarter, each nonrestricted licensee shall submit a list to the Board of employees authorized to participate in the count and those employees who are authorized to be in the count room during the count ("count personnel list") during and as of the end of the calendar quarter. The count personnel list shall indicate those persons, if any, who hold an interest in the licensee and shall indicate what relationship by blood or marriage, if any, exists between any person on such list or any interest holder or employee of the gaming establishment. The count personnel list shall also indicate the social security number of each count employee and the job position held by each count employee.

2. Unless otherwise administratively waived or amended by the Chair, each operator of a slot machine route shall submit the information required by this section on a monthly basis, in a format acceptable to the Board, on or before the fifth day of the immediately following month. This subsection will expire and no longer be in force and effect as of midnight January 31, 1993.

(Adopted: 10/87. Amended: 10/91.)

6.140 Handling of cash. Each gaming employee, owner, or licensee who receives currency of the United States (other than tips or gratuities) from a patron in the gaming area of a gaming establishment shall promptly place the currency in the locked box in the table or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked box or on card game tables, in an appropriate place on the table, in the cash register, or other repository approved by the Chair.

(Adopted: 10/87. Effective: 1/88.)

6.150 Minimum bankroll requirements.

1. The Chair may adopt or revise a bankroll formula that specifies the minimum bankroll requirements applicable to restricted gaming licensees, nonrestricted gaming licensees and persons licensed as an operator of an inter-casino linked system or as an operator of a slot machine route, along with instructions for computing available bankroll.

2. At least 30 days before adopting or revising the bankroll formula, the Chair shall:

(a) Publish notice of the proposed adoption or revisions, together with the effective date thereof, by posting the proposed change or revision on the Board's website;

(b) Mail notice of the posting of the proposed bankroll formula or revisions on the Board's website, together with the effective date thereof, to each restricted gaming licensee, nonrestricted gaming licensee, operator of an inter-casino linked system, operator of a slot machine route, and every other person who has filed a request therefor with the Board or Commission; and

(c) Provide a copy of the proposed bankroll formula or revisions and their effective date to the Commission.

3. Any affected licensee may object to the proposed bankroll formula or revisions, by filing a request for a review of the Chair's administrative decision, pursuant to Regulation 4.190. If any licensee files a request for review, then the effective date of the proposed bankroll formula or revisions will be stayed pending action by the Board, and if the Board's decision is appealed pursuant to Regulation 4.195, pending action by the Commission. If no requests for review are filed with the Board, then the bankroll formula or revisions shall become effective on the date set by the Chair.

4. Any licensee may propose the repeal or revision of any existing bankroll formula by submitting a request to the Chair, who shall consider the request at the Chair's discretion. If such a request is approved by the Chair, then the proposed repeal or revision must be processed in accordance with subsections 2 and 3. If such a request is denied by the Chair, then the licensee may file the request for a review as an administrative approval decision with the Board pursuant to Regulation 4.190, and the Commission, pursuant to Regulation 4.195.

5. Each restricted gaming licensee, nonrestricted gaming licensee and each person licensed as an operator of an inter-casino linked system or as an operator of a slot machine route shall maintain in accordance with the bankroll formula adopted by the Chair pursuant to the requirements of this section, cash or cash equivalents in an amount sufficient to reasonably protect the licensee's or operator's patrons against defaults in gaming debts owed by the licensee or operator. If at any time the licensee's or operator's available cash or cash equivalents should be less than the amount required by this section, the licensee or operator shall immediately notify the Board of this deficiency and shall also detail the means by which the licensee shall comply with the minimum bankroll requirements. Failure to maintain the minimum bankroll

required by this section, or a higher bankroll as required by the Chair pursuant to this section, or failure to notify the Board as required by this section, is an unsuitable method of operation.

6. Records reflecting accurate, monthly computations of bankroll requirements and actual bankroll available shall be maintained by nonrestricted gaming licensees, operators of inter-casino linked systems and operators of slot machine routes in accordance with Regulation 6.060. The Chair, in the Chair's sole discretion, may require more frequent computations, require additional recordkeeping not specified in the formula, or require the licensee to maintain a bankroll higher than is or would otherwise be required by the bankroll formula, or require recordkeeping by restricted gaming licensees.

7. Neither this section nor a bankroll formula adopted pursuant to it alters, amends, supersedes or removes any condition of any licensee or approval imposed on any licensee by the Commission.

8. The Chair, for good cause shown by the licensee, may waive one or more of the requirements or provisions of the minimum bankroll requirements.

9. The Chair is hereby granted the authority to revoke any waiver granted pursuant to this section for any cause deemed reasonable. Notice of the revocation of a waiver shall be deemed delivered and effective when personally served upon the licensee, or if personal service is impossible or impractical, when deposited, postage prepaid, in the United States mail, to the licensee at the address of the establishment as shown in the records of the Commission. If a notice revoking or suspending the waiver of a bankroll requirement is issued, the affected licensee may request that the decision of the Chair be reviewed by the Board and Commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

(Adopted: 10/87. Effective: 1/88. Amended: 11/90; 5/00; 3/06; 5/12.)

6.160 Extension of time for reporting. The Chair, in the Chair's sole and absolute discretion, may extend the time for filing any report or document required by Regulation 6.

(Adopted: 10/87. Effective: 1/88.)

6.170 Petitions for redetermination; procedures.

1. A licensee filing a petition for redetermination with the Commission shall serve a copy of the petition on the Board and the attorney general, gaming division.

2. A licensee shall, within 30 days after the petition is filed:

(a) Pay all taxes, fees, penalties, or interest not disputed in the petition and submit a schedule to the audit division that contains its calculation of the interest due on non-disputed assessments;

(b) File with the Commission a memorandum of points and authorities in support of a redetermination, and serve a copy of the memorandum on the Board and the attorney general, gaming division; and

(c) File with the Commission a certification that it has complied with the requirements of paragraphs (a) and (b).

3. The Board shall, within 30 days after service of the licensee's memorandum, file a memorandum of points and authorities in opposition to the licensee's petition and shall serve a copy on the licensee. The licensee may, within 15 days after service of the Board's memorandum, file a reply memorandum.

4. The Board and the licensee may stipulate to extend the time periods specified in this section if their stipulation to that effect is filed with the Commission before the expiration of the pertinent time period. The Commission Chair may extend the time periods specified in this section upon motion and for good cause shown.

5. The Commission may, at its discretion, deny a petition for redetermination if the licensee fails to comply with the requirements of this section.

(Adopted: 10/87. Effective: 1/88.)

6.180 Claims for refunds; procedures.

1. A licensee filing a claim for refund with the Commission shall serve a copy of the claim on the Board and the attorney general, gaming division.

2. A licensee shall, within 30 days after the claim is filed, file with the Commission a memorandum of points and authorities in support of the claim, setting forth the legal basis and the licensee's calculations of the amount of the refund and any interest due thereon, and serve a copy of the memorandum on the Board and the attorney general, gaming division, and file with the Commission a certification that it has complied with the requirements of this paragraph.

3. The Board shall, within 30 days after service of the licensee's memorandum, file a memorandum of points and authorities in opposition to the licensee's claim and shall serve a copy on the licensee. The licensee may, within 15 days after service of the Board's memorandum, file a reply memorandum.

4. The Board and the licensee may stipulate to extend the time periods specified in this section if their stipulation to that effect is filed with the Commission before the expiration of the pertinent time period. The Commission may extend the time periods specified in this section upon motion and for good cause shown.

(Adopted: 10/87. Effective: 1/88.)

End – Regulation 6

REGULATION 6A

CASH TRANSACTIONS PROHIBITIONS, REPORTING, AND RECORDKEEPING

6A.010 Definitions. [Repealed: 6/30/07.]
6A.020 Prohibited transactions; exceptions. [Repealed: 6/30/07.]
6A.030 Reportable transactions. [Repealed: 6/30/07.]
6A.040 Multiple transactions. [Repealed: 6/30/07.]
6A.050 Recordkeeping requirements. [Repealed: 6/30/07.]
6A.060 Internal control. [Repealed: 6/30/07.]
6A.070 Construction. [Repealed: 6/30/07.]
6A.080 Funds transfer requirements. [Repealed: 6/30/07.]
6A.090 Structured transactions. [Repealed: 6/30/07.]
6A.100 [Repealed: 3/03.]
6A.110 Waivers. [Repealed: 6/30/07.]

6A.010 Definitions. [Repealed: 6/30/07.]

6A.020 Prohibited transactions; exceptions. [Repealed: 6/30/07.]

6A.030 Reportable transactions. [Repealed: 6/30/07.]

6A.040 Multiple transactions. [Repealed: 6/30/07.]

6A.050 Recordkeeping requirements. [Repealed: 6/30/07.]

6A.060 Internal control. [Repealed: 6/30/07.]

6A.070 Construction. [Repealed: 6/30/07.]

6A.080 Funds transfer requirements. [Repealed: 6/30/07.]

6A.090 Structured transactions. [Repealed: 6/30/07.]

6A.100 [Repealed: 3/03.]

6A.110 Waivers. [Repealed: 6/30/07.]

End – Regulation 6A

REGULATION 7

DISCIPLINARY PROCEEDINGS

7.010 Applicability.
7.020 Definitions.
7.030 Service of complaint.
7.040 Prohibition of ex parte communications.
7.050 Delegation to Chair.
7.060 Appearance through counsel.
7.070 Prehearing conferences; scheduling; management.
7.080 Discovery: mandatory exchanges.
7.090 Confidential and privileged materials.
7.100 Discovery: depositions.
7.110 Subpoenas.
7.120 Protective orders.
7.130 Discovery disputes.
7.140 Sanctions.
7.150 Conduct of hearings.
7.160 Evidence: admissibility.
7.170 Evidence: authentication and identification.
7.180 Failure or refusal to testify.
7.190 Amended or supplemental pleadings.
7.200 Motions.
7.210 Continuances.
7.220 Defaults.
7.230 Decision of the Commission.
7.240 Guidelines for imposing penalties in disciplinary actions.

7.010 Applicability. Regulation 7 shall apply to disciplinary proceedings governed by NRS 463.312 to 463.3145, NRS 464.080, and NRS 466.100. Unless otherwise ordered by the Chair, this regulation shall apply to all such proceedings that are pending on the effective date of this regulation.
(Adopted: 8/90.)

7.020 Definitions. "Chair" means Chair of the Nevada Gaming Commission or the Chair's designee.
(Adopted: 8/90.)

7.030 Service of complaint. The Commission shall serve the complaint in the manner prescribed by NRS 463.312(2). The Commission may serve the complaint by registered or certified mail, or may utilize the services of the Board by referring the complaint to a Board agent for personal service. Proof of service may be provided by a certificate or affidavit of service, which shall be signed by the person effecting service and which shall specify the date and manner of service.
(Adopted: 8/90.)

7.040 Prohibition of ex parte communications.
1. Unless required for the disposition of ex parte matters authorized by law:
(a) A party or the party's representative shall not communicate, directly or indirectly, in connection with any issue of fact or law related to a proceeding under this regulation, with any member of the Commission, except upon notice and opportunity to all parties to participate; and
(b) A member of the Commission shall not communicate, directly or indirectly, in connection with any issue of fact or law related to a proceeding under this regulation, with any party or any party's representative, except upon notice and opportunity to all parties to participate.
2. This section shall not preclude:
(a) Any member of the Commission from consulting with Commission counsel or supervisory counsel concerning any matter before the Commission; or
(b) A party or a party's representative from conferring with the Chair or Commission counsel concerning procedural matters that do not involve issues of fact or law related to the proceeding.
(Adopted: 8/90.)

7.050 Delegation to Chair.

1. Pursuant to Regulation 2.020, the Chair may issue rulings on discovery matters, scheduling matters, protective orders, the admissibility of evidence, and other procedural or prehearing matters that are not dispositive of the case or any portion thereof. The Chair's rulings are subject to consideration by the entire Commission upon the request of any commissioner, or upon motion of a party or person affected by the ruling, as provided in Regulation 2.020. The failure of such party or person to move for such consideration, shall not be deemed to be consent to the ruling, nor waiver of any objections previously made regarding the ruling, for the purpose of judicial review.

2. The Chair may alter any of the time periods provided by this regulation, upon the Chair's own initiative or upon motion by a party or other person affected, for good cause shown.

(Adopted: 8/90.)

7.060 Appearance through counsel.

1. Parties to proceedings governed by this regulation may appear personally or through an attorney, except that the parties must personally attend any hearing on the merits unless such attendance has been waived pursuant to Regulation 2.

2. When a party has appeared through an attorney, service of all notices, motions, orders, decisions, and other papers shall thereafter be made upon the attorney.

3. When a party is represented by an attorney, the attorney shall sign all motions, oppositions, notices, requests, and other papers on behalf of the party, including requests for subpoenas.

(Adopted: 8/90.)

7.070 Prehearing conferences; scheduling; management.

1. After the respondent files an answer to the complaint, the Chair may direct the parties to participate in a conference or conferences before the hearing on the merits, for such purposes as expediting the disposition of the action, resolving discovery issues, and facilitating the settlement of the case.

2. The participants at any prehearing conference under this section shall be prepared to consider and take action with respect to any or all of the following, as determined by the Chair:

(a) The formulation and simplification of the issues;

(b) The necessity or desirability of amendments to the complaint or answer;

(c) The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof, stipulations regarding the authenticity of documents, and advance rulings from the Chair on the admissibility of evidence;

(d) The avoidance of unnecessary proof and of cumulative evidence;

(e) The identification of witnesses and documents, the need and schedule for filing and exchanging prehearing briefs, and the date or dates for further conferences and for the hearing on the merits;

(f) The possibility of settlement;

(g) The disposition of pending motions;

(h) The possibility that all evidence can be submitted by affidavits, transcripts, and other documents; and

(i) Such other matters as may aid in the disposition of the action.

3. After any conference held pursuant to this regulation, the parties shall set forth in a written stipulation, to be filed with the Commission, any matters no longer in dispute. As to those matters for which no agreement has been reached, but which require a ruling from the Commission, the Commission shall enter an order reciting the ruling.

4. At any time considered appropriate by the Commission, or at the request of a party, the Commission may enter a scheduling order that sets the date for the hearing on the merits and other hearings deemed necessary or appropriate by the Commission and that limits the time within which the parties may:

(a) Amend the complaint or answer without leave of the Commission;

(b) File prehearing motions;

(c) Complete discovery;

(d) File prehearing briefs.

5. This section shall not be interpreted to give any party or other person a right to a prehearing conference with the Chair. The Chair may direct the parties to participate in a prehearing conference without

the Chair's presence. The Chair may at any time enter an order on any matter delegated to the Chair, without consulting with the parties and without granting oral argument.

(Adopted: 8/90.)

7.080 Discovery: mandatory exchanges.

1. Within 20 calendar days after the service of the answer by the first answering respondent, and thereafter as each respondent answers the complaint, the parties shall confer for the purpose of complying with subsection 2 of this section.

2. At each conference the parties shall:

(a) Exchange copies of all documents then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief;

(b) Identify, describe, or produce all tangible things, other than documents, then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief, and upon request, arrange for the opposing parties to inspect, copy, test, or sample the same under the supervision of the parties; and

(c) Exchange written lists of persons each party then intends to call as a material witness in support of that party's case in chief. Each witness shall be identified by name, if known, position, business address, and a brief description of the purpose for which the witness will be called. If no business address is available, the party shall provide a home address for the witness, or shall make the witness available for service of process. For the purpose of this paragraph, a "material witness" is a person whose testimony relates to a genuine issue in dispute which might affect the outcome of the proceeding.

3. In addition to the documents required to be produced by the Board pursuant to subsection 2 of this section, the Board shall provide to a respondent who requests the same, a copy of any formal statement given to the Board or its agents by that respondent, during the Board's investigation of the matters contained in the complaint, in accordance with this subsection.

(a) Where the respondent is a corporation, partnership, or other association, the Board shall provide to the requesting respondent, a copy of any formal statement made by officers or directors of the corporation, general partners of the partnership, or managing agents of the association, unless any such statement was given in confidence.

(b) If any statement governed by this subsection is embodied or included in a report, summary, or other document which is not otherwise required to be produced by this regulation, the Board may produce only an excerpt of such report, summary, or document which contains the statement.

(c) For the purpose of this subsection, a "formal statement" is a statement given to a member or agent of the Board by a person knowing he or she is speaking to a government official or agent, and which is either signed by the person giving the statement, or given under oath or affirmation such as in an investigative hearing. The term does not include discussion, conversations, or other statements obtained surreptitiously; or memoranda, notes, or other internal documents made by an attorney for the Board, or a member or agent of the Board.

4. In addition to the other materials required to be produced by the Board, the Board shall make arrangements with a respondent who requests the same for the respondent to inspect, copy, test, or sample any other documents or tangible things the Board seized from or which belong to that respondent. Such inspection, copying, testing, or sampling shall be conducted under the supervision of a representative of the Board.

5. The inspection, copying, sampling, or testing of any evidence or other matter pursuant to subsections 2 and 4 of this section, shall be accomplished without the alteration or destruction of the evidence or evidentiary value of the matter, either in whole or in part, except as otherwise ordered by the Commission upon a finding that extraordinary circumstances exist. Such destruction or alteration shall not be permitted if it would prejudice any party to the action or any other law enforcement or administrative agency.

6. It shall be a continuing obligation of the parties to produce documents, witness lists, and other matters governed by this section as such become identified by and available to the parties. A party may amend its responses to the requirements of this section by informing the adverse party that documents previously produced or witnesses previously listed, will not be introduced in that party's case in chief.

7. The Chair may order the parties to submit to the Commission, periodic reports regarding the parties' compliance with this section and section 7.090.

(Adopted: 8/90.)

7.090 Confidential and privileged materials.

1. If any document or other material required to be produced by the Board pursuant to section 7.080 is the subject of a government privilege or is confidential pursuant to law, including sections 463.120(4) or 463.335 of the Nevada Revised Statutes, the Board shall stamp any such document "confidential" before producing the same, except as provided by subsection 3. If the material is not a document, the Board shall inform the Commission and the Commission will consider an appropriate order to protect the material.

2. A respondent shall not further disseminate confidential or privileged materials except to counsel of record in the action and necessary staff persons employed by counsel. Upon the conclusion of the action, the respondent shall return all such materials and any copies to the Board.

3. The Board shall not produce documents whose dissemination is prohibited by state law, including chapter 179A of the Nevada Revised Statutes, or by any federal law. If the Board intends to introduce any such document in its case in chief, the Board shall inform the Commission and the Commission shall make appropriate orders regarding dissemination of such documents. The Commission may prohibit the admission of the evidence, or may order alternative means of providing the information to the respondent.

(Adopted: 8/90.)

7.100 Discovery: depositions.

1. A party may take the oral testimony of any material witness whose name appears on the witness list of an adverse party, and other persons as provided by subsection 2, in the manner set forth by this section. Unless waived by the party who listed the witness, the scope of the deposition testimony shall be limited to the subject matter of the witness' expected testimony at the hearing, as set forth by the party pursuant to section 7.080(2)(c) of this regulation.

2. A party may depose other material witnesses, as defined by section 7.080, upon order of the Commission, as provided in this subsection.

(a) The requesting party must file a motion for authorization to conduct the deposition, which motion must be supported by affidavit demonstrating that the witness is likely to be unavailable to appear and testify at the hearing on the merits.

(b) For the purpose of this subsection, a person is "unavailable" if the person's attendance at the hearing on the merits cannot be compelled by subpoena, or the person will be unable to attend because of age, illness, infirmity, or imprisonment.

(c) A person deposed under this subsection may be examined and cross-examined in the same manner as if the person were called as a witness at the hearing.

3. The deposition of a party may be compelled by directing a notice of deposition to that party. The notice must contain the title and number of the proceeding, the name and address of the person to be deposed, the date, time, and place of the deposition, and the name and signature of the requesting party or the requesting party's attorney. The notice must be served on all parties to the proceeding.

4. The deposition of a nonparty witness may be compelled by subpoena in accordance with section 7.110 of this regulation.

5. Depositions shall be taken before an officer authorized to administer oaths. A deposition shall not be taken before a person who is a relative, employee, attorney, or counsel of any of the parties, or is a relative or employee of such attorney or counsel, or is interested in the proceeding.

6. Testimony shall be taken upon oath or solemn affirmation. Unless the Commission orders otherwise, the testimony shall be recorded by stenographic means. The cost of transcription shall be borne by the party requesting the deposition. Such party shall provide a copy of the transcript to all other parties in the proceeding.

7. Unless the parties and the witness agree otherwise, a deposition shall take place on no less than 15 calendar days notice.

8. A deposition may be used in a proceeding governed by this regulation for the same or similar purposes as depositions may be used in a court of law, or for any other purpose allowed by the Commission.

9. Objection may be made at the hearing on the merits to receiving in evidence any deposition or part thereof for any reason which would require the exclusion of the evidence if the witness were then present and testifying. If a deposition is received in evidence, any party may rebut any relevant evidence contained in the deposition.

(Adopted: 8/90.)

7.110 Subpoenas.

1. The executive secretary shall issue subpoenas, including subpoenas duces tecum, upon the request of a party, in accordance with this section.

2. Subpoenas may be issued only for the following purposes:

(a) To compel a nonparty witness to appear and give oral testimony at a deposition as provided by section 7.100; and

(b) To compel any person to appear at the hearing on the merits of the case, to give oral testimony alone, or to produce documents or other tangible things.

3. Subpoenas shall be submitted to the executive secretary for issuance on a form approved by the Chair. Concurrently with the submission of the subpoena to the executive secretary, the requesting party shall serve a copy on all other parties to the proceeding, and shall file proof of such service with the Commission.

4. Subpoenas will not be issued in blank. A subpoena submitted for issuance must contain the title and number of the case, the name of the person to whom it will be directed, the date, time, and place of the hearing or deposition, and the name and signature of the requesting party or the requesting party's attorney. A subpoena duces tecum must in addition contain a complete description of specific documents or other tangible things that the witness will be required to produce at the hearing.

5. Unless the witness agrees otherwise, a subpoena issued for the purpose provided by subsection 2(b) must be served by the requesting party at least 10 calendar days prior to the hearing. A subpoena will be issued during the hearing or upon less than 10 days notice only upon order of the Commission for reasonable cause shown by the requesting party.

(Adopted: 8/90.)

7.120 Protective orders. Upon motion by a party or by a person to whom a subpoena is directed, or from whom discovery or testimony is sought, the Commission may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following:

1. That a subpoena be quashed or modified;

2. That the discovery not be had, or that it be had only on specified terms and conditions, including a designation of the time or place;

3. That certain matters not be inquired into or produced, or that testimony or production be limited to certain matters;

4. That a deposition be conducted with no one present except persons designated by the Commission, or that a deposition transcript be sealed; or

5. That a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way.

(Adopted: 8/90.)

7.130 Discovery disputes. The parties shall make every effort to resolve disputes regarding discovery. Disputes that are unresolved may be brought to the Commission for resolution by way of a motion to compel discovery, motion for protective order, or other appropriate motion. The disputed discovery is not stayed during the pendency of such motion, unless the Commission so orders. The filing of such motion shall not extend the time to complete discovery, nor provide cause for a continuance of the hearing on the merits, unless the Commission otherwise orders.

(Adopted: 8/90.)

7.140 Sanctions. If any party or a party's attorney fails reasonably to comply with any provision of this regulation, the Gaming Control Act, or any order entered, regarding any matter, including discovery, the Commission, upon motion or upon its own initiative, may impose upon such party or attorney, or both, appropriate sanctions in regard to the failure(s) as are just, including the following:

1. An order prohibiting the use of any witness, document or tangible thing which should have been disclosed, produced, exhibited or exchanged pursuant to this regulation or order of the Chair or Commission;

2. An order that designated facts shall be taken to be established;

3. An order that the disobedient party may not support or oppose designated claims or defenses;

4. An order striking out pleadings or parts thereof, or staying further proceedings or dismissing the proceeding or any part thereof, or entering a judgment by default against the disobedient party;

5. The initiation of contempt proceedings as provided by NRS 463.314.

(Adopted: 8/90.)

7.150 Conduct of hearings. In addition to the procedures prescribed by statute, the following procedures will apply when appropriate:

1. The respondent will be allowed to present and argue any legal objections to the complaint set forth in the answer; the Board may thereupon present its answering argument; and thereafter the respondent may present rebuttal argument. The matter will then be submitted to the Commission for decision. The Commission may rule upon such objections immediately or take the matter under advisement and proceed with the hearing.

2. The Board will present its opening statement on the merits. The respondent will then be permitted to make an opening statement of the defense, or the respondent may reserve the same until commencement of the presentation of the defense.

3. The Board will then present its case in chief in support of the complaint.

4. Upon conclusion of the Board's case in chief, the respondent may move for dismissal of the complaint. The Commission may hear arguments on the motion, or may grant, deny, or reserve decision thereon, with or without argument.

5. If no motion to dismiss is made, or if such motion is denied or decision reserved thereon, the respondent shall thereupon present the case for the defense.

6. Upon conclusion of the respondent's case, the Board may present its case in rebuttal.

7. Upon conclusion of the Board's case in rebuttal, the Board shall present its closing argument, the respondent may present answering argument, and thereafter the Board may present rebuttal argument. Thereupon the matter will stand submitted for decision.

8. Any member of the Commission may ask questions of witnesses, and may request or allow additional evidence at any time, including additional rebuttal evidence.

(Adopted: 8/90.)

7.160 Evidence: admissibility.

1. For the purpose of this section, evidence is reliable if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs.

2. In hearings governed by this regulation, the technical rules relating to evidence and witnesses shall not apply. Any relevant evidence may be admitted, and such evidence shall be sufficient in itself to support a finding if it is reliable, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action.

3. By way of illustration only, those matters that would be admissible in a court of law are hereby deemed to be reliable, in addition to those matters that satisfy the standards set forth in subsections 1 and 2 of this section.

4. Irrelevant or unduly repetitious evidence shall be excluded upon request of a party or the Commission's own initiative.

(Adopted: 8/90.)

7.170 Evidence: authentication and identification.

1. Documentary and other physical evidence may be authenticated or identified by any reasonable means, by evidence or other showing that the matter in question is what its proponent claims it to be.

2. By way of illustration only, those matters that would be accepted as authentic in a court of law, are hereby deemed to be authentic, in addition to matters that satisfy the standard set forth in subsection 1 of this section.

(Adopted: 8/90.)

7.180 Failure or refusal to testify.

1. If a respondent fails to testify in his or her own behalf or asserts a claim of privilege with respect to any question propounded to him or her, the Commission may infer therefrom that such testimony or answer would have been adverse to the respondent's case.

2. If any person controlling, controlled by, or under common control with, or employed by, or an agent of, a respondent fails to respond to a subpoena, or asserts a claim of privilege with respect to any question propounded to the person, the Commission may, taking into account all of the circumstances, infer that such testimony would have been adverse to the respondent.

3. If, on a ground other than the properly invoked privilege against self-incrimination, a respondent fails to respond to a subpoena, or fails or refuses to answer a material question propounded to the respondent, the Commission may deem such failure or refusal to be independent grounds for granting the relief requested by the Board in the complaint with respect to that respondent.

(Adopted: 8/90.)

7.190 Amended or supplemental pleadings.

1. Upon motion of a party made before submission of the case for decision, the Commission may permit the filing of an amended or supplemental complaint or answer, including amended or supplemental pleadings that conform to the evidence presented at the hearing.

2. If such motion is granted, all parties shall be permitted to introduce additional evidence with respect to any new matter contained in such amended or supplemental pleadings.

(Adopted: 8/90.)

7.200 Motions.

1. All motions shall be in writing, unless made during a hearing.

2. A motion shall state with particularity the grounds therefore, shall be supported by a memorandum of points and authorities, and shall set forth the relief or order sought.

3. Every written motion other than one which may be considered ex parte shall be filed with the Commission and served by the moving party upon the adverse party or as the Chair directs.

4. An opposing party shall have 10 calendar days after service of the motion within which to file and serve a memorandum of points and authorities in opposition to the motion.

5. The moving party shall have 5 calendar days after service of the opposing memorandum to serve and file a reply memorandum of points and authorities if the moving party so desires.

6. If a motion or opposition is served by mail, 3 calendar days shall be added to the time periods specified herein for response.

7. The failure of a moving party to file a memorandum of points and authorities in support of a motion shall constitute consent to the denial of the motion. The failure of an opposing party to file a memorandum of points and authorities in opposition to any motion shall constitute consent to the granting of the motion.

(Adopted: 8/90.)

7.210 Continuances. Continuances will not be granted except for good cause shown. A motion to continue a hearing must be made at least 10 calendar days prior to the hearing date.

(Adopted: 8/90.)

7.220 Defaults. Failure of a respondent to file an answer to the complaint or to request a hearing, or to appear personally at a hearing on the merits without having obtained a waiver of appearance, shall constitute an admission of all matters and facts contained in the complaint filed with respect to such respondent, and shall be deemed a waiver of the right to an evidentiary hearing. In such cases the Commission may take action based upon such admission or upon any other evidence, including affidavits, and without any further notices whatever to respondent.

(Adopted: 8/90.)

7.230 Decision of the Commission.

1. Findings of fact made pursuant to NRS 463.3145 shall be based upon a preponderance of the evidence standard.

2. The “preponderance of the evidence” standard is such evidence as when considered and compared with that opposed to it, has more convincing force, and produces in the minds of the members of the Commission a belief that what is sought to be proved is more likely true than not true.

(Adopted: 8/90.)

7.240 Guidelines for imposing penalties in disciplinary actions. Without in any manner limiting the authority granted pursuant to NRS 463.1405(3) or 463.310(4) to impose the level and type of discipline it may deem appropriate, the Commission finds that the following factors, among others, may be taken into consideration when determining the action to be taken pursuant to NRS 463.310(4):

1. Whether the respondent knew or reasonably should have known that the action complained of was a violation of any law, regulation, or condition on the respondent's license.
2. Whether the respondent has previously been disciplined by the Commission.
3. Whether the respondent has previously been the subject of an Order to Show Cause or any other written notice of whatever type or nature issued by the Board, concerning the violation of any law, regulation, or condition of the respondent's license.
4. Whether the respondent reasonably relied upon professional advice from a lawyer, doctor, accountant, or other recognized professional, which was relevant to the action resulting in the violation.
5. Whether the respondent had a reasonably constituted and functioning compliance program.
6. Whether the imposition of a condition requiring the respondent to establish and implement a written self enforcement and compliance program would assist in ensuring the respondent's future compliance with all statutes, regulations, and conditions to their license.
7. Whether the respondent realized a pecuniary gain from the violation.
8. Whether the amount of any fine and/or other penalty imposed would result in disgorgement of any gains unlawfully realized by the respondent.
9. If the violation was caused by an officer or employee of the respondent, the level of authority of the individual who caused the violation.
10. Whether the individual who caused the violation acted within the scope of the individual's authority as granted by the respondent.
11. The adequacy of any training programs offered by the respondent which were relevant to the activity which resulted in the violation.
12. Whether the respondent's action substantially deviated from industry standards and customs.
13. The extent to which the respondent cooperated with the Board during the investigation of the violation.
14. Whether the respondent has initiated remedial measures to prevent similar violations.
15. The magnitude of penalties imposed on other licensees for similar violations.
16. The proportionality of the penalty in relation to the misconduct.
17. The extent to which the amount of any fine imposed would punish the respondent for the conduct and deter future violations.
18. Any mitigating factors offered by the respondent.
19. Any other factors the Commission in its sole and absolute discretion may deem relevant.

(Adopted and Effective: 12/17/98.)

End – Regulation 7

REGULATION 7A

PATRON DISPUTES

7A.010 Construction.
7A.015 Definitions.
7A.020 Service.
7A.030 Initiation of hearing procedure; notice of hearing.
7A.040 Prehearing motions.
7A.050 Nature of hearing.
7A.060 Presentation of evidence.
7A.070 Admissibility of evidence.
7A.080 Subpoenas.
7A.090 Depositions.
7A.100 Official notice.
7A.110 Amended or supplemental pleadings.
7A.120 Continuances.
7A.130 Communications with the Board.
7A.140 Default.
7A.150 Contempt.
7A.160 Burden of proof.
7A.170 Decision of the Board or the hearing examiner.
7A.180 Rehearing.
7A.190 Judicial review.

7A.010 Construction. This regulation should be liberally construed to achieve fair, just, equitable, and expedient resolutions of all disputes governed by NRS 463.363 and 463.364.

(Adopted: 8/90.)

7A.015 Definitions. As used in this regulation unless the context requires otherwise, "Hearing Officer'' means a member of the Nevada Gaming Control Board, designated by the Board Chair, or a hearing examiner appointed by the Board.

(Adopted: 9/92.)

7A.020 Service. Except as otherwise provided in this regulation:

1. All pleadings, notices, and other papers required by this regulation to be served may be served by personal delivery or first class mail. Service shall be deemed sufficient if it is mailed to the last known address of the person to be served. If a pleading, notice, or other paper is sent by the Board or hearing officer by first class mail, it shall be deemed to have been received by the licensee or the patron 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.
2. A party serving a pleading, notice or other paper required by this regulation to be served must file with the Board a proof of service in the form of a certificate signed by the party or the party's representative which specifies the date the notice or other paper was mailed or when personal service was effectuated.

(Adopted: 8/90. Amended: 9/92.)

7A.030 Initiation of hearing procedure; notice of hearing.

1. Proceedings to review a decision made by an agent of the Board pursuant to NRS 463.362 must be initiated by the filing and service of a petition in accordance with NRS 463.363.
2. A copy of the petition must be served on the respondent.
3. The respondent may file and serve a written response within 15 days after being served with a copy of the petition.
4. After the time for respondent to file and serve a written response to the petition has expired, the Board or the hearing officer shall determine the date, time and place of the hearing on the petition.
5. Notice of the hearing must be served by the Board on each of the parties at least 20 days before the hearing, unless the Board or hearing officer reasonably determine that a lesser notice period is appropriate.

(Adopted: 8/90. Amended: 9/92.)

7A.040 Prehearing motions. Unless otherwise ordered by the Board or hearing officer, all prehearing motions must be filed and served at least 10 days before the hearing.

(Adopted: 8/90.)

7A.050 Nature of hearing.

1. The hearing to review a decision made by an agent of the Board pursuant to NRS 463.362 must be conducted:

(a) By one or more members of the Board, as designated by the Board Chair, or by a hearing examiner appointed by the Board.

(b) At such times and places, within or without this state, as may be convenient for the Board or hearing officer.

(c) In public, unless the Board or hearing officer orders otherwise.

2. Unless the Board or hearing officer reasonably determines that a different procedure is appropriate, the hearing must be conducted in accordance with the following procedures:

(a) The petitioner may present an opening statement on the merits and the respondent may then make a statement of the defense. The respondent may reserve his or her statement of the defense for the presentation of his or her case.

(b) After the petitioner's opening statement, if made, and the respondent's statement of the defense, if not reserved, the petitioner shall present his or her case in chief in support of the petition.

(c) Upon conclusion of the petitioner's case in chief, the respondent may move for dismissal of the petition. The Board or the hearing examiner when designated by the Board pursuant to NRS 463.361(2)(b), may grant, deny or reserve decision on the motion, with or without argument.

(d) In the event the hearing is conducted before a hearing officer and a motion to dismiss is made at the conclusion of the petitioner's case in chief, the hearing officer, in his or her discretion, may hear argument on the motion and in those cases not being heard by the hearing examiner pursuant to NRS 463.361(2)(b), may suspend the hearing to refer the motion to the Board for decision.

(e) If no motion to dismiss is made, or if such motion is denied or decision is reserved thereon, the respondent shall then present his or her case in defense.

(f) Upon conclusion of the respondent's case, the petitioner may present rebuttal evidence.

(g) After the presentation of the evidence by the parties, the petitioner may present a closing argument. The respondent may then present his or her closing argument and the petitioner may then present a rebuttal argument. Thereafter the matter will stand submitted for decision.

3. All or part of the hearing may be conducted by telephone.

4. The hearing must be recorded by the Board or hearing officer on audio tape or other means of sound reproduction, unless it is reported stenographically for a party at the party's own expense, in which case the party must provide the original hearing transcript to the Board or hearing officer.

5. Unless otherwise ordered by the Board or hearing officer, the parties may submit written memoranda of points and authorities at any time before the hearing. The Board or hearing officer may order or allow the parties to file written memoranda of points and authorities after the conclusion of the hearing.

(Adopted: 8/90. Amended: 9/92.)

7A.060 Presentation of evidence.

1. Oral evidence may be taken only upon oath or affirmation administered by the Board or hearing officer.

2. Affidavits may be received in evidence as provided in subsection 3 of NRS 463.313.

3. Each party may:

(a) Call and examine witnesses;

(b) Introduce exhibits relevant to the issues of the case, including the transcript of testimony of any investigative hearing conducted by or on behalf of the Board;

(c) Cross-examine opposing witnesses on any matter relevant to the issues of the case, even though the matter was not covered in a direct examination;

(d) Impeach any witness, regardless of which party first called the witness to testify; and

(e) Offer rebuttal evidence.

4. If a party does not testify on his or her own behalf the party may be called and examined as if under cross-examination.

(Adopted: 8/90.)

7A.070 Admissibility of evidence.

1. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be admitted and is sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action.

2. The parties or their counsel may by stipulation agree that certain evidence be admitted even though such evidence might otherwise be subject to objection.

3. Irrelevant and unduly repetitious evidence should not be admitted.

(Adopted: 8/90.)

7A.080 Subpoenas. At the request of a party, subpoenas must be issued by the Board as provided in subsection 1 of NRS 463.3125.

(Adopted: 8/90.)

7A.090 Depositions. The testimony of any material witness residing within or without this state may be taken by deposition in the manner provided by the Nevada Rules of Civil Procedure and may be used at the hearing.

(Adopted: 8/90.)

7A.100 Official notice. The Board or hearing officer may take official notice of any generally accepted information or technical or scientific matter within the field of gaming, and of any other fact which may be judicially noticed by the courts of this state. The parties must be informed of any information, matters or facts so noticed and must be given a reasonable opportunity, on request, to refute such information, matters or facts by evidence or by written or oral presentation of authorities. The manner of such refutation shall be determined by the Board or hearing officer.

(Adopted: 8/90.)

7A.110 Amended or supplemental pleadings. The Board or hearing officer may, before submission of the case for decision, permit the filing of an amended or supplemental petition or response, including an amended or supplemental pleading that conforms to the evidence presented during the hearing. A request for permission to file an amended or supplemental pleading may be made orally during the hearing or in writing. If the request is in writing, a copy must be served on the opposing party. The Board or hearing officer thereafter shall provide the opposing party a reasonable opportunity to make objections thereto. If an application for leave to file an amended or supplemental pleading is granted, the Board or hearing officer must permit the parties to introduce additional evidence with respect to any new matter contained in the pleading.

(Adopted: 8/90.)

7A.120 Continuances. Continuances of the hearing date may be granted upon a showing of good cause by the party requesting the continuance.

(Adopted: 8/90.)

7A.130 Communications with the Board.

1. Unless required for the disposition of ex parte matters authorized by statute or regulation:

(a) Neither a party nor a party's representative shall communicate, directly or indirectly, with any Board member or the hearing examiner regarding any matter related to the hearing, except upon notice and opportunity to all parties to participate.

(b) Neither a member of the Board nor the hearing examiner shall communicate, directly or indirectly, with any party or any party's representative regarding any matter related to the hearing, except upon notice and opportunity to all parties to participate.

2. This section does not preclude:

(a) Any member of the Board or the hearing examiner from consulting with the Board's counsel concerning any matter related to the hearing.

(b) A party or a party's counsel conferring with the hearing examiner, any member of the Board, or the Board's counsel on procedural matters.

(Adopted: 8/90.)

7A.140 Default. The unexcused failure of a party to appear at the hearing may constitute a default and an admission of any facts that may have been alleged by the opposing party. The Board or hearing officer may take action based on such default or admission or on any other evidence without further notice to the defaulting party. If the Board or hearing officer takes action based on an admission, the record must include the evidence upon which the action is based.

(Adopted: 8/90.)

7A.150 Contempt. If any person in proceedings before the Board or hearing officer under this regulation disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness, or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the Board or hearing officer may certify the facts to the district court in and for the county where the proceedings are held. At the request of the Board, the court shall then issue an order directing the person to appear before the court and show cause why he or she should not be punished for contempt. The court order and a copy of the statement of the Board or hearing officer must be served on the person cited to appear. Thereafter the court has jurisdiction of the matter, and the same proceedings must be had, the same penalties may be imposed and the person charged may purge himself or herself of the contempt in the same way as in the case of a person who has committed a contempt in the trial of a civil action before a district court.

(Adopted: 8/90.)

7A.160 Burden of proof. The petitioner bears the burden of showing by a preponderance of the evidence that the decision made by an agent of the Board pursuant to NRS 463.362 should be reversed or modified.

(Adopted: 8/90.)

7A.170 Decision of the Board or the hearing examiner.

1. After the hearing, the Board or the hearing examiner in those cases being heard pursuant to NRS 463.361(2)(b), shall render a written decision on the merits that sustains, modifies or reverses the initial decision of its agent.

2. The decision of the Board or the hearing examiner must contain findings of fact and a determination of the issues presented.

3. In a case that is not processed pursuant to the provisions of NRS 463.361(2)(b), and where the hearing was conducted by a single Board member or hearing examiner, the Board shall consider the recommendation of the Board member or hearing examiner and the record of the hearing before rendering its decision. In such a case, the Board may remand the matter to the Board member or hearing examiner for the purpose of taking or considering additional evidence.

4. A copy of the decision must be served on each party. The decision must be accompanied by proof of service in the form of a certificate signed by an agent or employee of the Board and stating the date and manner of service. The decision is effective and final upon service on all parties. If the decision is sent by mail, it shall be deemed to have been served upon the licensee or the patron 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

(Adopted: 8/90. Amended: 9/92.)

7A.180 Rehearing.

1. The Board or the hearing examiner if the hearing was conducted pursuant to NRS 463.361(2)(b) may, upon motion made within 7 days after the decision is served on all parties, order a rehearing upon such terms and conditions as it may deem just and proper, provided a petition for judicial review of the decision has not been filed.

2. A motion for rehearing must not be granted except upon a showing that:

(a) The Board or the hearing examiner has misconstrued applicable law; or

(b) There exists additional evidence which is material and reasonably calculated to change the decision, and sufficient reason existed for the party's failure to present such additional evidence at the hearing.

3. On rehearing under subsection 2(b) of this section, rebuttal evidence to the additional evidence may be admitted and considered by the Board or hearing officer.

4. After rehearing, the Board or the hearing examiner may modify the decision consistent with applicable law or any additional evidence and rebuttal evidence taken.

(Adopted: 8/90. Amended: 9/92.)

7A.190 Judicial review. Judicial review of a final decision of the Board or the hearing examiner may be had in accordance with NRS 463.366 to 463.3668, inclusive.

(Adopted: 8/90. Amended: 9/92.)

End – Regulation 7A

REGULATION 8

TRANSFERS OF OWNERSHIP; LOANS

8.010 General.
8.020 Transfer of interest among licensees.
8.030 Transfer of interest to stranger to license.
8.040 Duties of corporations and agents.
8.050 Escrow required.
8.060 Participation in operations.
8.070 Emergency situations.
8.080 Application for permission to participate.
8.090 Permission to participate.
8.100 Extent of participation permitted.
8.110 Application for license.
8.120 Effect of permission to participate; withdrawal.
8.130 Transaction reports.
8.135 Finding of suitability of a person holding an option to acquire an interest in a general partnership licensee.

8.010 General.

1. No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation or any portions thereof, or enter into or create a voting trust agreement or any other agreement of any sort in connection with any licensed gaming operation or any portion thereof, except in accordance with law and these regulations.

2. No licensee shall permit any person to make any investment whatever in, or in any manner whatever participate in the profits of, any licensed gaming operations, or any portion thereof, except in accordance with law and these regulations.

3. No person shall transfer or convey in any manner whatsoever any interest of any sort whatever in or to any licensed gaming operation, or any portion thereof, to, or permit any investment therein or participation in the profits thereof by, any person acting as agent, trustee or in any other representative capacity whatever for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the Board. No person acting in any such representative capacity shall hold or acquire any such interest or so invest or participate without first having fully disclosed all facts pertaining to such representation to the Board and obtained written permission of the Board to so act.

4. Regulation 8 shall apply to transfers of interest in corporations subject to Regulation 15, but shall not apply to transfers of interest in corporations subject to Regulation 16.

(Amended: 9/73.)

8.020 Transfer of interest among licensees. If a person who is the owner of an interest in a licensed gaming operation proposes to transfer any portion of his or her interest to a person who is then the owner of an interest in such licensed gaming operation, both parties shall give written notice of such proposed transfer to the Board, including the names and addresses of the parties, the extent of the interest proposed to be transferred and the consideration therefore. In addition, the proposed transferee shall furnish to the Board a sworn statement setting forth the source of funds to be used by the proposed transferee in acquiring such interest; and the proposed transferee also shall furnish to the Board such further information as it or the Commission may require. The Board shall conduct such investigation pertaining to the transaction as it or the Commission may deem appropriate and shall report the results thereof to the Commission. If the Commission does not give notice of disapproval of the proposed transfer of interest within 30 days after the receipt by it of the report of the Board, the proposed transfer of interest will be deemed approved and the transfer of interest may then be effected in accordance with the terms of transfer as submitted to the Board. The parties shall immediately notify the Commission when the transfer of interest is actually effected.

(Amended: 2/60; 9/73; 9/74.)

8.030 Transfer of interest to stranger to license.

1. Except as and to the extent provided in these regulations pertaining to emergency situations, no individual who is the owner of any interest in a licensed gaming operation shall in any manner whatsoever transfer any interest therein to any person, firm or corporation not then an owner of an interest therein, and no such transfer shall become effective for any purpose until the proposed transferee or transferees shall have made application for and obtained all licenses required by the Nevada Gaming Control Act and these regulations, or have been found to be individually qualified to be licensed, as appropriate.

2. Applications for a transfer of interest to a stranger to the license, except the granting of a possessory security interest in equity securities of a licensee or of a holding company subject to Regulation 15, shall be made by the transferee applying for licensing or registration under NRS 463.585.1 or NRS 463.635.1 and the regulations thereunder as appropriate, as provided in Regulation 4.

3. Evidence of the transferor's agreement to transfer the interest applied for must accompany the application. Licensing or registration of the transferee shall be deemed to constitute approval of the transfer by the Commission under NRS 463.510(1).

4. Applications for approval of the granting of a possessory security interest shall be made in writing to the Board and Commission. The application shall set forth all material facts relating to the transaction and be accompanied by copies of the documents evidencing the transaction. An application will not ordinarily be granted unless such documents include the following:

(a) The physical location of the certificates evidencing the transaction shall at all times remain within the territorial boundaries of the State of Nevada.

(b) The holder of said certificates shall not surrender possession of the securities without the prior approval of the Commission.

➥ An approval of the granting of a possessory security interest shall be deemed to constitute approval of the transfer by the Commission under NRS 463.510.1 and the regulations thereunder. No such approval, however, shall constitute permission to foreclose without a further order of the Commission.

(Amended: 8/61; 9/73; 7/75.)

8.040 Duties of corporations and agents. No licensee or holding company, or officer, director or transfer agent thereof, shall cause or permit any stock certificate or other evidence of beneficial interest therein to be registered in its books or records in the name of any nominee, agent, trustee or any other person other than the true and lawful owner of the beneficial interest therein without written permission of the Board to do so.

(Amended: 9/73.)

8.050 Escrow required. Except as and to the extent provided in these regulations pertaining to emergency situations, no money or other thing of value constituting any part of the consideration for the transfer or acquisition of any interest in a licensed gaming operation, in a licensee or in a holding company shall be paid over, received or used until complete compliance has been had with all prerequisites set forth in the law and these regulations for the consummation of such transaction; but such funds may be placed in escrow pending completion of the transaction. Any loan, pledge or other transaction between the parties or with other parties may be deemed an attempt to evade the requirements of this regulation and, as such, in violation of this regulation.

(Amended: 9/73.)

8.060 Participation in operations.

1. Except as provided in these regulations pertaining to emergency situations, or in subsection 2, or on approval of the Commission, no person who proposes to acquire an interest in any licensed gaming operation; in a licensee, except a restricted gaming licensee; or in a holding company shall take any part whatsoever, as an employee or otherwise, in the conduct of such gaming operations or in the operation of the establishment at which such gaming operations are conducted while the person's application for a license or for approval to acquire such interest is pending.

2. An employee subject to subsection 1 may be employed at the licensed gaming operation, licensee, or holding company pending the Commission's decision on the employee's application for a license or for approval to acquire an interest in the licensed gaming operation, licensee, or holding company if, when the employee files his or her application or becomes so employed, the employee requests permission from the Board Chair to continue to be so employed pending Commission action on the employee's application.

3. The Board Chair may grant, deny, limit, restrict or condition a request for administrative approval pursuant to this section for any cause the Chair deems reasonable, or refer the request for administrative approval to the full Board and Commission for consideration. If the Board Chair, acting in the Chair's sole and absolute discretion, does not within thirty (30) days deny the request to continue employment, or provide written notification to the employee that the request is being referred to the full Board and Commission for consideration, the employee's request to participate shall be deemed approved.

4. An employee's employment by a licensed gaming operation, licensee, or holding company, pursuant to subsection 3, is limited to observing and learning the operations of the licensed location, licensee, or holding company, unless otherwise specified by the Board Chair, and the employee is prohibited from exerting or taking control of a licensed gaming operation, licensee, or holding company until approved by the Commission unless the employee has otherwise been licensed or found suitable to do so.

(Amended: 9/73; 5/87; 5/09; 1/13.)

8.070 Emergency situations. If a transfer of an interest in a licensed gaming operation, in a licensee or in a holding company, is contemplated and, in the opinion of the Board, the exigencies of the situation require that the proposed transferee or transferees be permitted to take part in the conduct of gaming operations or in the operation of the establishment wherein such gaming operations are conducted, or to make available funds or credit for use in connection with such licensed gaming operation or establishment during the pendency of an application for license or to be permitted to acquire such interest, the Commission or any three members thereof may waive the requirements of Regulations 8.050 and 8.060, or either of them, in accordance with the procedures hereinafter set forth.

(Amended: 9/73.)

8.080 Application for permission to participate.

1. A proposed transferee of an interest who desires to participate in any manner, whether financially or otherwise, in the operation of the licensed establishment or games prior to actual completion of the transfer of interest in accordance with the foregoing regulations shall make written application to the Board for permission to so participate, setting forth, under oath, facts showing the necessity of such participation, together with the following information to be given under oath:

(a) The extent to which and the manner in which the proposed transferee desires to participate pending completion of the proposed transfer.

(b) A complete financial statement and a statement showing sources of all funds to be used in connection with the proposed transfer of interest and in the participation prior to transfer.

(c) A full and complete statement of the proposed plan for effecting the proposed transfer of interest, including:

(1) The extent of the interest to be transferred;
(2) The date on which it is desired to complete the transfer;
(3) The total consideration to be paid and the time and manner of payment thereof;
(4) Details of any other financial arrangements between all parties involved; as well as
(5) Details of all other pertinent arrangements between the parties.

(d) Full, true and correct copies of all documents pertaining to the proposed transaction or transactions, including all agreements between the parties, leases, notes, mortgages or deeds of trusts, and pertinent agreements or other documents with or involving third parties.

(e) The names and addresses of all persons with whom the proposed transferee expects to be associated in connection with the operation of the licensed games or establishment, or both, both as to the period pending completion of the transfer and thereafter.

(f) A full and complete statement of any proposed changes in manner or method of operation of the licensed establishment and any proposed changes of or additions to supervisory personnel, both as to the period pending completion of the transfer and thereafter.

2. If two or more individuals desire to participate in the operation of a licensed establishment or games as a group, whether as individuals or as stockholders, officers or directors of a corporation or other business entity, joint application may be made in accordance with subsection 1 above.

3. If the emergency requiring immediate participation consists of the actual or threatened insolvency of a licensee or holding company, and the interest to be transferred or issued is a financial participation, the application will not be granted unless the applicant demonstrates the immediate and unqualified availability of sufficient funds and credit to cure such emergency to the same extent that such funds and

credit would be required in connection with an application for licensing or registration not involving actual or threatened insolvency.

4. The Board may require an applicant for permission to participate to furnish such additional information as it may desire before acting on the application.

(Amended: 10/75.)

8.090 Permission to participate. After receipt of a proper application for permission to participate and such additional information as the Board or the Commission may require, and after such investigation as the Board or the Commission deems necessary, the Commission or any three members thereof may grant emergency permission for a proposed transferee to participate in the operation of the licensed games or establishment, licensee or holding company, subject to joint management with the existing licensee or licensees or managing officers of a corporate licensee or holding company.

(Amended: 9/73.)

8.100 Extent of participation permitted.

1. Pending final action on the application of a proposed transferee, the existing licensee or licensees will be held responsible for the conduct of the licensed games or establishment, for all license fees payable, and for all acts or omissions of proposed transferees participating in the operation.

2. Except as hereinafter provided, no proposed transferee who has been granted such emergency permission to participate shall be permitted to withdraw or receive any portion of the profits of such establishment or licensee or holding company derived for gaming until final approval of the proposed transfer of interest has been granted by the Commission. If granted, such approval shall be retroactive to the date of emergency permission to participate.

3. A proposed transferee who has been granted emergency permission to participate and who actually renders services may be paid a salary or otherwise be compensated for such actual services, but such salary or other compensation shall not exceed the usual and customary compensation in the industry for similar services.

(Amended: 9/73.)

8.110 Application for license. Any proposed transferee to whom emergency permission to participate has been granted shall, within 10 days thereafter if the transferee has not already done so, make formal application for licensing, registration, or approval as required by law and these regulations.

(Amended: 9/73.)

8.120 Effect of permission to participate; withdrawal.

1. The granting of emergency permission to participate is a revocable privilege, and is not to be a finding on the part of the Commission that the proposed transferee is qualified or suitable to hold a state gaming license or to be registered or to be approved. Such permission will be without prejudice to any action that the Board or the Commission may take with respect to any application for final approval of the proposed transfer of interest.

2. Emergency permission to participate may be withdrawn summarily at any time in the uncontrolled discretion of the Commission, without notice or hearing or other proceedings of any kind.

3. Upon receipt of notice that emergency permission to participate has been withdrawn the proposed transferee shall be immediately disassociated from any participation whatever in the operation of the licensed establishment, licensee or holding company. Any money or other thing of value which may have been invested or made use of in the operation of the licensed establishment, licensee or holding company shall be forthwith returned to the proposed transferee or deposited in escrow in compliance with Regulation 8.050. Any participation whatever on the part of a proposed transferee after notice of withdrawal of emergency permission to participate may be deemed to be in violation of law and these regulations and, as such, grounds for denial of the application of the proposed transferee and also grounds for revocation or suspension of the existing license, registration or approval.

(Amended: 9/73.)

8.130 Transaction reports. As used in this section, “licensee” means any person to whom a valid nonrestricted gaming license, including a license as an operator of a slot machine route, mobile gaming system, or an inter-casino linked system, manufacturer’s, distributor’s, or disseminator’s license, a license

to engage in off-track pari-mutuel wagering, pari-mutuel systems operator license, pari-mutuel wagering license, operator of interactive gaming license, or a service provider license has been issued. The term does not include a person licensed solely as a holder of a security or other ownership interest in, as an officer, director or key employee of, or due to any other relationship with, a licensed operation.

1. Any licensee that receives, accepts, or makes use of any cash, property, credit, guaranty, benefit or any form of security loaned to, leased to, or provided for or on behalf of the licensee or an officer, director, agent, employee or stockholder of the licensee, in a transaction required to be reported under subsections 2 through 6, must report the transaction to the Board in the manner required by subsections 7 and 8 within 30 days after the end of the calendar quarter in which the transaction is consummated. A transaction is considered consummated the earlier of the contract date or the date the cash, property, credit, guaranty, benefit or security is received.

2. Except as provided in subsections 3 and 5, each of the following transactions must be reported to the Board, if the dollar amount of the transaction or the fair market value of the assets involved exceeds $300,000 or the average monthly payment exceeds $30,000:

(a) Leases, including leaseback transactions and capital leases.

(b) Deposits received by the licensee pursuant to an arrangement for use of space at the licensee's establishment.

(c) Installment purchase contracts.

(d) Property donated to the licensee.

3. Except as provided in subsection 5, each of the following transactions must be reported to the Board, if the dollar amount of the transaction exceeds $30,000:

(a) Loans, mortgages and trust deeds.

(b) Capital contributions and loans by a person who is a stockholder, partner or proprietor of the licensee.

(c) Safekeeping deposits which:

(1) Are made by an individual beneficially owning, directly or indirectly, a 10 percent or greater interest in the licensee;

(2) Are commingled with the licensee's funds;

(3) Are left for more than 10 days; and

(4) At any time during that period, aggregate to an amount greater than 25 percent of cash in the cage.

(d) Lines of credit.

(e) Accounts payable and accrued expenses due to unaffiliated persons where the payment terms or actual length of payments exceed 12 months.

(f) Conversions of accounts payable, accrued expenses or other liabilities to notes payable.

(g) Debts forgiven by a lender.

(h) Guaranties received by the licensee.

(i) Accruals of salary due to an individual directly or indirectly owning an interest in the licensee where the accrual period exceeds 90 days.

4. Those transactions in subsections 2 and 3 which occur no more than 7 days apart from a single source shall be considered a single transaction if they exceed the dollar amounts specified in those subsections.

5. The following transactions need not be reported to the Board regardless of the dollar amount of the transaction, fair market value of the assets involved, or average monthly payment:

(a) Draws against a previously reported extension of credit.

(b) Except for items specifically described in subsections 2 or 3, goods or services which are exchanged for other goods or services of an affiliate of the licensee.

(c) Short-term cash loans which have a payback period of less than 7 days and are provided to the licensee on a regularly recurring basis, provided the terms and conditions of the arrangement have not changed, and provided the initial loan or financing arrangement has been reported.

(d) Loans and other financing activities that were reviewed during an investigation which resulted in Board or Commission action, provided the terms and conditions of the arrangements have not changed.

(e) Financing of gaming devices or associated equipment installed and used during a trial period authorized pursuant to Regulation 14.

(f) Funds received by the licensee in satisfaction of accounts or notes receivable.

(g) Purchases or leases of gaming devices and associated equipment where the seller or lessor is a licensed manufacturer or distributor, and the financing is not provided by a third party.

(h) Cash, property, credit, services, guaranty, benefit or any form of security loaned to or provided for or on behalf of the licensee by a licensed affiliate, licensed subsidiary or registered parent of the licensee. However, such financing from a stockholder, partner, unlicensed affiliate or proprietor of the licensed operation must be reported.

(i) Assessments for property taxes or other improvements by, or accruals for taxes due to, a government entity.

(j) Payments of gaming winnings over time to patrons.

(k) Deposits or payments received by the licensee in conjunction with a convention or similar event.

(l) Leases, including leaseback transactions and capital leases, where the lease term, including any extensions or renewals, does not exceed 90 days.

(m) Financing activity that has been filed and administratively approved by the Board Chair pursuant to Regulations 5.115, 6.125 or 22.040, or has been approved by the Commission pursuant to Regulation 5.115.

6. All renewals, changes or modifications to the terms or conditions of transactions previously reported under this section must be reported.

7. The report to the Board required by this section must include the names and addresses of all parties to the transaction, the amount and source of the funds, property or credit received or applied, the nature and amount of security provided by or on behalf of the licensee, the purpose of the transaction, and any additional information the Board may require. For transactions reported pursuant to requirements of subsection 4, the report must also identify the dates of each loan or contribution. The report must be made on a form provided or approved by the Board, accompanied by a fully executed copy of the financing agreement, and signed by an owner or key employee (as defined by Regulation 3.110) under oath.

8. In the event a party to any transaction reportable pursuant to this regulation is a person other than the reporting licensee or a financial institution or related subsidiary, or a publicly traded company, the report must be accompanied by a supplemental filing which must include that person's federal tax identification number or social security number and date of birth, banking references, and source of funds, and any additional information the Board may require.

9. If, after such investigation as the Board deems appropriate, the Commission finds that a reported transaction is inimical to the public health, safety, morals, good order or general welfare of the people of the State of Nevada, or would reflect, or tend to reflect, discredit upon the State of Nevada or the gaming industry, it may order the transaction rescinded within such time and upon such terms and conditions as it deems appropriate.

10. A bankruptcy filing by a licensee does not relieve that licensee of the reporting requirements of this regulation.

11. The Board Chair or the Chair's designee may waive one or more of the provisions of this section or require a report of a transaction not otherwise addressed in this section or a supplemental filing, upon a finding that the waiver, reporting requirement or supplemental filing is consistent with the public policy of the State of Nevada as set forth in NRS 463.0129.

(Amended: 3/70; 6/92; 3/30/95; 11/18/99; 3/06; 12/11.)

8.135 Finding of suitability of a person holding an option to acquire an interest in a general partnership licensee.

1. No person shall acquire or be granted an option to purchase an interest in a general partnership licensee without first notifying the Board, on such forms as may be required by the Board, of the terms and conditions upon which the option was granted or acquired.

2. The Commission may, upon a recommendation by the Board, require the application of any person for a determination of suitability to hold an option to purchase or otherwise obtain an interest in a general partnership licensee.

(Adopted: 10/90.)

End – Regulation 8

REGULATION 8A

ENFORCEMENT OF SECURITY INTERESTS

8A.010 Definitions.
8A.020 Approvals required; applicability; scope of approval.
8A.030 Application for approval to enforce security interest; investigation; recommendation of the Board.
8A.040 Enforcement of a security interest in personal property gaming collateral.

8A.010 Definitions. As used in this regulation:

1. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
2. "Enforce a security interest" means the transfer of possession ownership or title pursuant to a security interest.
3. "Operating license" means the gaming license issued to a person for the conduct of gaming. The term does not include licenses issued to officers, directors, holders of securities or other ownership interest, key employees, or others who have been licensed due to their relationship to or involvement with the gaming operation.
4. "Personal property gaming collateral" means property subject to a security interest that is composed of:
   (a) A security issued by a corporation which is a holder of a gaming license in this state;
   (b) A security issued by a holding company that is not a publicly traded corporation;
   (c) A security issued by a holding company that is a publicly traded corporation, if the enforcement of the security interest will result in the creditor acquiring control as set forth in Regulation 16; or
   (d) A security issued by a partnership which is a holder of a gaming license in this state.
5. "Secured party" means a person who is a lender, seller, or other person in whose favor there is a security interest or judgment.
6. "Security" means security as that term is defined in Regulations 15 and 15A.
7. "Security agreement" means an agreement that creates or provides for a security interest.
8. "Security interest" means an interest in property that secures the payment or performance of an obligation or a judgment.

(Adopted: 1/91. Amended: 10/91; 5/92.)

8A.020 Approvals required; applicability; scope of approval.

1. A person may not enforce a security interest in personal property gaming collateral except as provided by this regulation. The purported enforcement of such security interest without the secured party having complied with the requirements of this regulation is void.
2. The provisions of this regulation do not apply to the enforcement of a security interest in real property.
3. Notwithstanding any other provision of this regulation, approval is not required under this regulation to enforce a security interest in a security issued by a holding company, or by a corporation, general partnership, or limited partnership licensee, if the gaming operation has ceased and the operating license has been surrendered to the Board prior to the enforcement of such security interest.
4. The granting of an approval pursuant to this regulation does not constitute a determination by the Board or Commission as to the validity or enforceability of the security interest.
5. The granting of an approval pursuant to this regulation does not constitute licensing, registration, or finding of suitability of the secured party, nor approval for further sale, transfer, or other disposition of the gaming collateral subsequent to the enforcement of the security interest.

(Adopted: 1/91. Amended: 10/91.)

8A.030 Application for approval to enforce security interest; investigation; recommendation of the Board.

1. Except as otherwise specifically provided herein, a secured party shall apply for approval to enforce a security interest in personal property gaming collateral using such forms as the Chair may prescribe. The application shall include a complete schedule and description of the gaming collateral that is the subject of

the security interest, copies of the security agreement and documents evidencing the obligation secured, a statement by the secured party identifying the act of default by the debtor that is the basis for seeking to enforce the security interest, including a copy of any notice of default sent to the debtor, and any other information requested by the Board or Commission.

2. The Board shall investigate the facts and circumstances related to the application for approval to enforce a security interest. The investigation by the Board may include:

(a) A review of all pertinent documents;

(b) An analysis of the impact upon the debtor of approving the enforcement of the security interest, including an evaluation of the effect of enforcement of the security interest upon the continued operation of the licensed gaming establishment;

(c) A review of the transaction to determine whether the security interest was given in violation of Regulation 8.050, or in an attempt to evade the requirements of the Nevada Revised Statutes and regulations adopted by the Commission regarding the sale, assignment, transfer or other disposition of an interest in a gaming operation or in the type of property subject to this regulation; and

(d) Any other data or information the Board deems relevant to the application.

3. Where this regulation requires the affirmative approval of the Commission prior to the enforcement of the security interest, the Board shall submit a recommendation to the Commission after the Board completes its investigation.

(Adopted: 1/91. Amended: 5/92.)

8A.040 Enforcement of a security interest in personal property gaming collateral.

1. The enforcement of a security interest in personal property gaming collateral requires the affirmative approval of the Commission. The Commission shall not approve the enforcement of such security interest if such enforcement will result in any person becoming subject to mandatory licensing, registration, or finding of suitability, unless all persons have been licensed, registered, or found suitable by the Commission, as applicable. The Commission may grant a temporary or permanent waiver of the requirement of prior licensing, registration, or finding of suitability, or may grant delayed licensing, registration, or finding of suitability, upon written request by the secured party and recommendation of the Board, if the Commission makes a written finding that such waiver or delayed licensing, registration, or finding of suitability is consistent with state policy set forth in the Act.

2. Where an operating license is surrendered pursuant to NRS 463B.080(1)(d), the Commission may, upon its own initiative or upon a request by the secured party, petition a district court for the appointment of a supervisor pursuant to NRS 463B and Regulation 17 to ensure the continuation of the gaming operation upon lapse of the license.

3. The Chair may permit the licensee or holding company to register or record the securities in its books or records in the name of the secured party pursuant to Regulation 8.040. The Chair may grant such permission only if the secured party has filed an application for approval to enforce a security interest in such securities. Such permission shall be conditioned upon and require that the secured party not exercise any voting rights or other control over the licensee or holding company, and that all dividends payable or other beneficial interest in the securities be held in escrow, pending final action on the application to enforce the security interest.

(Adopted: 1/91. Amended: 10/91; 12/91; 5/92.)

End – Regulation 8A

REGULATION 9

CLOSING OF BUSINESS; DEATH OR DISABILITY; INSOLVENCY

9.010 Surrender of license on closing of business; closing due to natural disasters.
9.020 Death or disability of licensee.
9.030 Insolvency of a licensee.

9.010 Surrender of license on closing of business; closing due to natural disasters.

1. If a gaming establishment is conveyed to a secured party who does not possess the licenses necessary to operate the establishment, and the licensee ceases gaming operations as a result, the licensee must immediately surrender the licensee's gaming license and, upon written notification from the Board Chair that the surrender is accepted, the license shall be deemed to have lapsed. The Commission may, upon its own initiative or upon a request by the former secured party of the establishment, petition a district court for the appointment of a supervisor pursuant to NRS 463B and Regulation 17 to ensure the continuation of the gaming operation upon lapse of the license.

2. Except as provided in subsection 1, any licensee who surrenders, abandons or quits his or her licensed establishment, or who closes all of his or her licensed games for a period exceeding 1 month, shall within 10 days after surrendering, quitting or abandoning his or her licensed establishment or so closing his or her games, surrender his or her license to the Board. The Board may, upon request, authorize closing for longer periods; however, such extension will not permit closing for an entire calendar quarter.

3. Subsection 2 shall not apply to any gaming establishment which is an adjunct operation of an existing licensee requiring a separate license and which is utilized for special events of less than 10 days duration for each event, provided that the following conditions are complied with:

(a) All annual license fees are timely paid.

(b) All quarterly fees for the quarter in which gaming operations are to be conducted are paid prior to commencement of gaming operations.

(c) Gaming operations are conducted for at least 3 days during the calendar year.

(d) Written notice of each special event setting forth the hours of operation and number of days gaming will be conducted and the number of games, tables and gaming devices that will be in operation is given to the nearest office of the Board at least 5 days prior to commencement of operation.

4. Subsection 2 shall not apply if the Board authorizes closure of any licensed gaming establishment that temporarily ceases the operation of all licensed games because of natural disaster, fire or other physical destruction of the licensed gaming establishment. In such circumstances, the licensee shall notify the Board of the circumstances requiring closure of the licensed games pending rebuilding or repair of the premises; the anticipated duration of the closure; and the intent of the licensee to commence operation as soon as rebuilding or repairs have been completed. Upon receipt of such notice, the Board, if satisfied that the premises are in fact unusable for continuing gaming, may authorize closure for such time as is necessary upon the following conditions:

(a) For a nonrestricted licensee who operated games, except slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly state license fee applicable for the operation of one game as required by NRS 463.383, and if appropriate the annual license fee as required by NRS 463.380, as well as any other fee or tax required by NRS chapters 463 or 464.

(b) For a nonrestricted licensee who operated slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly slot fees and any annual slot fees or taxes which may be due for the operation of one slot machine, as well as any other fee or tax required by NRS chapter 463.

(c) For restricted licensees, payment at the normal time for license renewal of the quarterly state license fee for the operation of one slot machine for each quarter during the authorized closure, as well as payment of the annual slot tax required by NRS 463.385, if appropriate.

5. Any licensee granted temporary closure by the Board under subsection 4 is a continuing state gaming licensee subject to the provisions of the Nevada Gaming Control Act and regulations adopted thereunder, and shall also be subject to such conditions, by way of placement of a bond, reporting, or otherwise, as may be deemed necessary by the Board. Prior to resumption or partial resumption of gaming

operations, licensees shall pay in advance any license fees and taxes due under chapters 463 or 464 of NRS.

(Amended: 9/72; 3/81; 3/91.)

9.020 Death or disability of licensee.

1. In the event of the death or judicially established disability of a licensee or a stockholder of a corporate licensee, the spouse, next of kin, personal representative or guardian of such deceased or disabled person or the person in charge of the licensed establishment, or, in the case of a corporate licensee, a managing officer of such corporation, shall notify the Board immediately of the fact of such death or disability.

2. In case such deceased or disabled person is the sole licensee for an establishment, the Board Chair may in the Chair's sole and absolute discretion, authorize the spouse, next of kin, personal representative or guardian of such person to continue the operation of such establishment pending action on an application by such spouse, next of kin, personal representative or guardian for a license to operate such establishment.

3. In any case in which the interest held by such deceased or disabled person in any licensed establishment would pass by operation of law or otherwise to the person's estate or to any person other than a co-licensee, such person or the personal representative or guardian of the deceased or disabled person shall, within 30 days after the date of death or disability, make application to the Board for a temporary license as successor in interest, representative or guardian, whichever is appropriate.

4. The Board may, in its discretion and if satisfied of the necessity of such action, recommend to the Commission that a temporary license be issued to the applicant for such period of time as it may deem necessary. Such temporary license will entitle the person named therein to take part in the operation of such establishment and to receive profits therefrom as successor in interest, representative or guardian of the deceased or disabled person. Such temporary license may not be assigned in whole or in part.

5. No licensee shall permit any spouse, heir, next of kin, personal representative or guardian to take part in the operation of the licensed establishment, nor pay over to such person any part of the profits of such operation which accrue after the date of death or disability, unless such person is either a co-licensee or the holder of a temporary license as successor in interest, representative or guardian.

(Amended: 4/88.)

9.030 Insolvency of a licensee.

1. In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Board of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

2. No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission. In an emergency situation, any three members of the Commission may authorize the continuation of such operation pending action by the Board and the Commission.

3. Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

4. Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension.

(Amended: 11/82.)

End – Regulation 9

REGULATION 10

ENROLLMENT OF ATTORNEYS AND AGENTS

10.010 Eligibility to practice.
10.020 Scope of practice.
10.030 Qualifications for enrollment.
10.040 Procedures for enrollment.
10.041 Enrollment prior to October 26, 1990.
10.050 Enrollment for a particular matter.
10.060 Roster of enrolled agents.
10.065 Suspension and revocation of enrollment.
10.066 Reinstatement.
10.070 Proof of authority.
10.080 Effect of representation.
10.090 Obligations of truthfulness and diligence.
10.100 Knowledge of client's omission.
10.110 Certification of documents.
10.120 Duty of enrollees concerning violations.
10.130 Professional conduct.
10.140 [Repealed: 10/90.]
10.150 [Repealed: 10/90.]
10.160 [Repealed: 10/90.]
10.170 [Repealed: 10/90.]
10.180 [Repealed: 10/90.]
10.190 [Repealed: 10/90.]
10.200 [Repealed: 10/90.]
10.210 [Repealed: 10/90.]

10.010 Eligibility to practice. No person shall be eligible to practice before the Commission or the Board unless such person is enrolled in accordance with these regulations, except that any individual may appear, without enrollment, on his or her own behalf or on behalf of a member of the person's immediate family, if such appearance is without compensation; and a member of a partnership, an officer of a corporation, or an authorized regular employee of an individual, partnership, corporation, or other business entity may likewise appear without enrollment in any matter relating to such individual or business entity.

(Adopted: 10/90.)

10.020 Scope of practice. Practice before the Commission or the Board shall be deemed to include all matters relating to the presentation of a client's matter to the Commission or the Board, including the preparation and filing of applications, reports, systems of internal controls, financial statements, or other documents submitted to the Commission or Board on behalf of such client.

(Adopted: 10/90.)

10.030 Qualifications for enrollment.

1. The following persons may be admitted to practice before the Commission and the Board as attorneys or accountants:

(a) Attorneys at law admitted to practice before the supreme court of the State of Nevada and who are lawfully engaged in the active practice of their profession.

(b) Certified public accountants and public accountants qualified to practice under Nevada law and who are lawfully engaged in active practice as such.

2. Other individuals may, upon motion of an enrolled person, be admitted to practice as agents upon presentation of satisfactory proof of their good character and integrity, professional qualifications and experience, comprehensive knowledge of the Act and regulations, and such other information or references as the Commission may require. Unless the Commission provides otherwise, all agents shall only be admitted to practice before the Commission and Board for the purposes of a particular case or matter.

(Adopted: 10/90. Amended: 10/92.)

10.040 Procedures for enrollment.

1. An attorney or accountant meeting the qualifications described in Regulation 10.030(1)(a) or (b) shall be deemed automatically enrolled at the time the attorney or accountant first appears for or performs any act of representation on behalf of a client in any matter before the Board or Commission.

2. Other individuals must submit an application for enrollment to the Commission together with proof of eligibility for enrollment. The Commission will consider the application at a public meeting, and may either grant or deny the application, or request additional information from the applicant. Only natural persons may enroll to practice before the Board or Commission.

(Adopted: 10/90.)

10.041 Enrollment prior to October 26, 1990. Any person who, on October 26, 1990, holds an effective enrollment certificate issued by the Commission is deemed enrolled by the Commission without application.

(Adopted: 10/90.)

10.050 Enrollment for a particular matter.

1. The following persons may, upon motion of an enrolled person, be admitted to practice before the Commission or the Board for the purposes of a particular case or matter:

(a) Attorneys at law who have been admitted to practice before the courts of any state or territory or the District of Columbia and who are in good standing with the court by which they are licensed.

(b) Certified public accountants or public accountants who have duly qualified to practice as such in their own names, under the laws and regulations of any state or territory or the District of Columbia, and who are in good standing with the entity by which they are licensed.

2. No person enrolled pursuant to this section may practice before the Commission or the Board except in association with the enrolled person who sponsored his or her enrollment.

(Adopted: 10/90. Amended: 10/92.)

10.060 Roster of enrolled agents. The Commission will keep on file a roster of persons who are enrolled as agents, and will furnish, upon request, information as to whether any individual is enrolled.

(Adopted: 10/90.)

10.065 Suspension and revocation of enrollment.

1. A person's enrollment to practice before the Board and Commission shall be suspended automatically without a hearing under the following circumstances:

(a) Where the person is an attorney or an accountant, if his or her professional license is suspended or revoked;

(b) Where the person is an agent, if he or she has been convicted of any felony, regardless of whether an appeal is pending or could be taken.

2. Any person enrolled to practice before the Board and Commission as an agent may have his or her enrollment to practice suspended or revoked if, after a hearing, the Commission finds that:

(a) The agent made a materially false or misleading statement with regard to the person's application for enrollment;

(b) The agent willfully failed to exercise diligence in the preparation or presentation of any application, report, or other document filed with the Board or Commission, or knowingly misrepresented any material fact to the Board or Commission;

(c) The agent willfully violated or aided and abetted in the violation of any provision of the Act or regulations;

(d) The agent does not possess the requisite qualifications or expertise to represent others before the Board or Commission, lacks character or integrity, or has engaged in unethical or improper conduct.

(Adopted: 10/90.)

10.066 Reinstatement.

1. Any attorney or accountant whose enrollment is suspended under Regulation 10.065 shall be deemed automatically reinstated to practice before the Board and Commission at the time he or she is reinstated to practice law or accounting by the applicable licensing authority.

2. Any agent whose enrollment is suspended or revoked under Regulation 10.065 may be reinstated by the Commission, upon application, if the grounds for the suspension or revocation are subsequently

removed by a reversal of the conviction, or for other good cause shown. An applicant for reinstatement shall be afforded an opportunity for a hearing before the Commission on the application, and shall pay all reasonable costs of the proceeding.

(Adopted: 10/90.)

10.070 Proof of authority. The Commission or the Board may require all persons seeking to appear before it to disclose the identity of those they represent and to present proof that they are authorized to act on their behalf.

(Adopted: 10/90.)

10.080 Effect of representation.

1. Any person represented by an attorney, accountant, agent, or other person before the Commission or the Board shall be bound by the acts or omissions of such representative to the same extent as if he or she had acted or failed to act personally.

2. In an appearance by an attorney, accountant, agent, or other representative at any hearing or meeting of the Board or the Commission, the person represented shall be deemed to have waived all privileges with respect to any information in the possession of such attorney, accountant, agent, or representative, or any testimony by the person, except for privileges afforded by the constitution of this state or the United States, where applicable.

(Adopted: 10/90.)

10.090 Obligations of truthfulness and diligence.

1. Enrolled persons shall not be intentionally untruthful to the Board or Commission, nor withhold from the Board or Commission any information which the Board or Commission is entitled to receive, nor interfere with any lawful effort by the Board or Commission to obtain such information.

2. Enrolled persons shall exercise due diligence in preparing or assisting in the preparation of documents for submission to the Board or Commission.

3. Enrolled persons have a continuing responsibility on behalf of their clients to monitor the accuracy and completeness of information submitted to the Board or Commission in any matter pertaining to their clients. Whenever an enrolled persons becomes aware that information furnished to the Board or Commission is no longer accurate and complete in any material respect, the enrolled person shall promptly furnish the Board or Commission with appropriate supplemental and corrected information.

(Adopted: 10/90.)

10.100 Knowledge of client's omission. An enrolled person who knows that a client has not complied with the Act or the regulations of the Commission, or that a client has made a material error in or a material omission from any application, report, or other document submitted to the Board or Commission, shall advise his or her client promptly of the fact of such noncompliance, error, or omission.

(Adopted: 10/90.)

10.110 Certification of documents. Every application, report, affidavit, written argument, brief, statement of fact, or other document prepared or filed on behalf of a client represented by an enrolled person, must be signed by the enrolled person, and the signature shall be deemed to constitute a certification that the document was prepared in conformity with the requirements of the Act and regulations.

(Adopted: 10/90.)

10.120 Duty of enrollees concerning violations. An enrolled person shall, when requested by the Commission, the Board, or a member, or an authorized employee thereof, give to the Commission, the Board or such member, or employee any information that the enrolled person may have concerning violations of the Act or regulations by any person, or of the occurrence of any acts or omissions on the part of an enrollee that would be grounds for suspension or disbarment of such enrollee, unless such information is privileged under applicable law.

(Adopted: 10/90.)

10.130 Professional conduct. Each enrolled person shall conduct his or her practice in an ethical and professional manner. Each enrolled attorney shall observe the rules of professional conduct adopted

by the Nevada Supreme Court, and each enrolled person who is not an attorney shall observe the rules of professional conduct adopted by the Nevada State Board of Accountancy.

(Adopted: 10/90.)

10.140 [Repealed: 10/90.]

10.150 [Repealed: 10/90.]

10.160 [Repealed: 10/90.]

10.170 [Repealed: 10/90.]

10.180 [Repealed: 10/90.]

10.190 [Repealed: 10/90.]

10.200 [Repealed: 10/90.]

10.210 [Repealed: 10/90.]

End – Regulation 10

REGULATION 11

MISCELLANEOUS

11.010 Officials not to hold gaming licenses or related approvals.

11.010 Officials not to hold gaming licenses or related approvals.

1. *Prohibition*. No state gaming license, finding of suitability, or approval, the granting of which requires an application to be made to the Commission, shall be held by nor granted to any person holding office in, or employed by, any agency of the State of Nevada or any of its political subdivisions when the duties of such office or agency pertain to the enforcement of the provisions of chapters 463, 464, or 465 of the Nevada Revised Statutes.

2. *Inclusions*. This regulation applies specifically, but without limitation, to the following categories of persons in gaming enforcement:

(a) Persons affiliated with the attorney general's office of the State of Nevada;

(b) Persons affiliated with any district attorney's office within the State of Nevada;

(c) Persons affiliated with any sheriff's office or police department within the State of Nevada;

(d) Members, agents, or employees of the Commission or Board;

(e) Any member of the judiciary.

3. *Waivers*. The Commission may waive the prohibition contained within subsection 1 of this regulation if it makes a written finding that such waiver is not inconsistent with the state policy set forth in NRS 463.0129, and the functions, duties, or responsibilities of the person otherwise restricted from holding the license, finding of suitability, or approval do not involve matters relating to the enforcement of the provisions of chapters 463, 464, or 465 of the Nevada Revised Statutes.

4. *Non-transferability of waivers*. A waiver granted pursuant to this section is applicable only to the specific matter for which it is granted and shall not be transferable to any other license, finding of suitability, or approval applied for or held by the person otherwise prohibited from holding or being issued the same.

(Amended: 9/61; 5/77; 6/81; 6/88.)

End – Regulation 11

REGULATION 12

CHIPS AND TOKENS

12.010 Definitions.
12.020 Approval of chips and tokens; applications and procedures.
12.030 Specifications for chips and tokens.
12.040 Specifications for chips.
12.050 Specifications for tokens.
12.060 Use of chips and tokens.
12.070 Redemption and disposal of discontinued chips and tokens.
12.080 Destruction of counterfeit chips and tokens.
12.090 Promotional and tournament chips and tokens.
12.100 Other instrumentalities.

12.010 Definitions. As used in this regulation:

1. "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS.
2. Except as otherwise provided, "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
3. "Chip" means a non-metal or partly metal representative of value issued by a licensee for use at table games or counter games at the licensee's gaming establishment.
4. "Token" means a metal representative of value issued by a licensee for use in slot machines or for use in slot machines and at table games or counter games at the licensee's gaming establishment.

(Adopted: 6/87. Amended: 12/91; 08/14.)

12.020 Approval of chips and tokens; applications and procedures.

1. A licensee shall not issue any chips or tokens for use in its gaming establishment, or redeem any such chips or tokens, unless the chips or tokens have been approved in writing by the Chair. A licensee shall not issue any chips or tokens for use in its gaming establishment, or redeem any such chips or tokens, that are modifications of chips or tokens previously approved by the Chair, unless the modifications have been approved in writing by the Chair.
2. Applications for approval of chips, tokens, and modifications to previously-approved chips or tokens must be made, processed, and determined in such manner and using such forms as the Chair may prescribe. Only nonrestricted licensees, operators of slot machine routes, or the manufacturer authorized by these licensees to produce the chips or tokens, may apply for such approval. Each application must include, in addition to such other items or information as the Chair may require:

(a) An exact drawing, in color or in black-and-white, of each side and the edge of the proposed chip or token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed chip or token in each dimension;

(b) Written specifications for the proposed chips or tokens;

(c) The name and address of the manufacturer;

(d) The licensee's intended use for the proposed chips or tokens; and

(e) A verification upon oath or notarized affirmation, executed by the chief operating officer of the chip or token manufacturer, or a person with equivalent responsibilities, that it has a written system of internal control, approved by the Chair, which describes in detail the current administrative, accounting and security procedures which are utilized in the manufacture, storage and shipment of the chips, tokens and related material. The written system must include at a minimum, a detailed, narrative description of the procedures and controls implemented to ensure the integrity and security of the manufacturing process, from design through shipment, including but not limited to those procedures and controls designed specifically to:

(1) Provide for the secure storage or destruction of all pre-production prototypes, samples, production rejects and other nonsalable product.

(2) Provide security over the finished art work, hubs, plates, dies, molds, stamps and other related items which are used in the manufacturing process.

(3) Prevent the unauthorized removal of product from the production facility through the utilization of security devices such as metal detectors, and surveillance cameras.

(4) Restrict access to raw materials, work-in-process, and finished goods inventories to authorized personnel.

(5) Establish procedures for documenting approval of production runs.

(6) Establish and maintain a perpetual inventory system which adequately documents the flow of materials through the manufacturing process.

(7) Establish procedures which reconcile the raw material used to the finished product on a job-by-job basis. Significant variances are to be documented, investigated by management personnel, and immediately reported to the Enforcement Division and to the licensee who authorized the manufacturer to produce the chips or tokens.

(8) Provide for quarterly physical inventory counts to be performed by individual(s) independent of the manufacturing process which are reconciled to the perpetual inventory records. Significant variances are to be documented, investigated by management personnel, and immediately reported to the Board Enforcement Division.

(9) Establish a framework of procedures which provide for the security and accountability of products and materials sent to or received from subcontractors or satellite production facilities.

(10) Document controls over the shipment of finished product, and

(11) Provide such other or additional information as the Chair may require.

The Chair may in writing approve variations from the specific requirements of this regulation if in the opinion of the Chair the alternative controls and procedures meet the objectives of this regulation.

3. If, after receiving and reviewing the items and information described by this regulation, the Chair is satisfied that the proposed chips, tokens and related information conform to the requirements of this regulation, the Chair shall notify the licensee or the manufacturer authorized by the licensee to produce the chips or tokens in writing and shall request, and the licensee or the manufacturer shall provide a sample of the proposed chips or tokens in final, manufactured form. If the Chair is satisfied that the sample conforms with the requirements of this regulation and with the information submitted with the licensee's application, the Chair shall approve the proposed chips or tokens and notify the licensee in writing. As a condition of approval of chips or tokens issued for use at the licensee's race book, sports pool, or specific table or counter game, the Chair may prohibit the licensee from using the chips or tokens other than at the book, pool, or specific game. The Board may retain the sample chips and tokens submitted pursuant to this subsection.

4. At the time of approval of a system of internal control, the Chair may require the manufacturer to provide, and thereafter maintain with the Board, a revolving fund in an amount determined by the Chair, which amount shall not exceed $10,000. The Board and its staff may use the revolving fund at any time without notice, for the purpose of implementing the provisions of this regulation.

5. The amendments adopted March 30, 1995, shall become effective October 1, 1995.

(Adopted: 6/87. Amended: 12/91; 3/95. Effective: 10/1/95.)

12.030 Specifications for chips and tokens.

1. Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Nevada, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not deceptively resemble any current or past coinage of the United States or any other nation.

2. In addition to such other specifications as the Chair may approve:

(a) The name of the issuing gaming establishment must be inscribed on each side of each chip and token, and the city or other locality and the state where the establishment is located must be inscribed on at least one side of each chip and token;

(b) The value of the chip or token must be inscribed on each side of each chip and token, other than chips used exclusively at roulette;

(c) The manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip and token; and

(d) Each chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed-circuit, black-and-white television, the denomination of the chip can be distinguished from that of the other chips and tokens in the stack.

3. The names of the city or other locality and the state where the establishment is located must be inscribed on at least one side of each chip and token unless the Chair finds, after application by a licensee, that such an inscription is not necessary because:

(a) The name of the issuing establishment is unique to one readily identifiable establishment in all gaming jurisdictions; or

(b) The inclusion of the city or other locality and the state is not necessary or beneficial for any regulatory purpose relating to the applicant.

4. Any application submitted pursuant to subsection 3 must be signed by the chief executive officer of the applicant and be on a form prescribed by the Chair.

5. Any approval by the Chair for the deletion of such an inscription shall be in writing and be limited to that period of time in which the name of the licensee is limited to one establishment and conditioned so that it may be withdrawn in the future if the Chair determines that the deletion results in confusion with the chips or tokens of another establishment or if such inclusion is deemed necessary or beneficial for any regulatory purpose.

6. A copy of any approval or disapproval or other decision by the Chair pursuant to the authority delegated in subsection 3 must be submitted to the other members of the Board and the Commission Chair within 5 working days thereafter and may be relied on by the applicant if within 20 working days after such submission:

(a) A member of the Board does not request a review by the entire Board; or

(b) The Commission Chair does not include the matter on the next available Commission agenda.

7. In the event of such a request by a Board member, or such action by the Commission Chair, the application or other related issue(s) shall be considered and decided by the Commission upon the recommendation of the Board.

(Adopted: 6/87. Amended: 8/89; 12/91.)

12.040 Specifications for chips.

1. Unless the Chair approves otherwise, chips must be disk-shaped, must be .130 inch thick, and must have a diameter of:

(a) 1.55 inches, for chips used at games other than baccarat;

(b) 1.55 inches or 1.6875 inches, for chips used at baccarat; and

(c) 1.6875 inches, for chips used exclusively at race books and sports pools or other counter games.

2. Each side of each chip issued for use exclusively at a race book, sports pool, or particular game must bear an inscription clearly indicating that use of the chip is so restricted.

(Adopted: 6/87.)

12.050 Specifications for tokens.

1. Unless the Chair approves otherwise, tokens must be disk-shaped and must measure as follows:

(a) No token may be smaller than 1.459 inches or larger than 1.95 inches in diameter, and no token may be from 1.475 through 1.525 inches in diameter;

(b) One dollar denomination tokens must be from 1.459 through 1.474 inches in diameter, from .095 through .115 inch thick, and, if the token has reeds or serrations on its edges, the number or reeds or serrations must not exceed 150;

(c) Five dollar denomination tokens must be 1.75 inches in diameter, from .115 through .135 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175;

(d) Twenty-five dollar denomination tokens must be larger than 1.75 inches but no larger than 1.95 inches in diameter (except that such tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver), must be .10 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 200; and

(e) Tokens of other denominations must have such measurements and edge reeds or serrations as the Chair may approve or require.

2. The Chair shall not approve any tokens of denominations lower than one dollar.

3. Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of a slot machine.

4. Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

(Adopted: 6/87.)

12.060 Use of chips and tokens.

1. Chips and tokens are solely representatives of value which evidence a debt owed to their custodian by the licensee that issued them and are not the property of anyone other than that licensee.

2. A licensee that uses chips or tokens at its gaming establishment shall:

(a) Comply with all applicable statutes, regulations, and policies of Nevada and of the United States pertaining to chips or tokens;

(b) Issue chips and tokens only to patrons of its gaming establishment and only at their request;

(c) Promptly redeem its own chips and tokens from its patrons by cash or check drawn on an account of the licensee;

(d) Post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens, that state law prohibits the use of the licensee's chips, outside the establishment for any monetary purpose whatever, and that the chips and tokens issued by the licensee are the property of the licensee, only; and

(e) Take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent the issuance to its patrons of chips and tokens issued by another licensee.

3. A licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction.

4. A licensee shall not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips and tokens if presented by:

(a) Another licensee who represents that it redeemed the chips and tokens from its patrons or received them unknowingly, inadvertently, or unavoidably;

(b) An employee of the licensee who presents the chips and tokens in the normal course of employment; or

(c) A person engaged in the business of collecting from licensees chips and tokens issued by other licensees and presenting them to the issuing licensees for redemption.

5. A licensee may redeem its chips and tokens if presented by an agent of the Board in the performance of the agent's official duties or on behalf of another governmental agency.

6. A licensee shall not knowingly issue, use, permit the use of, or redeem chips or tokens issued by another licensee, except as follows:

(a) A licensee may redeem tokens issued by another licensee if:

(1) The tokens are presented by a patron for redemption to a cashier of the licensee's gaming establishment or, in the case of a location having slot machines operated by a licensed operator of a slot machine route, if a patron presents them to the operator's employee at the location; or

(2) The tokens are presented by a patron at a table game; and

(3) The licensee redeems the tokens with tokens of its own, separates and properly accounts for the redeemed tokens during the count performed pursuant to the licensee's system of internal control required by Regulation 6, and places the redeemed tokens in the table's drop box, if redeemed at a table game; and

(b) A licensee may redeem chips issued by another licensee if:

(1) The chips are presented by a patron for redemption at the cashier's cage of the licensee's gaming establishment;

(2) The chips are presented by a patron at a table game, and the licensee redeems the chips with chips of its own, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed pursuant to the licensee's system of internal control submitted pursuant to Regulation 6.050 or 6.060; or

(3) The chips are presented by a patron as payment on a race, pari-mutuel, or sports wager to a book located on the premises of the licensee which issued the chips; and

(c) An operator of a slot machine route or its employee may redeem tokens that are issued by the operator for use at another location.

7. Chips whose use is restricted to uses other than at table games or other than at specified table games may be redeemed by the issuing licensee at table games or non-specified table games if the chips are presented by a patron, and the licensee redeems the chips with chips issued for use at the game, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed

chips during the count performed pursuant to the licensee's system of internal control required by Regulation 6.

8. Tokens may be used only at gaming establishments operated by persons holding nonrestricted gaming licenses, including restricted locations at which gaming devices are operated by licensed operators of slot machine routes.

(Adopted: 6/87. Amended: 8/88; 12/91; 2/94; 11/10; 08/14.)

12.070 Redemption and disposal of discontinued chips and tokens.

1. A licensee that permanently removes from use or replaces approved chips or tokens at its gaming establishment, or that ceases operating its gaming establishment whether because of closure or sale of the establishment or any other reason, must prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance. The licensee must submit the plan in writing to the Chair not later than 30 days before the proposed removal, replacement, sale, or closure, unless the closure or other cause for discontinuance of the chips or tokens cannot reasonably be anticipated, in which event the licensee must submit the plan as soon as reasonably practicable. The Chair may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the licensee shall implement the plan as approved.

2. In addition to such other reasonable provisions as the Chair may approve or require, the plan must provide for:

(a) Redemption of outstanding, discontinued chips and tokens in accordance with this regulation for at least 120 days after the removal or replacement of the chips or tokens or for at least 120 days after operations cease, as the case may be, or for such longer or shorter period as the Chair may for good cause approve or require;

(b) Redemption of the chips and tokens at the premises of the gaming establishment or at such other location as the Chair may approve;

(c) Publication of notice of the discontinuance of the chips and tokens and of the redemption and the pertinent times and locations in at least two newspapers of general circulation in Nevada at least twice during each week of the redemption period, subject to the Chair's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;

(d) Conspicuous posting of the notice described in paragraph (c) at the gaming establishment or other redemption location; and

(e) Destruction or such other disposition of the discontinued chips and tokens as the Chair may approve or require.

(Adopted: 6/87.)

12.080 Destruction of counterfeit chips and tokens.

1. As used in this section, "counterfeit chips or tokens" means any chip- or token-like objects that have not been approved pursuant to this regulation, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation.

2. Unless a peace officer instructs or a court of competent jurisdiction orders otherwise in a particular case, licensees shall destroy or otherwise dispose of counterfeit chips and tokens discovered at their establishments in such manner as the Chair may approve or require.

3. Unless a peace officer instructs or a court of competent jurisdiction orders otherwise in a particular case, licensees may dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

4. Each licensee shall record, in addition to such other information as the Chair may require:

(a) The number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this section;

(b) The month during which they were discovered;

(c) The date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or person at which or with whom the coins are exchanged; and

(d) The names of the persons carrying out the destruction or other disposition on behalf of the licensee.

5. Each licensee shall maintain each record required by this subsection for at least 5 years, unless the Chair approves or requires otherwise.

(Adopted: 6/87.)

12.090 Promotional and tournament chips and tokens.

1. As used in this section, “promotional chip” means a chip- or token-like object issued by a licensee for use in promotions or tournaments at the licensee’s gaming establishment.

2. Promotional chips must be designed, manufactured, approved, and used in accordance with the provisions of this regulation applicable to chips and tokens, except as follows:

(a) Promotional chips must be of such shape and size and have such other specifications as the Chair may approve or require;

(b) Each side of each promotional chip must conspicuously bear the inscription “No Cash Value”;

(c) Promotional chips must not be used, and licensees shall not permit their use, in transactions other than the promotions or tournaments for which they are issued; and

(d) The provisions of section 12.070 of this regulation shall not apply to promotional chips.

(Adopted: 6/87.)

12.100 Other instrumentalities. Other instrumentalities with which gaming is conducted must be designed, manufactured, approved, used, discontinued, destroyed, or otherwise disposed of in accordance with the provisions of this regulation applicable to chips and tokens, except as follows:

1. Such other instrumentalities must be of such shape, size, and design and have such other specifications as the Chair may approve or require; and

2. The Chair, in the Chair’s sole and absolute discretion, may deny approval of instrumentalities other than chips and tokens or may grant approval subject to such conditions as the Chair considers appropriate.

(Adopted: 6/87.)

End – Regulation 12

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, MOBILE GAMING SYSTEMS, INTERACTIVE GAMING SYSTEMS AND ASSOCIATED EQUIPMENT; INDEPENDENT TESTING LABORATORIES

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14.415 Independent testing laboratories; unsuitable method of operation.

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 on any game or gaming device including mobile gaming systems and interactive gaming systems 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, wagering credits or process electronic money transfers. This type of associated equipment is further defined in NRS 463.014.

3. “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

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 to determine 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.

➥ The term does not include software used for artistic attributes of a game including graphics, sound and animation providing entertainment unless such elements are material to game play because they are necessary for the player to understand the game or game outcome.

5. "Distribution" or "distribute" means 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.

6. “Distributor” means a person who operates, carries on, conducts or maintains any form of distribution.

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

8. “Equipment associated with interactive gaming” means associated equipment as defined within NRS 463.0136.

9. “Game of chance” means a game in which randomness determines all outcomes of the game as determined over a period of continuous play.

10. “Game of skill” means a game in which the skill of the player, rather than chance, is the dominant factor in affecting the outcome of the game as determined over a period of continuous play.

11. “Game outcome” is the final result of the wager.

12. "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.

13. “Gaming session” means the period of time commencing when a player initiates a game or series of games on a gaming device by committing a wager and ending at the time of a final game outcome for that game or series of games.

14. “Hybrid game” means a game in which a combination of the skill of the player and chance affects the outcome of the game as determined over a period of continuous play.

15. “Identifier” means any specific and verifiable fact concerning a player or group of players which is based upon objective criteria relating to the player or group of players, including, without limitation:

(a) The frequency, value or extent of predefined commercial activity;

(b) The subscription to or enrollment in particular services;

(c) The use of a particular technology concurrent with the play of a gaming device;

(d) The skill of the player;

(e) The skill of the player relative to the skill of any other player participating in the same game;

(f) The degree of skill required by the game; or

(g) Any combination of (a) to (f), inclusive.

16. "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.

17. "Independent testing laboratory" means a private laboratory that is registered by the Commission to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems or interactive gaming systems, and any components thereof and modifications thereto, and to perform such other services as the Board and Commission may request.

18. “Inter-casino linked system” means:

(a) A network of electronically interfaced similar games which are located at two or more licensed gaming establishments that are linked to:

(1) Conduct gaming activities, contests or tournaments; or

(2) Facilitate participation in a common progressive prize system,

➥ and the collective hardware, software, communications technology and other associated equipment used in such system to link and monitor games or devices located at two or more licensed gaming establishments, including any associated equipment used to operate a multi-jurisdictional progressive prize system.

(b) Systems that solely record a patron’s wagering activity among affiliated properties are not inter-casino linked systems.

(c) The term "multi-jurisdictional progressive prize system" means the collection of hardware, software, communications technology and other associated equipment used to link and monitor progressive slot machines or other games among licensed gaming establishments in this state participating in an inter-casino linked system and one or more lawfully operated gaming locations in other jurisdictions that participate in a similar system for the purpose of participation in a common progressive prize system.

19. “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.

20. “Interactive gaming system” is a gaming device and means the collective hardware, software, communications technology, and proprietary hardware and software specifically designed or modified for, and intended for use in, the conduct of interactive gaming. The core components of an interactive gaming system, including servers and databases running the games on the interactive gaming system and storing game and interactive gaming account information, must be located in the State of Nevada except as otherwise permitted by the Chair.

21. "Manufacture" means:

(a) To manufacture, produce, program, design, control the design of or make modifications to a gaming device, associated equipment, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada;

(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, associated equipment, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada; or

(c) To assemble, or control the assembly of, a gaming device, associated equipment, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada.

22. “Manufacturer” means a person who operates, carries on, conducts or maintains any form of manufacture.

23. “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.

24. “Manufacturer of equipment associated with interactive gaming” means any person that manufactures, assembles, or produces any equipment associated with interactive gaming.

25. “Mobile gaming system” or “system” means a system that allows for the conduct of games through mobile communications devices operated solely within a 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.

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

27. “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 programs and, except as provided in paragraphs (c) and (d) of this subsection, in the theoretical hold percentage. The term does not include:

(a) Replacement of one component with another, pre-approved component;

(b) The rebuilding of a previously approved device with pre-approved components;

(c) 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);

(d) 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; or

(e) A change to software used for artistic attributes of a game, including graphics, sound and animation providing entertainment unless such elements are material to game play because they are necessary for the player to understand the game or game outcome.

28. “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.

29. “Operator” means, except as otherwise provided, any person or entity holding a license to operate:

(a) An inter-casino linked system or mobile gaming system in Nevada;

(b) A slot machine route that operates an inter-casino linked system for slot machines only;

(c) A nonrestricted gaming operation that operates an inter-casino linked system of affiliates; or

(d) An inter-casino linked system under the preceding paragraphs (a) or (b) of this section which system also is linked to or otherwise incorporates a multi-jurisdictional progressive prize system.

30. “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.

31. “Proprietary hardware and software” means hardware or software specifically designed for use in a gaming device including a mobile gaming system and interactive gaming system.

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

33. “Rules of play” means those features of a game necessary for a reasonable person to understand how a game is played including, but not limited to, the following:

(a) Help screens;

(b) Award cards; and

(c) Pay-line information.

The term does not include those inherent features of a game that a reasonable person should know or understand prior to initiating the game.

34. “Skill” means the knowledge, dexterity or any other ability or expertise of a natural person.

35. “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; 7/10; 7/11; 9/11; 12/11; 3/12; 11/13; 6/14; 9/15; 10/16.)

14.015 Policy. Gaming devices and associated equipment that incorporate innovative, alternative and advanced technology are beneficial to and in the best interests of the State of Nevada and it is the policy of the Commission to encourage the development and deployment of such technologies by manufacturers, distributors and gaming establishments to the extent consistent with the declared policy of this state as set forth in NRS 463.0129 and section 1 of Chapter 108 of the 2015 Statutes of Nevada.

(Adopted: 9/15.)

14.020 License required; applications; investigative fees; registration of a manufacturer or distributor of associated equipment.

1. A person may act as a manufacturer, distributor, or manufacturer of an interactive gaming system, or as an operator, only if that person holds a license specifically permitting the person to act as a manufacturer, distributor, or manufacturer of an interactive gaming system, or as an operator except as provided for in NRS 463.160(2).

2. Applications for manufacturer's, distributor's, manufacturer of interactive gaming systems, or operator's licenses shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require or approve.

3. Applications for a manufacturer's, distributor's, manufacturer of interactive gaming systems, operator's licenses, or for a finding of suitability to be a manufacturer of equipment associated with interactive gaming shall be subject to the application and investigative fees established pursuant to Regulation 4.070.

4. Any manufacturer or distributor of associated equipment for use in this State must register with the Commission pursuant to NRS 463.665 if such associated equipment:

(a) Is used directly in gaming;

(b) Has the ability to add or subtract cash, cash equivalents or wagering credits to a game, gaming device or cashless wagering system;

(c) Interfaces with and affects the operation of a game, gaming device, cashless wagering system or other associated equipment;

(d) Is used directly or indirectly in the reporting of gross revenue;

(e) Records sales for use in an area subject to the tax imposed by NRS 368A.200; or

(f) Is otherwise determined by the Commission to create a risk to the integrity of gaming and protection of the public if not inspected.

(Adopted: 7/89. Amended: 5/00; 5/03; 12/11; 3/12; 11/15.)

14.021 Independent contractors; registration. [Repealed: 7/28/11.]

14.0215 Determination of suitability.

1. A person is not subject to licensing pursuant to subsection 1 of NRS 463.650 in connection with activities performed as an independent contractor provided that person complies with the requirements of this regulation governing independent contractors. Any other person who designs, develops, programs, produces or composes a control program for use in a gaming device in Nevada must be licensed in accordance with NRS 463.650.

2. An 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.

3. The Commission shall give written notice to the independent contractor of its decision to require the filing of an application for a finding of suitability. Unless otherwise stated by the Commission in its written notice, an independent contractor who has been ordered to file an application for a finding of suitability to be an independent contractor may continue to perform under a contract with a manufacturer unless and until the Commission finds the independent contractor unsuitable.

4. If the Commission finds an independent contractor to be unsuitable:

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

(b) 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

(c) 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 independent contractor is subject to revocation of its approval if the reasons for the finding of unsuitability also apply to that gaming device.

5. 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.

6. The Commission retains jurisdiction to determine the suitability of an independent contractor regardless of whether or not the independent contractor has any active agreements with licensed manufacturers or is otherwise no longer functioning as an independent contractor.

7. A failure on the part of an 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.

8. An independent contractor, or employee thereof, is not considered a gaming employee under NRS 463.0157 in relation to any work conducted designing, programming, producing or composing a control program within the scope of an agreement entered into with a licensed manufacturer. An independent contractor or employee thereof, is in no way exempt from being classified as a gaming employee under NRS 463.0157 for such work performed outside the scope of an agreement with a licensed manufacturer or for other work performed related to gaming.

(Adopted: 4/22/10. Effective: 7/1/10. Amended: 7/11; 6/13.)

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.

(Adopted: 4/22/10. Effective: 7/1/10.)

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. As to such submission, maintain a record of the general subject matter description of the software, source language or executable code that was designed, developed, produced or composed by an independent contractor, by contractor name.

➥ Unless the Chair approves or requires otherwise in writing, such records 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. Failure to keep and provide such records is an unsuitable method of operation.

(Adopted: 4/22/10. Effective: 7/1/10. Amended: 7/11.)

14.025 Certain themes prohibited in association with gaming devices or slot machines.

1. A gaming device or gaming device modification submitted for approval by a manufacturer or made available for play by a licensee must not use a theme that:

(a) Is derived from or based on a product that is currently and primarily intended or marketed for use by persons under 21 years of age, or

(b) Depicts a subject or material that:

(1) Is obscene;

(2) Offensively portrays persons based on race, religion, national origin, gender, or sexual preference; or

(3) Is otherwise contrary to the public policy of this state as set forth in NRS 463.0129.

2. A manufacturer, licensee or other person holding the intellectual property rights to a theme may, concurrent with or independent of an application for approval of or modification to a gaming device, file a

request with the Chair, in such manner and using such forms as the Chair may prescribe, for a determination as to whether subsection 1 prohibits use of the theme in connection with a gaming device.

(a) The request for determination must be accompanied by a nonrefundable fee of $500 for each separate theme.

(b) The requesting party shall articulate the reasons that the theme is not prohibited by subsection 1 along with any additional information it deems relevant to the determination. Information submitted pursuant to this section is confidential and subject to the provisions of NRS 463.120 and NRS 463.3407;

3. Within 30 days of the submission of the request for determination pursuant to subsection 2, the Chair shall administratively approve, approve with modification or condition, or deny the request for determination.

4. A written request for withdrawal of the request for determination may be made by the requesting party at any time prior to the Chair's final action on such request. A request for withdrawal is effective upon delivery to the Chair and is without prejudice.

5. The requesting party may appeal to the Commission the administrative decision of the Chair. The appeal shall be made and processed pursuant to regulation 4.195, except such an appeal may be taken without first submitting the matter to the Board for review of such administrative decision in accordance with regulation 4.190.

6. This section does not apply to any themes that were used in connection with gaming devices that were approved for play prior to January 27, 2000.

(Adopted: 1/27/00. Amended: 9/15.)

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 Chair.

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 Chair.

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 Chair 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 Chair's request an applicant for a manufacturer's or inter-casino linked system operator's license shall, or upon the Chair'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 Chair 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 will 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) An operator's manual;

(2) A network topology diagram;

(3) An internal control system;

(4) A hold harmless agreement;

(5) A graphical representation of the system theme and all related signage;

(6) 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

(7) The form of any agreement or written specifications permitted or required of an operator by any other state or tribal government and affecting a multi-jurisdictional progressive prize system.

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

(1) An operator's manual;

(2) A network topology diagram;

(3) An internal control system; and

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

(g) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

(Adopted: 7/89. Amended: 11/20/97; 1/27/00; 5/00; 5/03; 3/06; 7/10; 3/12; 11/13.)

14.040 Minimum standards for gaming devices.

1. All gaming devices must:

(a) 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.

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

(1) Chance;

(2) The skill of the player; or

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

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

(1) The rules of play;

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

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

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

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

(6) The total amount wagered by the player;

(7) The game outcome; and

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

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

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

3. 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 based as applicable on either or both of the combined influence of the attributes of chance and skill; 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 based as applicable on either or both the combined influence of the attributes of chance and skill, 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 percent tolerance for expected value and no more than a 1 percent tolerance on return to player or payback.

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

5. 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.

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

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

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

9. For gaming devices manufactured and distributed before September 28, 1989, the Chair may waive the requirements of subsection 1(d) of section 14.040 for a licensee exposing a gaming device to the public for play, if the licensee can demonstrate to the Chair'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(a) of section 14.040, and

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

10. The Chair may waive for good cause shown the requirements of a technical standard for a game. The Chair has full and absolute authority to condition or limit a waiver granted under this section for any cause deemed reasonable.

(Adopted: 7/89. Amended: 9/89; 10/92; 7/10. Effective: 1/1/93. Amended: 12/11; 9/15; 10/16.)

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

4. Shall meet the applicable minimum standards for internal control that have been adopted pursuant to Regulation 6.090.

(Adopted: 5/00. Amended: 5/03; 7/10.)

14.050 Technical standards.

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

2. The Chair shall:

(a) Publish notice of proposed technical standards or revisions by posting the proposed changes or revisions on the Board's website;

(b) Mail notice of the posting of the proposed technical standards or revisions on the Board's website 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 Chair 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 Chair has proposed the technical standards or revisions, 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 Chair. If the Commission does not concur with any of the technical standards, the Chair shall revise the technical standards to reflect the order of the Commission.

6. The Chair shall send written notice of the effective date of the standards or revisions 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 Chair who will consider the request at the Chair's discretion. If the Chair 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; 7/10; 9/11; 5/12.)

14.060 Employment of individual to respond to inquiries from the Board.

1. Each manufacturer and operator shall employ or retain an individual who understands the design and function of each of its gaming devices, cashless wagering systems, inter-casino linked systems, mobile gaming systems, or interactive gaming systems who shall respond within the time specified by the Chair to any inquiries from the Chair concerning the gaming device, cashless wagering system, inter-casino linked system, mobile gaming system, or interactive gaming system or any modifications to the gaming device, cashless wagering system, inter-casino linked system, mobile gaming system, or interactive gaming system. Each manufacturer or operator shall on or before December 31st of each year report in writing the name of the individual designated pursuant to this section and shall report in writing any change in the designation within 15 days of the change.

2. Each registered independent testing laboratory shall employ an individual who understands the inspection and certification methodology, procedures, and operation of the registered independent testing laboratory. Such person shall be available during regular Nevada business hours to respond to requests from the Chair. Each registered independent testing laboratory shall provide the Board with the name of the employee performing this function as part of their initial registration application materials, and shall report in writing any subsequent change in the employee designated to perform this function within 15 days of the change.

(Adopted: 7/89. Amended: 5/00; 5/03; 3/12.)

14.070 Board evaluation of new gaming devices. The Chair may require transportation of not more than two working models of a new gaming device to the new game lab of the Board or some other location for review and inspection. The manufacturer seeking approval of the device must pay the cost of the inspection and investigation. The lab may dismantle the models and may destroy electronic components in order to fully evaluate the device. The Chair may require that the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

(Adopted: 7/89.)

14.075 Board evaluation of inter-casino linked systems. The Chair may require transportation of not more than one working model of an inter-casino linked system to the Board's offices or some other location for review and inspection pursuant to Regulation 14.260. The associated equipment manufacturer seeking approval of the system shall pay the cost of the inspection and investigation. The Board may dismantle the model and may destroy electronic components in order to fully evaluate the inter-casino linked system. The Chair may require that the operator of an inter-casino linked system provide specialized equipment or the services of an independent technical expert to evaluate the inter-casino linked system.

(Adopted: 5/00. Amended: 5/03.)

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

1. The Chair, in accordance with section 14.015, may allow or require that one or more models of a new gaming device or inter-casino linked system be tested at a licensed gaming establishment(s) for not more than 180 days under terms and conditions that the Chair may approve or require. Upon written request of the manufacturer, distributor or operator, the Chair 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 Chair shall report all field tests on the agenda of the next regularly scheduled meeting of the Board and Commission.

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

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

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

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

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

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

3. 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 written approval of the Chair.

4. The Chair may order termination of the test period, if the Chair determines, in the Chair's 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 for any cause deemed reasonable.

(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 Chair 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.

5. 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.

6. If the Chair 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, the Chair 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; 7/10; 10/16.)

14.090 Certification by manufacturer.

1. After completing its evaluation of a new gaming device, the Board's new games lab shall send a report of its evaluation to the manufacturer seeking approval of the device. The report must include an explanation of the manner in which the device operates. The report must not include a position as to whether the device should be approved. The manufacturer shall return the report within 15 working days and shall either:

(a) Certify under penalty of perjury that to the best of its knowledge the explanation is correct; or

(b) Make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the gaming device is correct as amended.

2. The Chair may order additional evaluation and a field test of the new gaming device of up to 60 days in addition to the test period provided for in section 14.080 if the Chair determines, based upon the manufacturer's certification, that such additional evaluation is necessary.

(Adopted: 7/89.)

14.100 Final approval of new gaming devices and new inter-casino linked systems.

1. After completing its evaluation of the new gaming device or the operation of a new inter-casino linked system, the Board shall recommend to the Commission whether the application for approval of the new gaming device or operation of a new inter-casino linked system should be granted.

2. In considering whether a new gaming device or operation of a new inter-casino linked system will be given final approval, the Board and Commission shall consider whether:

(a) Approval of the new gaming device or operation of a new inter-casino linked system is consistent with the public policy of this state.

(b) The terms of any agreement or written specifications permitted or required of an operator by any other state or tribal government and affecting a multi-jurisdictional progressive prize system:

(1) Comply with the provisions of these regulations; and

(2) Include procedures satisfactory to the Commission for:

(A) Ensuring compliance with the requirements of subsection 3 of section 14.040;

(B) Resolution of patron disputes under procedural and substantive requirements equal to or greater than the standards applied by the Board;

(C) Surveillance and security of gaming devices connected to such system;

(D) Record-keeping and record-retention;

(E) Control of access to any internal mechanism of gaming devices connected to such system;

(F) Prior administrative approval of the Chair for any adjustments to progressive meters;

(G) Access by the Board to audit compliance with the requirements of this subparagraph; and

(H) Any special procedures necessary for a multi-jurisdictional progressive prize system with lawfully operated gaming locations participating outside the United States, including without limitation matters of currency conversion and the availability of English translations of all relevant and material documentation and information.

(c) For an inter-casino linked system of games of skill or hybrid games:

(1) The types of games that will be connected to such a system are compatible;

(2) The communications technology used to connect participating gaming devices is adequate for the operating environment for such a system; and

(3) The progressive payoff schedules used for such systems are accurately described for players and comply with subsection 3 of section 14.040. Notwithstanding the provisions of regulation 5.110 and regulation 5.112, such schedules may broaden and encourage participation in games with skill attributes, by providing, without limitation, for partial prize awards, and prize awards for games with different themes or based on the use of identifiers.

3. Commission approval of a gaming device or inter-casino linked system does not constitute certification of the device's or inter-casino linked system's safety. Commission approval of a multi-jurisdictional progressive prize system shall include approval of any agreement or written specifications permitted or required by any other state or tribal government and affecting such system. The Chair will complete any written acknowledgement necessary to document the Commission's approval of any such agreement or written specifications. The prior administrative approval of the Chair is required of any modification to such agreement or written specifications.

4. A manufacturer or distributor who becomes aware that a gaming device or associated equipment approved by the Commission or the Board no longer complies with the regulations of the Commission or the technical standards adopted pursuant to regulation 14.050 shall notify the Board in writing within 3 business days.

(Adopted: 7/89. Amended: 5/00; 5/03; 11/13; 9/15.)

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 Chair. Additionally, any modifications to the approved network

implementation must be approved by the Chair. 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 Chair may prescribe. The applicant seeking approval of the installation shall pay the cost of the investigation.

(Adopted: 4/22/10. Effective: 7/1/10.)

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 Chair. Inter-casino linked system modifications may only be made by operators of such systems who have received prior written approval of the Chair.

The Chair, in the Chair's 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 Chair may, in the Chair's 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 Chair.

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 Chair may, in the Chair's 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. A waiver shall be effective when the manufacturer or operator receives a written notification from the Chair 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 Chair may prescribe. Each application shall include, in addition to such other items or information as the Chair 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:

(1) 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;

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

(d) In the case of a modification to the control program of a gaming device that includes software, source language or executable code designed or developed by an independent contractor:

(1) The name of the independent contractor; and

(2) A general subject matter description of such software, source language or executable code compiled into the control program as part of the submission to the Board;

(e) In the case of an 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.

(f) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

(Adopted: 7/89. Amended: 11/20/97; 1/27/00; 5/00; 5/03; 7/10; 7/11; 3/12; 9/15.)

14.120 Board evaluation of modifications.

1. The Chair may require transportation of not more than two working models of a modified gaming device or not more than one working model of a modified inter-casino linked system, or any component thereof, to the Board's offices or some other location for review and inspection. The manufacturer or operator seeking approval of the modification shall pay the cost of the inspection and investigation. The Board may dismantle the models and may destroy electronic components in order to fully evaluate the modified gaming device or inter-casino linked system, or component. The Chair may require that the manufacturer or operator provide specialized equipment or the services of an independent technical expert to evaluate the modification.

2. The Chair has sole and absolute discretion to determine whether the requested modification of a gaming device renders the device sufficiently different so that the modified device should be treated as a new gaming device. If the Chair makes such a determination, the Chair shall notify the manufacturer in writing. The manufacturer may file an application for approval of a new gaming device.

3. The manufacturer or operator shall submit materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

(Adopted: 7/89. Amended: 5/00; 5/03; 3/12.)

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

1. The Chair may allow or require that one or more models of a modified gaming device or modified inter-casino linked system be tested at a licensed gaming establishment for not more than 180 days under terms and conditions that the Chair may approve or require.

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

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

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

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

(d) When considering the request to evaluate a modification to an approved gaming device or inter-casino linked system utilizing New Innovation Beta, the Chair will consider factors including, without limitation, the ability of the gaming device to accurately determine, evaluate, and display the game outcome, the ability of the gaming device to accurately process the acceptance and award of all payments, and the extent to which an inter-casino linked system complies with the requirements of section 14.045.

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

3. A manufacturer shall not further modify a gaming device and an operator shall not further modify an inter-casino linked system during the test period without the prior written approval of the Chair.

4. The Chair may order termination of the test period if the Chair determines, in the Chair's 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 for any cause deemed reasonable.

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

6. If the Chair has made a determination that the modified gaming device or modified inter-casino linked system is not eligible for testing at a licensed gaming establishment, the Chair shall notify the manufacturer or operator in writing.

(Adopted: 7/89. Amended: 5/00; 5/03; 10/16.)

14.140 Final approval of modifications. The Chair shall notify the manufacturer or operator in writing of the Chair's decision to approve or disapprove a modification.

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

14.150 Conversions. [Repealed 6/14.]

(Adopted: 7/89.)

14.160 Duplication of program storage media. A licensee other than a manufacturer shall not duplicate the contents of gaming device program storage media unless its duplication process has received written approval of the Chair.

(Adopted: 7/89.)

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 unless the gaming device has:

(a) A permanent serial number which must be affixed as required by the provisions of the Gaming Device Act of 1962, 15 U.S.C. 1173; and

(b) For devices distributed in this state:

(1) 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

(2) 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 Chair may, in the Chair's 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 Chair and a seriatim 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 records 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, addresses and telephone numbers of the person to whom the gaming devices have been distributed for use or play in Nevada and shall provide such records to the Chair immediately upon the Chair's request.

4. For all gaming devices distributed from a location within Nevada that are not for use or play in Nevada, a manufacturer or distributor shall provide any and all records documenting such distributions to the Chair upon request. Such records shall include the information required under the Gambling Device Act of 1962, 15 U.S.C. 1173, and shall be retained for a period of five years.

(Adopted: 7/89. Amended: 7/10; 6/13.)

14.180 Approval for category I licensees to distribute gaming devices out of Nevada; applications and procedure; recordkeeping requirements for category II licensees; extraterritorial distribution compliance; inspection of facilities and devices.

1. Subject to the exemption set forth in subsection 4, category I manufacturers and distributors shall not distribute gaming devices out of this state without applying for and receiving the prior written approval of the Chair. Applications for such approval to distribute gaming devices out of this state must be made, processed, and determined in such manner and using such forms as the Chair may prescribe. Each application must include, in addition to such other items or information as the Chair may require:

(a) The full name, state of residence, address, telephone number, social security number, and driver's license number of both the purchaser and the person to whom the shipment is being made, if neither is currently licensed by the Commission. If the purchaser or person to whom the shipment is being made does not have a social security number or driver's license number, the birth date of the purchaser or person to whom the shipment is being made may be substituted;

(b) The name and permanent address of the purchaser or person to whom the shipment is being made if either is currently licensed by the Commission;

(c) The destination, including the port of exit if the destination is outside the continental United States;

(d) The number of devices to be shipped;

(e) The serial number of each device;

(f) The model number of each device and year each device was manufactured, if known;

(g) The denomination of each device;

(h) The expected date and time of shipment; and

(i) The method of shipment and name and address of carrier.

2. Except as provided in paragraph (c) of this subsection, category II manufacturers and distributors are exempt from subsection 1, and shall:

(a) Prepare and maintain records of the information required by the Gaming Devices Act of 1962, 15 U.S.C. 1173. The records and documentation required by this paragraph (a) will be retained for a period of five years and must be produced for inspection upon request by the Board. The failure to prepare and maintain such records and documentation will be an unsuitable method of operation.

(b) Submit to the Board on or before the 15th day of January and July of each calendar year an electronic record of the name and address of all current customers which shall be in a searchable format. The record required by this paragraph (b) will be received and retained by the Board as confidential pursuant to NRS 463.120.

(c) A category II manufacturer and distributor may by written notice to the Chair elect to be treated as and comply with the requirements of this regulation applicable to a category I manufacturer and distributor.

3. Manufacturers and distributors shall not ship gaming devices to a destination where possession of a gaming device is unlawful.

4. Category I manufacturers and distributors are exempt from the requirements of subsection 1 of this regulation for shipments of gaming devices provided:

(a) The gaming devices are only distributed to:

(1) Persons licensed to expose such devices for play or for further distribution, in the jurisdiction of destination or by a tribal gaming authority in the jurisdiction of destination;

(2) A federal, state or tribal gaming regulatory authority or law enforcement agency; or

(3) A testing laboratory authorized by an entity identified within subparagraph (2) of this paragraph.

(b) The category I manufacturer and distributor files the information required by subsection 1 on or before the 15th of the month following the month of distribution.

➥ The Chair may publish a list of jurisdictions or licensees to which this exemption does not apply and where category I manufacturers and distributors may not ship gaming devices without prior approval as required by subsection 1 of this regulation.

5. Category I manufacturers and distributors shall obtain and thereafter maintain, a statement by the purchaser under penalty of perjury that each device will be used only for lawful purposes, unless the purchaser is currently licensed by the Commission or comparable agency of another state or tribal gaming agency or the destination is outside the United States.

6. Manufacturers and distributors shall, on or before the 15th day of January of each calendar year, give the Board a copy of the documentation evidencing registration with the United States Attorney General pursuant to the provisions of the Gaming Devices Act of 1962, 15 U.S.C. 1173, for the ensuing year.

7. An agent of the Board may inspect:

(a) The premises of manufacturers and distributors and all gaming devices located therein.

(b) All gaming devices for which an application has been filed by a category I manufacturer or distributor pursuant to subsection 1 of this regulation prior to distribution out of this state. Category I manufacturers and distributors shall make the gaming devices subject to such applications available for such inspection.

8. If the Chair does not deny an application filed by a category I manufacturer or distributor for approval to distribute gaming devices out of this state pursuant to subsection 1 within 5 working days of receipt of a complete application, the application will be deemed to be approved.

9. A category I manufacturer or distributor shall keep a record of all shipments made out of state of parts specifically designed for use in a gaming device. The record must include the information set forth in subsection 1, if applicable. A manufacturer or distributor shall not ship parts specifically designed for use in a gaming device to a destination where possession of a gaming device is unlawful.

10. The Chair may, in the Chair's discretion, waive one or more of the requirements of this section upon good cause shown.

11. As used in this section:

(a) "Category I manufacturer or distributor" means any manufacturer or distributor licensed by the Commission that does not qualify as a category II manufacturer or distributor.

(b) "Category II manufacturer or distributor" means any manufacturer or distributor that:

(1) Is and has been licensed in good standing by the Commission for the preceding five years;

(2) Is and has been licensed, registered, approved or qualified in at least ten other domestic United States or tribal jurisdictions for the preceding three years

(3) Maintains pursuant to or consistent with the requirements of Regulation 5.045 a compliance review and reporting system;

(4) Has annual gross sales exceeding $5 Million Dollars for such licensee's preceding fiscal year;

(5) Maintains an office or other facility in the state of Nevada at which the records required by this Regulation are stored and may be inspected and copied by the Board.

(6) Did not during the preceding year exclusively distribute used gaming devices. As used in this subparagraph, "used gaming devices" means gaming devices previously used or played in a gaming operation in Nevada, including such devices that have been in any way modified or refurbished since original manufacture.

(c) "Current customer" means a person to whom the applicable manufacturer or distributor has shipped or delivered a gaming device within the preceding six months pursuant to a contract, agreement or other arrangement with such manufacturer or distributor, or its affiliate, for the purchase, lease, license or other right to use such gaming device.

(Adopted: 7/89. Amended: 7/05; 6/13.)

14.190 Approval for certain licensees to sell or dispose of gaming devices.

1. A licensee, other than a manufacturer and distributor, shall not dispose of gaming devices without the prior written approval of the Chair, unless the devices are sold or delivered to its affiliated companies or a licensed manufacturer or distributor, in which case approval is deemed granted.

2. A licensee, other than a manufacturer and distributor, shall not request approval to sell or deliver gaming devices to a person other than its affiliated companies or a licensed manufacturer or distributor unless the devices have been marked pursuant to subsection 1 of regulation 14.170.

3. Applications for approval to sell gaming devices under this regulation must be made, processed, and determined in such manner and using such forms as the Chair may prescribe. Each application must include the information required by subsection 1 of regulation 14.180, in addition to such other items or information as the Chair may require.

4. Applications for approval to dispose of gaming devices under this regulation must be made, processed, and determined in such manner and using such forms as the Chair may prescribe.

(Adopted: 7/89. Amended: 6/13.)

14.200 Maintenance of gaming devices. A licensee shall not alter the operation of approved gaming devices and shall maintain the gaming devices in a suitable condition. Each licensee shall keep a written list of repairs made to gaming devices offered for play to the public that require a replacement of parts that affect the game outcome and shall make the list available for inspection by the Chair upon the Chair's request.

(Adopted: 7/89.)

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 Chair. 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 Chair.

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

(Adopted: 7/89. Amended: 7/10.)

14.220 Summary suspension of approval of gaming devices and inter-casino linked systems.

1. The Board may issue a summary order, with or without notice to the manufacturer, distributor, operator, or licensee, suspending approval of a gaming device or inter-casino linked system if it determines that the device or inter-casino linked system does not operate:

(a) In the manner certified by the manufacturer pursuant to section 14.090;

(b) As approved by the Commission; or

(c) As approved by the Chair, if the device has been modified since initial approval of the device or inter-casino linked system.

2. After issuing an order pursuant to subsection 1, the Board may seal or seize all models of that gaming device or inter-casino linked system and shall thereafter comply with subsections 5 and 6 of section 463.311 and sections 463.312 to 463.318 of the Nevada Revised Statutes.

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

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 Chair.

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 Chair 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 Chair 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, the person's birth date may be substituted;

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

(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; and

(d) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

(Adopted: 7/89. Amended: 7/10; 3/12.)

14.240 Field trials of new games and game variations.

1. The Chair 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 the Chair may approve or require.

2. The Chair may order termination of the test period, if the Chair determines, in the Chair's sole and absolute discretion, that the developer of the new game 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. Amended: 7/10.)

14.250 Final approval of new games. The Board shall recommend to the Commission whether the application for approval of the new game should be granted. In considering whether a new game will be given final approval, the Board and Commission shall consider whether approval is consistent with the public policy of this state.

(Adopted: 7/89.)

14.260 Approval of associated equipment; applications and procedures.

1. Unless otherwise waived pursuant to subsection 2, a manufacturer or distributor of associated equipment shall not distribute associated equipment unless it has been approved by the Chair. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the Chair may prescribe. Each application must include, in addition to such other items or information as the Chair may require:

(a) The name, permanent address, social security number, and driver's license number of the manufacturer or distributor of associated equipment unless the manufacturer or distributor is currently licensed by the Commission. If the manufacturer or distributor of associated equipment is a corporation, the names, permanent addresses, social security numbers, and driver's license numbers of the directors and Officer must be included. If the manufacturer or distributor of associated equipment is a partnership, the names, permanent addresses, social security numbers, and driver's license numbers of the partners and their partnership interest must be included. If social security numbers or driver's license numbers are not available, the manufacturer's or distributor's birth date may be substituted;

(b) A complete, comprehensive and technically accurate description and explanation in both technical and lay language of the associated equipment or a modification to previously approved associated equipment and its intended usage, signed under penalty of perjury;

(c) Detailed operating procedures for the associated equipment;

(d) The standards under which such tests were performed, including Technical Standards 2 and 3 if applicable, and the results of such testing that confirms the associated equipment is functioning as represented, signed under penalty of perjury; and

(e) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

2. Except as provided in subsection 3, upon written request from the manufacturer or distributor of associated equipment, or as the Chair otherwise deems reasonable, the Chair may, in the Chair's sole and absolute discretion, waive the approval requirement for associated equipment upon such terms and conditions that the Chair may approve or require or refer the associated equipment to the full Board and Commission for consideration of approval.

3. Except as otherwise provided in subsection 4, the Chair shall not grant an approval pursuant to subsection 1 or waive such approval requirement pursuant to subsection 2 with respect to any associated equipment that, when installed, will allow a patron to use a debit instrument for purposes of making electronic funds transfers from an independent financial institution to a game or gaming device through a cashless wagering system until such time as the appropriate regulations for such transfers are adopted.

4. The Chair may grant approvals pursuant to subsection 1 or waive such approval requirements pursuant to subsection 2 with respect to the use of a prepaid access instrument in conjunction with an approved cashless wagering system.

5. A manufacturer or distributor of associated equipment who becomes aware that associated equipment approved by the Board no longer complies with the regulations of the Commission or the technical standards adopted pursuant to regulation 14.050 shall notify the Board in writing within 3 business days.

(Adopted: 7/89. Amended: 5/00; 5/03; 3/12; 2/14; 9/15.)

14.270 Board evaluation of associated equipment. The Chair 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 Chair 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; 7/10.)

14.280 Field trial of associated equipment.

1. The Chair may allow or require that the associated equipment be tested at licensed gaming establishments for not more than 180 days under terms and conditions that the Chair may approve or require. The Chair may allow an additional test period upon written request of the manufacturer or distributor of associated equipment.

2. A manufacturer of associated equipment shall not modify associated equipment during the test period without the prior oral approval of the Chair.

3. The Chair may order termination of the test period, if the Chair determines, in the Chair's sole and absolute discretion, that the manufacturer or the distributor of the associated equipment or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period. 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 Chair may order that the test be conducted at another licensed gaming establishment.

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

14.290 Installation of associated equipment.

1. Except as otherwise provided in subsection 2, or regulation 14.260(4), a licensee shall not install or use associated equipment without prior written approval of the Chair, unless the Chair has waived the approval requirement pursuant to subsection 2 of Regulation 14.260. Applications for approval to install or use associated equipment shall be made and processed in such manner and using such forms as the Chair may prescribe. The Chair shall not approve any use or installation(s) of associated equipment that allow a patron to use a debit instrument for purposes of making electronic funds transfers from an independent financial institution to a game or gaming device through a cashless wagering system until such time as the appropriate regulations for such transfers are adopted.

2. The Chair may grant approvals for the use of or installation of equipment used in conjunction with prepaid access instruments.

(Adopted: 7/89. Amended: 5/00; 5/03; 2/14.)

14.300 Maintenance of associated equipment. The manner in which previously approved associated equipment operates may be altered only with the prior written approval of the Chair.

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

14.302 Manufacturer or distributor of associated equipment; registration of a manufacturer or distributor of associated equipment; application and procedures.

1. The initial application for registration and the application for renewal of registration shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required.

2. Any applications for registration or renewal required under this section shall be prepared and submitted by the relevant manufacturer or distributor of associated equipment.

3. Fee Structure and Registration Period.

(a) Upon submission of an application for registration as a manufacturer or distributor of associated equipment or renewal application, the applicant shall pay an application fee of $1,000.

(b) Before the Commission issues an initial registration or renewal of any registration for a manufacturer or distributor of associated equipment, the manufacturer or distributor of associated equipment shall pay an issuance fee of $1,000.

(c) The registration of a manufacturer or distributor of associated equipment registered after October 1, 2015 shall be effective for three calendar years from the effective date of the registration or renewal. Any

manufacturer or distributor deemed registered pursuant to NRS 463.665(7) must submit a complete application during the 2016 calendar year according to the 1st day of the month the original registration became effective. This and subsequent renewals will be effective for 3 calendar years.

4. Each registered associated equipment manufacturer or distributor shall inform the Board in writing of any changes in the ownership, officers, or directors of the manufacturer or distributor of associated equipment. Reports required under this subsection shall be made to the Board within 30 days of occurrence.

(Adopted: 11/15.)

14.305 Manufacturer or distributor of associated equipment; determination of suitability.

1. In addition to the requirements of this regulation requiring a manufacturer or distributor of associated equipment to be registered, the Commission may, pursuant to NRS 463.665 and upon recommendation of the Board, require a manufacturer or distributor of associated equipment who sells, transfers or offers the associated equipment for use or play in Nevada to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

2. The Commission may, pursuant to NRS 463.665 and upon recommendation of the Board, require any person who directly or indirectly involves himself or herself in the sale, transfer or offering for use or play in Nevada of such associated equipment who is not otherwise required to be licensed as a manufacturer or distributor to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

3. The Commission shall give written notice of its decision to require the filing of an application for a finding of suitability under subsection 1 and/or 2.

4. All investigative costs and fees associated with applications for a finding of suitability are owed by the party required to file the application for a finding of suitability. Failure to remit such costs and fees within such periods set by the Commission, upon the advice of the Board, will result in a lapse of the registrations of the applicable manufacturer or distributor of associated equipment and will constitute an unsuitable method of operation. Where the party required to file an application to manufacture or distribute associated equipment is not registered, failure to pay such investigative costs and fees is grounds for denial of any application associated with such manufacture or distribution of associated equipment.

5. Failure of any party described in subsections 1 or 2 to submit an application for a finding of suitability within 30 days of being demanded to do so by the Commission shall constitute grounds for a finding of unsuitability of that party.

6. If the Commission finds any manufacturer or distributor of associated equipment, as described in subsection 1, or any person, as described in subsection 2, to be unsuitable under this section:

(a) The registration of such manufacturer or distributor is thereupon revoked as a matter of law;

(b) Any applications for registration as a manufacturer or distributor of associated equipment associated with a party which is found unsuitable are deemed denied as a matter of law; and

(c) All gaming licensees shall, upon written notification from the Board or Commission, terminate any existing relationships, direct or indirect, with such unsuitable parties.

7. Failure of a gaming licensee to terminate any association or agreement, direct or indirect, with any party found unsuitable upon receiving written notice of the determination of unsuitability constitutes an unsuitable method of operation.

8. Failure of a registered manufacturer or distributor of associated equipment to terminate any association or agreement with any party found unsuitable upon receiving written notice of the determination of unsuitability shall constitute grounds for the revocation of the registration of the manufacturer or distributor of associated equipment.

9. The Commission retains jurisdiction to determine the suitability of any party described in subsections 1 or 2 regardless of whether or not that party has severed any relationship with a gaming licensee or registered manufacturer or distributor of associated equipment.

(Adopted: 11/15.)

14.310 Retention of records. Unless otherwise specified, all records required by this regulation must be maintained for 5 years.

(Adopted: 7/89; 3/12.)

14.320 Sale of antique gaming devices.

1. As used in this section:

(a) “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

(b) “Antique gaming device” means a gaming device that was manufactured before 1951. For purposes of this definition, the gaming device must be completely mechanical in operation and all of the following parts that make up the gaming device must have been made before 1951:

(1) The cabinet and substantially all castings;

(2) The mechanical mechanism including the following essential parts, if applicable: payout slide(s); clock; reels; mechanism base; mechanism side frames; and

(3) Escalator assembly and coin drop assembly.

2. Upon approval of the Chair and compliance with the provisions of this section, an owner of an antique gaming device who is not a licensed distributor may sell such device through consignment with a licensed distributor. All such sales shall be made only to a resident of a jurisdiction wherein ownership of such device is legal.

3. A licensed distributor shall not distribute a consigned antique gaming device without the approval of the Chair. Applications for approval to sell a consigned antique gaming device must be made, processed, and determined in such manner and using such forms as the Chair may prescribe and may be denied by the Chair for any cause the Chair deems reasonable.

4. A licensed distributor shall submit an application to sell a consigned antique gaming device. Each application must include, in addition to such other items or information as the Chair may require:

(a) The full name, address, telephone number, social security number, birth date and driver’s license number of the seller, the purchaser and the person to receive the antique gaming device, if different from the purchaser;

(b) The serial number of each device. In the event a serial number does not exist, the seller shall permanently engrave or stamp in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the device, the seller’s initials, together with the last four digits of the seller’s social security number, and a different number for each device sold sequentially increasing starting with the number one (1);

(c) The manufacturer and model or description of each device;

(d) The year the device was manufactured;

(e) The denomination of each device, if applicable;

(f) The final sales price of each device;

(g) A written verification by the distributor that the device is an antique gaming device;

(h) A statement by the purchaser under penalty of perjury that the antique gaming device will be used only for lawful purposes; and

(i) A statement by the seller under penalty of perjury that the device meets the definition of antique gaming device as set forth within subsection 1(b) above.

5. If the Chair does not deny the application for approval to sell the antique gaming device within 5 working days of receipt of a complete application, the application will be deemed to be approved.

6. Consigned antique gaming devices may be sold only at a licensed distributor’s location, or through a licensed distributor at an auction conducted by an auctioneer licensed in the State of Nevada at a Board approved location.

7. In addition to the requirements of section 4, if the antique gaming device is sold at auction, the following shall be provided to the Board by the licensed distributor at least ten (10) working days before the proposed auction:

(a) The auctioneer’s name, address and proof of licensing in the State of Nevada;

(b) The date, time and location of the proposed auction; and

(c) The information set forth within subsections 4(b) through (e).

8. An agent of the Board may inspect all antique gaming devices sold pursuant to this section at any time prior to transfer of title thereto.

9. A person who is not the holder of a distributor’s license who consigns to sell antique gaming devices pursuant to this section shall not:

(a) Display or advertise for sale any gaming device anywhere in this state except as permitted by Regulation 14.340; or

(b) Solicit, accept, or execute orders for the purchase of any gaming device except as permitted by Regulation 14.330.

(Adopted and Effective: 09/18/03.)

14.330 Sale of gaming devices displayed or used in a private residence.

1. A person who owns gaming devices for use or display in the person's private residence may sell a total of two such devices during any 12-month period, without procuring a seller's or distributor's license therefor. Requests to sell gaming devices must be made, processed, and determined in such manner and using such forms as the Chair may prescribe and may be granted by the Chair upon good cause shown. If the Board does not object to the proposed transfer within 5 working days after receipt of the request, the proposed transfer may be effectuated.

2. Each request must include, in addition to such other items or information as the Chair may require:

(a) The full name, state of residence, address, telephone number, social security number, and driver's license number of both the purchaser and the seller. If the purchaser or the seller does not have a social security number or driver's license number, the birth date of the purchaser or the seller may be substituted;

(b) The number of devices to be sold;

(c) The serial number of each device;

(d) The model number of each device and year each device was manufactured, if known;

(e) The denomination of each device;

(f) The expected date and time of sale;

(g) Unless the purchaser is currently licensed by the Commission, a statement by the purchaser under penalty of perjury that each device will be used only for lawful purposes.

3. A person may own or obtain gaming devices through a lease for the limited purpose of display or use in that person's private residence without procuring a state gaming license therefor as long as consideration is not directly or indirectly received for playing or owning the devices.

(Adopted: 10/90. Amended: 11/20/97; 5/21/98.)

14.340 Display and marketing of gaming devices by unlicensed entities.

1. Except as provided in subsection 2, an unlicensed manufacturer or distributor may display and market their respective gaming devices at organized gaming shows and exhibitions within Nevada.

2. An unlicensed manufacturer or distributor shall not:

(a) Enter into contractual agreements for the sale of, nor accept orders for, their gaming devices for use or play in Nevada at such organized gaming shows and exhibitions; or

(b) Deliver or distribute gaming devices within Nevada without first procuring and maintaining all required federal, state, county and municipal licenses pursuant to NRS 463.650(1), and thereafter, complying with the provisions of sections 14.170 and 14.180.

3. An unlicensed manufacturer or distributor must conspicuously display a sign at their trade show booth indicating that they are not licensed by the Commission as a manufacturer and/or distributor.

(Adopted: 11/20/97. Amended: 6/13.)

14.350 Independent testing laboratories; authority for Board to register and utilize; fees.

1. The Board is authorized to register and utilize independent testing laboratories for the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada.

2. The registration may be performed administratively by the Chair.

(a) The Chair may, at the Chair's sole and absolute discretion, approve the application if the Chair determines that the applicant meets the qualifications set forth under section 14.360(6).

(b) The Chair may, at the Chair's sole and absolute discretion, condition or limit the registration of an independent testing laboratory in any manner and for any reason the Chair deems appropriate.

(c) The Chair may, at the Chair's sole and absolute discretion, deny the application if the Chair determines that the applicant has failed to meet the qualifications set forth under section 14.360(6).

(d) An applicant for registration may have a decision of the Chair relating to its application reviewed pursuant to the administrative approval review and appeal process set forth under sections 4.190 and 4.195 of these regulations.

3. The Chair, at the Chair's sole and absolute discretion, may forgo approving or denying an application for registration by referring the application to another Board member or to the full Board for consideration. If referred to the full Board, the Board may make a recommendation to the Commission to approve or deny the application for registration, conditioned or limited in any manner and for any reason it

deems appropriate. The Commission, upon recommendation of the Board, may approve or deny the application for registration, conditioned or limited in any manner and for any reason it deems appropriate.

4. The manufacturer or operator shall be solely responsible for the payment of any fees imposed by the independent testing laboratory for its services. The fees to be charged shall be determined solely between the manufacturer or operator and the independent testing laboratory.

5. The manufacturer or operator shall pay any and all costs associated with any review or approval the Board performs of a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof or modification thereto, including any costs associated with the Board's review of the registered independent laboratory's inspection, certification or review as described in subsection 1 above or in 14.360(1).

(Adopted: 3/12. Effective: 5/01/12.)

14.360 Independent testing laboratories; registration requirement; qualifications.

1. The following persons or entities must register with the Board under this section:

(a) Any independent testing laboratory that intends to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems or interactive gaming systems, or any components thereof or modifications thereto, for use in Nevada; and

(b) Each person or entity that owns or has significant control over the operations of the independent testing laboratory seeking registration, including any intermediary entities.

2. In order to register, an independent testing laboratory must submit an application for registration to the Board as set forth in section 14.370.

3. The Chair, in the Chair's sole and absolute discretion, may require each testing facility at which an independent testing laboratory conducts inspection and certification procedures to register individually.

4. Each independent testing laboratory must be registered for each category of inspection and certification for which the laboratory seeks to provide results. The categories of inspection and certification include:

(a) Games and game variations;

(b) Gaming devices and gaming device modifications;

(c) Gaming associated equipment and gaming associated equipment modifications;

(d) Cashless wagering systems and cashless wagering system modifications;

(e) Inter-casino linked systems and inter-casino linked system modifications;

(f) Mobile gaming systems and mobile gaming system modifications; and

(g) Interactive gaming systems and interactive gaming system modifications;

(h) Any other category of inspection and certification that the Chair may deem appropriate.

5. The Board shall maintain a list of registered independent testing laboratories on its website along with the categories of inspection and certification each is registered to perform.

6. To qualify to be registered, the independent testing laboratory, and any other person, entity or testing facility that is required to register, must:

(a) Demonstrate probity;

(b) Be independent from any manufacturer, distributor, or operator of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not such person or entity is licensed, registered, or otherwise does business in Nevada;

(c) Be accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement, unless the independent testing laboratory is only seeking registration for the inspection and certification of games and game variations;

(d) Demonstrate it is technically competent in testing the category of game, device, or system in which it is seeking registration;

(e) Demonstrate it is technically competent to test compliance with the applicable Nevada statutes, regulations, standards and policies.

7. To be considered independent from a manufacturer, distributor, or operator under subsection 6(b) above, the independent testing laboratory, including its employees, management, directors, owners, compliance committee members and gaming regulatory advisors, with the exception of the independent testing laboratory's external accountants and attorneys:

(a) Must not have a financial or other interest, direct or otherwise, in a manufacturer, distributor, or operator of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not the person or entity is licensed, registered, or otherwise does business in Nevada;

(b) Must not participate, consult, or otherwise be involved in the design, development, programming, or manufacture of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto;

(c) Must not have any other interest in or involvement with a manufacturer, distributor, or operator that could cause the independent testing laboratory to act in a manner that is not impartial; and

(d) Such individuals shall not serve in any capacity with a manufacturer, distributor, or operator beyond the scope of the independent testing laboratory's engagement pursuant to these regulations.

➥ The restrictions in subsection 7 above are not intended to limit an independent testing laboratory, or the above listed individuals, from providing consulting services to a manufacturer, distributor, or operator, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof or modification thereto.

(Adopted: 3/12; Effective: 5/01/12.)

14.370 Independent testing laboratories; registration; provisional registration; application and procedures; waiver.

1. Except as provided in subsection 2, an independent testing laboratory must be registered with the Board prior to providing inspection and certification results for any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada.

2. Upon written request, the Chair may, in the Chair's sole and absolute discretion and under such terms and limitations the Chair sees appropriate, issue a provisional registration to an independent testing laboratory to allow it to perform the functions of a registered independent testing laboratory while its application for registration is pending. Such provisional registration may be revoked by the Chair at any time and for any reason, including but not limited to:

(a) If the investigation of the independent testing laboratory reveals that it does not meet the qualifications to be registered with the Board; or

(b) If the independent testing laboratory has violated the terms or limitations of its provisional registration.

3. Any independent testing laboratory that has had its provisional registration revoked by the Chair may have the decision reviewed pursuant to the administrative approval review and appeal process set forth under sections 4.190 and 4.195 of these regulations.

4. An application for registration as an independent testing laboratory shall be made, processed, and determined using such forms as the Chair may require or approve and must be supplemented by such documents and information as the Chair may request. The information submitted with the application shall include, but not be limited to, the following:

(a) Copies of all ISO/IEC 17025 certification and accreditation materials except if the independent testing laboratory is only seeking registration for the inspection and certification of games and game variations;

(b) All ISO required internal controls, policies and procedures, except if the independent laboratory is only seeking registration for the inspection and certification of games and game variations;

(c) Detailed description of the testing facilities;

(d) Detailed description of available testing staff and staff qualifications, including education, training, experience and skill levels;

(e) Detailed description of available testing equipment;

(f) Copies of documented policies, systems, programs, procedures and instructions to assure the quality of test results;

(g) Copies of all test scripts to be used for testing against the applicable Nevada statutes, regulations, standards, and policies.

(h) Information regarding the business organization and ownership of the applicant, including, but not limited to:

(1) Organization chart depicting the ownership structure of the applicant, including, but not limited to, any parent and affiliated organizations;

(2) Organization chart depicting the applicant's management structure;

(3) List of all key employees and other individuals who have significant involvement with the applicant's business operations;

(4) List of all officers, directors, partners, members, managers, trustees or direct or beneficial owners of the independent testing laboratory and of any person or entity that owns or has significant involvement with the activities of the independent testing laboratory, including any intermediary entities.

(i) A statement subscribed by the applicant for registration that:

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

(2) The applicant for registration agrees to cooperate with all requests, inquiries, or investigations of the Board and Commission;

(3) The applicant acknowledges that the Board and Commission shall retain jurisdiction over the independent testing laboratory in any matter involving a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that it certifies for use in Nevada, even if its registration lapses, is voluntarily terminated, or is revoked;

(4) The applicant for registration acknowledges that the Commission may demand that the independent testing laboratory, or any of its key employees, managers, or owners, submit an application for finding of suitability as an independent testing laboratory, and that a failure to submit such an application within 30 days of the demand may constitute grounds for the revocation of the independent testing laboratory's registration; and

(5) The applicant agrees to indemnify and hold harmless the State of Nevada, the Commission, the Board, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in this subsection by reason of any inspections or certifications performed by the applicant as a registered independent testing laboratory, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this subsection as a result of said claims, suits and actions.

5. The Chair may require additional information from an independent testing laboratory to supplement the registration application;

6. During the registration evaluation process, the Board and its agents shall conduct any investigation it deems reasonable, including any visit, review or inspection of each independent testing laboratory seeking registration to evaluate its qualifications and capabilities. The applicant is to bear the cost of all such site visits and inspections held during the registration evaluation process.

7. The applicant is required to pay any and all costs associated with the investigation and inspection of the applicant during the registration evaluation period.

8. An independent testing laboratory is not considered registered with the Board until all of the above information, including any additional information requested by the Chair, has been provided and reviewed by the Board, all costs relating to site visits performed by the Board have been paid in full, all other costs associated with the investigation and inspection of the applicant have been paid in full, and the Chair has issued written notice of the completion of the registration process to the independent testing laboratory.

9. Upon written request, the Chair in the Chair's sole and absolute discretion, may waive any requirement in sections 3-7 above.

(Adopted: 3/12; Effective: 5/01/12.)

14.380 Independent testing laboratories; notification and reporting requirements.

1. Registered independent testing laboratories must notify the Board of any change in ownership of the registered independent testing laboratory, any change in directors, executives, or key management or employees of the independent testing laboratory, and any other material changes to the information included in its application for registration or the information submitted in conjunction with or subsequent to its application within 30 days of such change.

2. By the 15th day of each January, a registered independent testing laboratory shall inform the Chair in writing of any changes to the information that was contained on the registered independent testing

laboratory's application for registration or submitted in conjunction with or subsequent to its application. If no change to that information has occurred since the last reporting date, the registered independent testing laboratory must provide the Chair with a written affirmative statement indicating such.

3. Registered independent testing laboratories shall maintain copies of the results of any ISO/IEC 17025 audits or reviews and shall notify the Board in writing of the of the availability of the results within 15 days of when they become available to the registered independent testing laboratory. Such copies shall be provided to the Chair upon request.

(Adopted: 3/12; Effective: 5/01/12.)

14.390 Independent testing laboratories; uniform protocols.

1. In the interest of preserving a competitive gaming industry, a registered independent testing laboratory shall not implement or maintain any procedure or policy or take any action that would inhibit or prevent a manufacturer, distributor or operator that has otherwise been deemed suitable for doing business in Nevada by the Board or Commission from submitting a game, gaming device, associated equipment, cashless wagering system, inter-casino liked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for inspection and certification for use in Nevada, or that would call into question or tend to erode the independence of the registered independent laboratory from any clients that utilize its services.

2. A registered independent testing laboratory shall maintain a version controlled system of testing documentation and methodologies it uses to provide certification against the Nevada regulatory structure, and such materials shall be made available to the Board upon request. Original testing documentation, methodologies, and any revisions to the testing documentation or methodologies must be approved by the Board prior to being used to certify against the Nevada regulatory structure.

3. All testing shall be performed using Nevada approved documentation and methodologies, and must be conducted specifically in accordance with the Nevada Gaming Control Act and the regulations adopted thereunder, and all technical standards, control standards, control procedures, policies, and industry notices implemented or issued by the Board.

4. All testing shall be performed by a person directly employed by the registered independent testing laboratory. The registered independent testing laboratory shall not assign, delegate, subcontract, or otherwise engage any person not directly employed by the registered independent testing laboratory for any testing for which the laboratory has been registered in Nevada. The Chair, in the Chair's sole and absolute discretion, may permit a registered independent testing laboratory to utilize the services of a person other than a person directly employed by the independent testing laboratory to perform certain specific functions associated with the testing and certification procedures to be performed. Any such request must be made in writing to the Chair in advance of utilizing the services of the third party. Any permission granted under this subsection must in writing and shall be limited as to time and scope in whatever degree the Chair deems appropriate under the circumstances and may be revoked by the Chair in writing at any time at the Chair's sole and absolute discretion.

5. A registered independent testing laboratory shall not utilize, rely on or otherwise refer to any testing, results or work product performed by another registered testing laboratory for any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto which has not previously been approved by the Board.

6. A registered independent testing laboratory shall implement and maintain a hiring and background check that ensures, at a minimum, that no person is hired in a position involving inspection or certification procedures relating to Nevada, or in a position overseeing or managing an employee in such a position, who has:

(a) Failed to disclose or misstated information or otherwise attempted to mislead the Board or Commission with respect to any information the person has provided to the Board or Commission;

(b) Knowingly failed to comply with the provisions of NRS chapters 463, 463B, 464 or 465, or the regulations of the Commission at a previous place of employment;

(c) Committed, attempted or conspired to commit any crime of moral turpitude, embezzlement or larceny or any violation of any law pertaining to gaming, or any crime which is inimical to the declared policy of this State concerning gaming;

(d) Committed, attempted or conspired to commit a crime which is a felony or gross misdemeanor in this State or an offense in another state or jurisdiction which would be a felony or gross misdemeanor if

committed in this State and which relates to the applicant's suitability or qualifications to work for the registered independent testing laboratory;

(e) Been identified in the published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or as being of notorious and unsavory reputation;

(f) Been placed and remains in the constructive custody of any federal, state or municipal law enforcement authority; or

(g) Had any gaming license, registration or other like credential revoked or committed any act which is a ground for the revocation of a gaming license, registration or other professional credential held by the person or would have been a ground for the revocation of a gaming license, registration or other professional credential had the person held such license, registration, or credential.

➥ All procedures conducted pursuant to this subsection and the results of those procedures shall be documented by the registered independent laboratory. Such documentation shall be made available to the Chair upon request and shall be maintained at all times while a person is employed by the registered independent testing laboratory and for a minimum of five years after a person's employment ends.

7. A registered independent testing laboratory shall implement and maintain a system of peer review to monitor the quality of the inspection and certification procedures performed by its employees.

8. A registered independent testing laboratory shall consult with the Board prior to testing, evaluating, analyzing, certifying, verifying, or rendering opinions for or on behalf of the Board relating to any new technology or concept.

9. A registered independent testing laboratory shall consult with a representative of the Board's technology division on any questionable interpretations of the Nevada regulatory structure as it relates to the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked systems, mobile gaming system or interactive gaming system, or any component thereof or modification thereto.

10. A registered independent testing laboratory shall handle all information and data prepared or obtained as part of the Nevada certification process as confidential.

11. A registered independent testing laboratory shall implement and maintain security and access control systems designed to secure and protect the confidentiality of all equipment, software, and other information entrusted to it as part of the Nevada inspection and certification process.

12. A registered independent testing laboratory is required to maintain all test equipment in accordance with the manufacturer's specifications and recommendations, and shall provide the Board with evidence of such upon demand.

13. A registered independent testing laboratory shall retain all submission and testing related documentation. Such records may be maintained in electronic form. The obligation to maintain such records continues even if the independent testing laboratory ceases to be registered with the Board, or otherwise ceases its business operation. The independent testing laboratory may turn all such records over to the Board in electronic form as an alternative to having to maintain such records after its deregistration or after its business operation ceases.

14. An onsite evaluation and review of each registered independent testing laboratory shall be conducted by the Board periodically to evaluate certification results and to verify continued compliance with all registration requirements and protocols.

15. The Board shall, at all times, have immediate and unfettered access to the registered independent laboratory's place(s) of business.

16. The Board may establish a system to evaluate the continued quality of the inspection and certification performed by a registered independent testing laboratory.

17. A registered independent testing laboratory shall immediately notify the Board of any changes that may affect its ability to provide testing services.

18. A registered independent testing laboratory shall notify the Board immediately of any material issues concerning any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that it inspected or certified for use in Nevada, which it becomes aware of subsequent to it having issued its inspection and certification report relating thereto.

19. A registered independent testing laboratory shall notify the Board immediately of any attempts by a manufacturer, distributor, or operator that has attempted to improperly influence the registered independent testing laboratory, or any of its employees, managers, or owners, in or in connection with any inspection or certification services it is providing, has provided, or intends to provide.

20. A registered independent testing laboratory shall timely provide the Board with such other information as the Board or Commission may request or require.

21. The Board may, as appropriate, periodically provide further guidance as to what is required of a registered independent testing laboratory through industry notices or other written communications.

22. A registered independent testing laboratory, its employees, management, and owners shall remain independent of any manufacturer, distributor or operator as set forth under section 14.360(6) and (7).

23. If a registered independent testing laboratory hires a person who was previously employed by, or performed any work for, a manufacturer, distributor or operator within one year prior to the individual's date of employment with the independent testing laboratory, the registered independent testing laboratory shall not permit that person to inspect or certify any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada, for which the person had any involvement with, whatsoever, while the person was employed by the manufacturer, distributor or operator for a period of one year from the person's date of employment with the independent testing laboratory.

(Adopted: 3/12; Effective: 5/01/12.)

14.395 Independent testing laboratories; manufacturer, distributor, and operator prohibited actions.

1. A manufacturer, distributor, or operator shall not:

(a) Attempt, directly or indirectly, to improperly influence a registered independent testing laboratory, or any of its employees, management, or owners, regarding a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that it, or another person or entity, has submitted for inspection or certification for use in Nevada.

(b) Engage in any transaction with a registered independent testing laboratory it is utilizing, has utilized, or intends to utilize to inspect or certify a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada, in which the registered independent testing laboratory is required to participate, consult, or otherwise be involved in the design, development, programming, or manufacture of such items. This restriction is not intended to limit a manufacturer, distributor, or operator from engaging such registered independent testing laboratory to provide consulting services, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture such items.

2. Violation of the above prohibitions shall constitute an unsuitable method of operation.

(Adopted: 3/12; Effective: 5/01/12.)

14.400 Independent testing laboratories; inspection and certification results. Each registered independent testing laboratory shall provide the person seeking inspection and certification with the results of the testing and certification process that is to be submitted to the Board in such manner and using such forms as the Chair may prescribe. The results shall include, in addition to such other items or information as the Chair may require, the following:

1. A statement, signed under penalty of perjury, that the certification process was conducted in accordance with Board requirements and that the product being certified meets the requirements of the Nevada Gaming Control Act and the regulations adopted thereunder, and all technical standards, control standards, control procedures, policies, and industry notices implemented or issued by the Board to the best of the registered independent testing laboratory's knowledge and belief.

2. The name of the registered independent testing laboratory that performed the testing;

3. The registration number of the registered independent testing laboratory that performed the testing;

4. The location or locations of the facility or facilities the registered independent testing laboratory used to perform the testing;

5. The internal reference number for the registered independent testing laboratory;

6. The date the product was submitted to the registered independent testing laboratory for regulatory certification;

7. The start and end dates of the product testing performed;

8. An attestation statement that the product source code was reproduced;

9. The part and version number or numbers of the product submitted for certification;

10. The unseeded HMAC-SHA1 signature of all applicable files, or other method as approved by the Chair;

11. A description of the configuration of the product as tested;

12. A description of the scope of testing performed;

13. Identification of the Nevada approved testing document(s) by name and version number;

14. A description of any issues found during the testing process and the resolution thereof;

15. Identification of any modification that was not identified by the manufacturer;

16. A complete description of the testing that was conducted as part of the certification of the product that was not covered by a Board approved checklist; and

17. Any additional information regarding the testing of the product that the registered independent testing laboratory considers appropriate for the Board to consider as part of the approval process.

(Adopted: 3/12; Effective: 5/01/12.)

14.410 Independent testing laboratories; termination of registration; revocation of registration; retention of jurisdiction.

1. A registered independent testing laboratory may request to terminate its registration by providing written notice to the Board of its intention at least 3 months before the expected date of termination. An independent testing laboratory's registration under this subsection is not deemed terminated until the Chair provides written notification that the voluntary termination has been granted.

2. The Chair may revoke the registration of a registered independent testing laboratory should the Chair determine that it no longer meets the qualifications necessary to be registered or has failed to comply with any of the requirements of regulation 14. Such revocation is at the sole and absolute discretion of the Chair. The Chair shall provide written notification within 30 days of the designated revocation date unless circumstances are such that the interests of public health, safety, morals, good order and general welfare warrant an earlier revocation.

3. Any independent testing laboratory aggrieved by a decision of the Chair under subsections 1 or 2 above may pursue a review of that decision pursuant to sections 4.190-4.195 of these regulations.

4. The Board and Commission shall retain jurisdiction over the independent testing laboratory in any and all matters relating to a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that the independent testing laboratory certified for use in Nevada while it was registered with the Board.

(Adopted: 3/12; Effective: 5/01/12.)

14.415 Independent testing laboratories; unsuitable method of operation. Failure of a registered independent testing laboratory to comply with all of the requirements of regulation 14 shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission.

(Adopted: 3/12; Effective: 5/01/12.)

14.420 Independent testing laboratories; determination of suitability.

1. Upon the recommendation of the Board, the Commission may require the following persons or entities to file an application for a finding of suitability:

(a) A registered independent testing laboratory;

(b) Any employee of a registered independent testing laboratory; or

(c) Any officer, director, partner, principal, manager, member, trustee or direct or beneficial owner of a registered independent testing laboratory or any person, entity or intermediary entity that owns or has significant involvement with the activities of a registered independent testing laboratory.

2. The Commission shall give written notice to the applicable person or entity of its decision to require the filing of an application for finding of suitability. Unless otherwise stated by the Commission in its written notice, a person or entity that has been ordered to file an application for a finding of suitability under this subsection may continue to function in their respective capacity, unless and until the Commission finds the person or entity to be unsuitable.

3. If the Commission finds a registered independent testing laboratory to be unsuitable:

(a) All registrations of the independent testing laboratory will be deemed immediately revoked;

(b) All licensed manufacturers, manufacturers of interactive gaming systems, distributors and operators shall, upon written notification, immediately terminate any existing relationships, direct or indirect, with such independent testing laboratory;

(c) No further games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems or interactive gaming systems, or any component thereof or modification thereto, shall be inspected or certified by the independent testing laboratory for use in Nevada.

(d) The approval of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, inspected and certified by the independent testing laboratory for use in Nevada shall be subject to revocation if it is determined that the reasons for the finding of suitability applies thereto.

4. If the Commission finds an employee of the registered independent testing laboratory to be unsuitable:

(a) The registered independent testing laboratory must remove the person from the person's position immediately, and must not reassign the person to any other position that involves the inspection or certification of any game, gaming device, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems, or interactive gaming systems, or any component thereof or modification thereto, for use in Nevada;

(b) Failure of a registered independent testing laboratory to comply with this subsection shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission.

5. If the Commission finds an officer, director, partner, principal, manager, member, trustee or director or beneficial owner of a registered independent testing laboratory, or any person, entity or intermediary entity that owns or has significant involvement with the activities of a registered independent testing laboratory to be unsuitable:

(a) The person or entity must divest itself of any ownership interest it has in the registered independent testing laboratory;

(b) The registered independent testing laboratory, or other applicable person or entity, must indefinitely suspend the person or entity found unsuitable from performing any duties or having any involvement with or supervision over its operations or activities.

(c) Failure of a registered independent testing laboratory, or other person or entity, to comply with this subsection shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission.

6. Failure of a licensed manufacturer, licensed manufacturer of an interactive gaming system, distributor or operator to terminate any association with an independent testing laboratory after receiving notice of the determination of unsuitability shall constitute an unsuitable method of operation.

7. The Commission retains jurisdiction to determine the suitability of an independent testing laboratory, or of any other person or entity to which this section applies, regardless of whether the relevant independent testing laboratory remains registered with the Board.

8. A failure on the part of the registered independent testing laboratory, or of any other person or entity to which this section applies, to submit an application for a finding of suitability within 30 days of being directed to do so by the Commission shall constitute grounds for a finding of unsuitability. Such period may be extended by the Commission Chair, at the Commission Chair's sole and absolute discretion, upon written request by the independent testing laboratory.

(Adopted: 3/12; Effective: 5/01/12.)

End – Regulation 14

REGULATION 15

CORPORATE LICENSEES

15.1594-1 Powers of Commission and Board.
15.1594-2 Certain investigations.
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15.540-1 Licensing referred to in NRS 463.540.
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15.550.1 Licensing referred to in NRS 463.550(1).
15.585.3-1 Persons who may be deemed unsuitable.
15.585.3-2 Escrow of securities.
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15.585.6-1 Public offerings by holding companies.
15.585.7-1 Approval by Commission required for all issues or transfers by a holding company or intermediary company of its securities.
15.585.7-2 Commission approval required for dispositions of outstanding securities issued by holding companies or intermediary companies.
15.585.7-3 Certain transactions prohibited—holding company. [Repealed: 12/11.]
15.585.7-4 Individual stockholders of holding companies.
15.585.7-5 Officers and directors of holding companies.
15.585.7-6 Certain payees.
15.585.7-7 Reporting requirements for certain holding companies.
15.625.1 Exclusion of publicly traded corporations.

EXPLANATORY NOTE:

Regulation 15 implements the provisions of NRS 463.482 through 463.615. In the drafting of such regulations an effort was made to avoid as much as possible the technique of merely repeating or paraphrasing such statutory provisions. In approaching an examination or determination of any matters

coming within the purview of such statutory provisions, reference should always be made to such statutory provisions and such regulations as an integrated unit.

The number of each regulation section hereunder begins with a “15” prefix, followed by a decimal point. Immediately following the decimal point is a number which correlates exactly with a number immediately following the decimal point in the section of chapter 463 of NRS. For example, Regulation 15.510.1-1 is intended as a regulation which supplements and elaborates on NRS 463.510. The number “1” following the second decimal point of this regulation indicates that the regulation concerns itself with subsection 1 of NRS 463.510. Several regulations under subsection 1 of NRS 463.510 are then distinguished by consecutive number preceded by a hyphen. Thus, new Regulation 15.510.1-1 is the first regulation under subsection 1 of NRS 463.510. Regulation 15.510.1-2 is the second regulation under that subsection, and so on. As further examples, Regulation 15.585.1b1-1 relates to subsection 1(b)(1) of NRS 463.585; and Regulation 15.585.7-1(a) is the first regulation under subsection 7 of NRS 463.585. All definitions contained in the regulations re referenced to NRS 463.482 inasmuch as that section deals with “Definitions.” Any regulation which does not quite fit under any exact provision of NRS 463.482 through 463.615 has been related to the general regulatory enabling provision in NRS 463.1594. Thus, Regulation 15.1594-1 is the first regulation under this general enabling provision without any more specific reference to NRS 463.582 through NRS 463.641, although it is a regulation adopted “to implement the provisions of NRS 463.482 to 463.641, inclusive,” within the meaning of NRS 463.1594.

(Regulation 16 applies to registered publicly traded corporations which are not required to comply with Regulation 15.)

(Effective: 9/73.)

15.1594-1 Powers of Commission and Board. The Board shall have full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning, restriction, revocation, or suspension of any license, registration, approval, or finding of suitability required or permitted under Regulation 15, or any application therefor, or to recommend other disciplinary action, for any cause deemed reasonable by the Board. The Commission shall have full and absolute power and authority, to the extent permitted by law, to grant, deny, limit, condition, restrict, revoke or suspend any license, registration, approval, or finding of suitability required or permitted under Regulation 15, or any application therefor, or to take other disciplinary action for any cause deemed reasonable by the Commission.

(Effective: 9/73.)

15.1594-2 Certain investigations. The Commission or the Board may, in their discretion, make such investigations concerning an applicant under Regulation 15, or a licensee, or a registered company, or any person involved with a licensee or a registered company as they may deem appropriate, either at the time of initial licensing or registration or at any time thereafter.

(Effective: 9/73.)

15.1594-3 Certain investigative fees. In addition to all other fees payable under the Act and regulations, the Board may require payment of the costs of any investigation conducted subsequent to licensing or registration to the extent of any reasonable fees charged by expert consultants employed by the Board and actual expenses incurred by the staff for investigations conducted outside the State of Nevada.

(Effective: 9/73.)

15.1594-4 Burden of proof. The burden of proof with respect to the granting of any license, approval, registration, or finding of suitability required or permitted by Regulation 15 shall at all times be upon the person applying for or holding such license, approval, registration, or finding of suitability. Each applicant shall satisfy the Commission that the granting of an application for action required or permitted by Regulation 15 is consistent with the state policies concerning gaming set forth in NRS 463.130 and 463.489.

(Effective: 9/73.)

15.1594-5 Certain affiliates of corporate licensees. [Repealed: 12/22/11.]

15.1594-6 Prohibition with respect to ownership of corporate licensees. No person shall acquire any equity security issued by a corporate licensee or a holding company, nor become a controlling affiliate of a corporate licensee or a holding company, nor become a holding company of a corporate licensee or a holding company without first obtaining the prior approval of the Commission in accordance with Regulations 4 and 8.

(Effective: 9/73.)

15.1594-7 Prohibitions with respect to the distribution or transfer of securities. It shall be grounds for disciplinary action under the Act and regulations if any person shall, in connection with the purchase or sale of any security issued by a corporate licensee or a holding company, or in connection with any document required to be filed pursuant to these regulations or the Act:

(a) Employ any device, scheme or artifice to defraud; or

(b) Make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

where such device, scheme, artifice, statement, act, practice or course of business relates to gaming or the revenues from gaming or gaming operations; or

(d) Cause any document, correspondence, filing or statement containing materially untrue, incorrect or misleading information to be made or filed with the Board or Commission, regardless of whether said information has been made or filed with another regulatory agency.

(Effective: 9/73. Amended: 12/11.)

15.1594-8 Effective dates. [Repealed: 12/11.]

15.430 Institutional investor.

1. An institutional investor that intends to become subject to NRS 463.530 and Regulation 15.530-1, or NRS 463.585, as a result of its ownership of an equity security issued by a corporate licensee or a holding company, or any security issued by a corporate licensee or a holding company which gives the holder voting rights in the corporation, may apply to the Board and Commission for a waiver of the requirements of NRS 463.530, 463.585, 463.595 and Regulations 15.530-1, 15.585.7-4 and 15.585.7-5 with respect to the ownership of the voting or equity securities if such institutional investor intends to and does hold the securities for investment purposes only. An institutional investor shall not be eligible to receive or hold a waiver if the institutional investor will own, directly or indirectly, more than 15 percent of the voting or equity securities of the corporate licensee or a holding company on a fully diluted basis where any such securities are to be acquired other than through a debt restructuring. Securities acquired before a debt restructuring and retained after a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to an institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor's direct or indirect ownership interest in such voting or equity securities meets the limitations set forth above.

2. An institutional investor shall not be deemed to hold an equity security issued by a corporate licensee or a holding company, or any security issued by a corporate licensee or a holding company which give the holder voting rights in the corporation, for investment purposes only unless the voting or equity securities will be acquired and held in the ordinary course of business as an institutional investor and do not, directly or indirectly, allow the institutional investor to vote for the election of members of the board of directors, cause any change in the corporate charter, bylaws, other organic document, management, policies or operations of the corporate licensee or the holding company, or cause any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding voting or equity securities for investment purposes only:

(a) Serving as a member of any committee of creditors or security holders in connection with debt restructuring;

(b) Nominating any candidate for election or appointment to a board of directors or the equivalent in connection with a debt restructuring;

(c) Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in management, policies or operations; and

(d) Such other activities as the Commission may determine to be consistent with such investment intent.

3. An application for a waiver must include:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in section 11 of this regulation.

(b) A certification made under oath and the penalty of perjury, that:

(1) The voting or equity securities will be acquired and held for investment purposes only as defined in subsection 2 and a statement by the signatory explaining the basis of the signatory's authority to sign the certification and to bind the institutional investor to its terms.

(2) The applicant agrees to be bound by and comply with the Nevada Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Nevada, and to consent to Nevada as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.

(3) The applicant agrees that it shall not grant an option to purchase, or sell, assign, transfer, pledge or make any other disposition of any voting or equity security issued by the corporate licensee or the holding company without the prior approval of the Commission.

(c) A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection 2.

(d) The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of voting and equity securities of the corporate licensee or the holding company.

(e) The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its rights as a holder of voting or equity securities of the corporate licensee or the holding company.

(f) The name of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent.

(g) A list of the institutional investor's affiliates.

(h) A list of all regulatory agencies with which the institutional investor or any affiliate that owns any voting or equity securities or any other interest in a company which is licensed or registered with the Nevada Gaming Commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(i) A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, and current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

(j) Any additional information the Board or the Commission may request.

4. The Board and Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection 1, including but not limited to:

(a) Whether the waiver is consistent with the policy set forth in NRS 463.0129, 463.489, and Regulation 15.489.2-1; and

(b) Any views expressed to the Board and Commission by the corporate licensee or any affiliate thereof.

5. Any waiver granted pursuant to this section may be limited or conditioned in any respect by the Board or Commission, including, but not limited to, requiring a certification, made under oath and the penalty of perjury, which contains the following:

(a) A statement attesting that the institutional investor holds and/or has held the voting or equity securities of the corporate licensee or the holding company for (1) investment purposes only, and (2) in the ordinary course of business as an institutional investor and not for the purpose of (A) causing, directly or indirectly, the election of the members of the board of directors, or (B) effecting any change in the corporate charter, bylaws, other organic document, management, policies or operations of the corporate licensee or any of its affiliates.

(b) A statement that the institutional investor has not engaged in any activities inconsistent with the holding of voting or equity securities for investment purposes only in accordance with the provisions of section 2 hereof.

(c) The name, title and telephone number of the persons having direct control over the institutional investor's holdings of voting or equity securities in the corporate licensee or the holding company.

(d) A statement of all complaints, arrest, indictments or convictions of any officer or director of the institutional investor regarding the rules and regulations of the Securities and Exchange Commission and any regulatory agency of any State where it conducts business, or any offense which would constitute a gross misdemeanor or felony if committed in the State of Nevada. The name, position, charge, arresting agency, and a brief description of the event must also be included in the statement.

(e) A statement indicating any change to the structure and/or operation of the institutional investor which could affect its classification as an institutional investor as defined in Regulation 16.010(14).

6. An institutional investor that has been granted a waiver of licensing, registration or finding of suitability as required by NRS 463.530, 463.585, 463.595 and Regulations 15.530-1, 15.585.7-4 and 15.585.7-5 and that subsequently intends not to hold its voting or equity securities of the corporate licensee or the holding company for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Chair in writing of the change in its investment intent. The Chair may then take such action under the provisions of NRS 463.530, 463.585 and Regulations 15.530-1, 15.585.7-4 and 15.585.7-5 or any other provision of the Gaming Control Act or regulations of the Commission as the Chair deems appropriate.

7. A waiver that has been granted pursuant to this section and NRS 463.489(2) and Regulation 15.489.2-1, shall subject the institutional investor to the requirements of NRS 463.510(1), or Regulation 15.585.7-2, as applicable, in that any purported sale, assignment, transfer, pledge or other disposition of any voting or equity security issued by the corporate licensee or the holding company, or the granting of an option to purchase such a voting or equity security, shall be void unless approved in advance by the Board and Commission.

8. The institutional investor shall be entitled to whatever economic advantage, including, but not limited to, dividends, that may flow from ownership of the voting or equity securities as though it has been licensed, registered or found suitable.

9. If the Chair finds that as institutional investor has failed to comply with the provisions of this section, or should be subject to licensing, registration, finding of suitability or any approval to protect the public interest, the Chair may, in accordance with NRS 463.530, 463.585 and Regulations 15.530-1, 15.585.7-4 and 15.585.7-5 or any other provision of the Gaming Control Act or regulations of the Commission the Chair deems appropriate, require the institutional investor to apply for licensing, registration or a finding of suitability. The institutional investor affected by the action taken by the Chair may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Commission Chair may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Chair, or remand the matter to the Chair for such further investigation and reconsideration as the Commission may order. While the application for licensure, registration or a finding of suitability or Commission review of the Chair's action requiring the filing of such application is pending, the institutional investor shall not directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the corporate licensee or holding company.

10. The corporate licensee or the holding company shall immediately notify the Chair of any information about, fact concerning or actions of, an institutional investor holding any of its voting or equity securities, that may materially affect the institutional investor's eligibility to hold a waiver under this section.

11. For purposes of this regulation "institutional investors" shall have the meaning set forth in Regulation 16.010(14), and "debt restructuring" shall have the meaning set forth in Regulation 16.010(8).

(Adopted and Effective: 7/00.)

15.482-1 Definitions; general. All terms defined in the Act shall have the same meaning in Regulation 15 as in the Act.

(Effective: 9/73.)

15.482-2 "Associate" defined. The term "associate" when used to indicate a relationship with any person, means: (1) any corporation or organization of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of any share of any class of equity securities; (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of such corporation or any of its parents or subsidiaries.

(Effective: 9/73.)

15.482-3 "Affiliate" defined. An "affiliate" of, or a person "affiliated" with, a specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(Effective: 9/73.)

15.482-4 "Control" defined. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(Effective: 9/73.)

15.482-5 "Controlled affiliate" and "controlling affiliate" defined.

(a) A "controlled affiliate" of a specified person is another person which, directly or indirectly, is controlled by the person specified.

(b) A "controlling affiliate" of a specified person is another person which, directly or indirectly, controls the person specified.

(Effective: 9/73.)

15.482-6 "Own," "hold" and "have" defined. A person shall be deemed to own, hold or have a security of, or interest in, a corporation or other form of business organization if such person or any associate of such person has a record or beneficial interest therein.

(Effective: 9/73.)

15.482-7 "Sale" and "sell" defined. "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. "Sale" or "sell" includes any exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.

(Effective: 9/73.)

15.482-8 "Security" defined. The term "security" means any stock; membership in an incorporated association; bond; debenture or other evidence of indebtedness; investment contract; voting trust certificate; certificate of deposit for a security; or, in general, any interest or instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidenced by a written document, provided that any evidence of indebtedness reported under Regs. 8.130 is not a security.

(Effective: 9/73.)

15.485-1 "Holding company" defined. Included, without limitation, within the meaning of the term "holding company" shall be any person, other than an individual, of which a corporation holding or applying for a state gaming license is a controlled affiliate.

(Effective: 9/73.)

15.488-1 "Subsidiary" defined. Included, without limitation, within the meaning of the term "subsidiary" shall be any person, other than an individual, which is a controlled affiliate of another person, other than an individual.

(Effective: 9/73.)

15.489.2-1 Waiver of requirements of regulations. The Commission may waive one or more requirements of Regulation 15 if it makes a written finding that such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489(1).

(Effective: 9/73. Amended: 1/89.)

15.490.1b-1 [Repealed: 12/11.]

15.500.1 [Repealed: 3/96.]

15.500.3-1 Public offerings by corporate licensees, holding companies and stockholders. No corporate licensee, no stockholder of a corporate licensee, no holding company, and no stockholder of a holding company shall make a public offering of securities of a corporate licensee or of a holding company except as is permitted by, and in accordance with, Regulation 16.

(Effective: 9/73.)

15.510.1-1 Beneficial ownership, granting of proxies and assignments of other interests.

(a) The terms "sale, assignment, transfer, pledge or other disposition" used in NRS 463.510(1) extend to dispositions of any type of ownership referred to in Regulation 15.482-6.

(b) Included within the meaning of the term "disposition" as used in NRS 463.510(1) and the regulations thereunder are, without limitation, the following

(1) The granting of a proxy in respect of a security (other than a proxy granted to a person who is licensed or found suitable to own securities of the same corporation or securities of an affiliate of that corporation), in which case the person to whom the proxy is granted is to be regarded as the transferee.

(2) Any transfer or disposition, whether or not for value, of any interest in the profits or proceeds (including, without limitation, interest payments, dividends and other distributions by the issuer of a security) realized from the holding or disposition of a security.

(Effective: 9/73.)

15.510.1-2 Issuer dispositions subject to NRS 463.540(1). Application for approval of any sale, assignment, transfer, pledge or other disposition of a security to be made by the issuer thereof shall be made pursuant to NRS 463.540(1) and the regulations thereunder.

(Effective: 9/73.)

15.510.1-3 Procedures for obtaining approvals under NRS 463.510(1) for transfers of outstanding securities. The provisions of Regulation 8 shall govern all transfers for which approval is required by NRS 463.510(1).

(Effective: 9/73.)

15.510.1-4 Certain transactions prohibited—corporate licensee. [Repealed: 12/11.]

15.510.2-1 Persons who may be determined to be unsuitable for purposes of NRS 463.510(2). Without in any manner limiting or restricting the scope of NRS 463.510(2), the following persons may be determined to be unsuitable within the meaning of that section:

(a) Any person who, having been notified by the corporation or by the Board of the requirement that such person be licensed as contemplated by NRS 463.530, fails, refuses or neglects to apply for such licensing within 30 days after being requested to do so by the Board.

(b) Any record holder of a security issued by a corporate licensee or a holding company who shall have failed, refused or neglected, upon request of the Commission, to furnish to the Commission within 30 days after such request, full, complete, and accurate information as to the beneficial ownership of such security.

(c) Any record owner of a security which is beneficially owned, in whole or in part, by a person determined to be unsuitable by the Commission.

(Effective: 9/73.)

15.510.2-2 Escrow of securities. The Commission may, from time to time and at any time, require that securities issued by a corporate licensee be placed in escrow on specified terms and conditions.

(Effective: 9/73.)

15.510.3-1 Proscribed corporate activities in respect of persons found "unsuitable" pursuant to NRS 463.510(2). Beginning upon the date when the Commission serves notice of a determination of unsuitability pursuant to NRS 463.510(2) upon the corporation, it shall be grounds for disciplinary action for such corporation:

(a) To pay any person found to be unsuitable pursuant to NRS 463.510(2) any dividend or interest upon any security of the type described in NRS 463.510(1) held, as defined in Regulation 15.482-6, by such person;

(b) To recognize the exercise by any such unsuitable owner, directly or through any trustee or nominee, of any voting right conferred by such security;

(c) To pay to any such unsuitable owner any remuneration in any form for services rendered or otherwise; or

(d) To make any other payment or distribution, of any kind whatsoever, in respect of any such security, by way of or pursuant to payment of principal, redemption, conversion, exchange or liquidation or any other transaction.

(Effective: 9/73.)

15.510.4-1 Statement required by NRS 463.510(4). The statement required by NRS 463.510(4) shall be substantially as follows:

> "The sale, assignment, transfer, pledge or other disposition of this security is ineffective unless approved in advance by the Nevada Gaming Commission. If at any time such commission finds that an owner of this security is unsuitable to continue to have an involvement in gaming in such state, such owner must dispose of such security as provided by the laws of the State of Nevada and the regulations of the Nevada gaming commission thereunder. Such laws and regulations restrict the right under certain circumstances: (a) to pay or receive any dividend or interest upon any such security; (b) to exercise, directly or through any trustee or nominee, any voting right conferred by such security; or (c) to receive any remuneration in any form from the corporation, for services rendered or otherwise."

(Effective: 9/73)

15.530-1 Individual Licensing of stockholders of corporate licensee.

1. Except as provided in subsection 2, each person must be licensed before they may:

(a) Own more than 5 percent of the equity security issued by a corporate licensee, or

(b) Hold more than 5 percent of the securities issued by a corporate licensee which give the holders voting rights in the corporation.

2. An individual who has a beneficial interest in an employee trust formed as a part of a stock bonus plan meeting the requirements of section 401(a) of the Internal Revenue Code of 1954 as amended and holding legal title to any equity security issued by a corporate licensee need not be licensed individually as to such beneficial interest provided the plan or the trust formed thereunder requires that either:

(a) Any stock received by a transferee shall be transferred back to the trust within 24 hours; or

(b) The transferee shall apply immediately for licensing as a stockholder of the licensee. Until such time as the Commission acts upon the application for transfer, the transferee shall not exercise any voting rights nor receive any dividends, and if the transferee is not approved by the Commission, the stock shall be immediately transferred back to the trust and any cash or stock dividends accumulated thereon shall remain in the trust. If the transferee is approved by the Commission, any accumulated dividends may be passed to the transferee.

3. All stockholders owning or holding 5 percent or less of the equity and voting securities of a corporate licensee, other than a publicly traded corporation, must register in that capacity with the Board and affirmatively state in writing that they submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Board Chair. A stockholder who is required to be registered by this section shall

apply for registration before the stockholder obtains an ownership interest of 5 percent or less in a corporate licensee.

4. If the Commission finds a stockholder unsuitable, denies an application of the stockholder, or revokes an approval of the stockholder, the stockholder and the corporate licensee shall comply with NRS 463.510 (2) and (3).

5. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Board Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Board Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00 and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

6. The Board Chair may require a stockholder who is required to be registered by this section to apply for licensure at any time in the Chair's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the corporate licensee at the address on file with the Commission. A stockholder shall apply for licensure as required by the Board Chair within 40 days of the stockholder's receipt of notice. The notice shall be deemed to have been received by the stockholder 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

7. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

8. If a stockholder of a corporate licensee is a holding company and is required to register with the Board under this section, the stockholder is not required to register with the Commission pursuant to NRS 463.585 unless the Chair requires the stockholder to apply for licensure.

9. In enacting this regulation section, the Commission finds that waiver of NRS 463.585 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the Commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waiver does not diminish the Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

10. Upon the Board Chair requiring a stockholder who is required to be registered by this section to apply for licensure, the stockholder does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Effective: 9/73. Amended: 9/74; 9/87; 12/11; 8/13.)

15.530-2 Licensing of certain payees. Any person who receives payments computed on the basis of the earnings profits or receipts from gaming of a corporate licensee, other than as the owner of an equity security issued by the corporate licensee, may be required to be licensed or approved.

(Effective: 9/73.)

15.530-3 Corporate non-compliance with NRS 463.530. Whenever, as contemplated by NRS 463.530, it is the judgment of the Commission that the public interest will be served by requiring any or all of the corporation's, lenders, holders of evidences of indebtedness, underwriters, key executives and agents, employees or other persons dealing with the corporation and having the power to exercise a significant influence over decisions made by the corporation to be licensed, the Commission shall serve a notice of such determination upon the corporation, and if the person, persons or other entity or entities which are the subject of such determination shall not have, within 30 days following the service of such notice, applied for a license as contemplated by NRS 463.530, the corporation may be deemed to have failed to require such application as contemplated by NRS 463.530.

(Effective: 9/73.)

15.540-1 Licensing referred to in NRS 463.540. It is the interpretation of the Commission that the licensing referred to in NRS 463.540 is gaming licensing of the corporation pursuant to NRS 463.160 et seq., and the regulations thereunder.

(Effective: 9/73.)

15.540.1-1 Beneficial ownership. The terms "issue or transfer" in NRS 463.540(1) extend to transactions involving any type of ownership referred to in Regulation 15.482-6.

(Effective: 9/73.)

15.540.1-2 Procedures for obtaining approvals under NRS 463.540(1) for issuance of securities. The report required by NRS 463.540(1) shall consist of an application signed by the president, or a vice president, and the secretary, or assistant secretary, of the applicant on an official form and, to the extent not inconsistent with the requirements of such form, setting forth the following information:

1. The name, address and telephone number of the applicant.
2. Whether or not the applicant is a licensee, holding company or intermediary company. If the applicant is not a licensee, but has applied for a license, the application shall set forth the date of such application and a statement of its current status.
3. If the applicant is the holder of or has pending an application for a state gaming license, the application shall set forth all of the information required to be set forth in a registration statement by such applicant pursuant to NRS 463.520. Such information may be incorporated by reference to the registration statement of the applicant; provided, however, that such information shall be as of a date not later than 30 days preceding the date of such application.
4. If the applicant is a holding company or intermediary company, the application shall set forth all of the information required to be set forth in a registration statement pursuant to NRS 463.585(1)(b) or furnished to the Commission pursuant to NRS 463.605. Such information may be incorporated by reference to the registration statement of, or information previously filed by such person; provided, however, that such information shall be as of a date not later than 30 days prior to the date of such application.
5. The identity and address of each proposed purchaser or transferee of the securities covered by such application.

The application will not be approved unless and until the proposed transferee complies with Regulation 8.

(Effective: 9/73.)

15.550.1 Licensing referred to in NRS 463.550(1). It is the interpretation of the Commission that the licensing referred to in NRS 463.550(1) is gaming licensing of the corporation pursuant to NRS 463.160 et seq., and the regulations thereunder.

(Effective: 9/73.)

15.585.3-1 Persons who may be deemed unsuitable. The several nonexclusive criteria of unsuitability set forth in Regs. 15.510.2-1 are also nonexclusive criteria of unsuitability under NRS 463.585(3).

(Effective: 9/73.)

15.585.3-2 Escrow of securities. The Commission shall have the same power with respect to securities issued by holding companies as it has under Regs. 15.510.2-2 with respect to securities issued by corporate licensees.

(Effective: 9/73.)

15.585.4-1 Proscribed corporate activities in respect of "unsuitable" persons. The Commission may determine a holding company to be unsuitable, or take other disciplinary action, if after the Commission serves notice pursuant to NRS 463.585(3) that a person is unsuitable to have a relationship to or involvement with such holding company, the holding company, or an intermediary company:

(a) Pays to any person found to be unsuitable pursuant to NRS 463.585(3) any dividend or interest upon any securities referred to in said section, or any payment or distribution of any kind whatsoever;

(b) Recognizes the exercise by any such unsuitable person, directly or indirectly, or through any proxy, trustee or nominee, of any voting right conferred by any securities or interest in any securities referred to in NRS 463.585(3);

(c) Pays to any such unsuitable person any remuneration in any form, for services rendered or otherwise, or permits the corporate gaming licensee to make any such payment; or

(d) Makes any other payment or distribution, of any kind whatsoever, in respect of any such security or interest by way of, or pursuant to payment of principal, redemption, conversion, exchange or liquidation or any other transaction.

(Effective: 9/73.)

15.585.5-1 Statement required by NRS 463.585(5). The statement required by NRS 463.585(5) shall be substantially the same as the statement required by Regs. 15.510.4-1.

(Effective: 9/73.)

15.585.6-1 Public offerings by holding companies. Cross-reference, Regs. 15.500.3-1.

(Effective: 9/73.)

15.585.7-1 Approval by Commission required for all issues or transfers by a holding company or intermediary company of its securities. No holding company shall, and it shall be grounds for disciplinary action if a holding company shall, issue or transfer any security of which it is the issuer without the prior approval of the Commission. As used herein, the terms "issue or transfer" extend to transactions involving any type of ownership referred to in Regulation 15.482-6. Every approval required by this regulation shall be sought by the filing of an application complying with NRS 463.540 and the regulations thereunder.

(Effective: 9/73.)

15.585.7-2 Commission approval required for dispositions of outstanding securities issued by holding companies or intermediary companies. No person other than the issuer shall sell, assign, transfer, pledge or make any other disposition of any security issued by any holding company without the prior approval of the Commission. As used herein, the terms "sale, assignment, transfer, pledge or other disposition" extend to dispositions of any type of ownership referred to in Regulation 15.482-6. Included within the meaning of the term "disposition" as used in this regulation are the granting of a proxy or a transfer or disposition of a type described in Regs. 15.510.1-1(b)(1) and (2).

Every approval required by this regulation shall be sought by the filing of an application complying with the procedures set forth in NRS 463.510.

(Effective: 9/73.)

15.585.7-3 Certain transactions prohibited—holding company. [Repealed: 12/11.]

15.585.7-4 Stockholders of holding companies.

1. Each stockholder of a holding company must be found suitable to be a stockholder or, in the discretion of the Commission, be licensed if the stockholder owns more than 5 percent of any licensee owned by the holding company.

2. All stockholders of a holding company which own 5 percent or less of any licensee owned by the holding company must register in that capacity with the Board and affirmatively state in writing that they submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Board Chair. A stockholder who is required to be registered by this section shall apply for registration before the stockholder obtains an ownership interest in the holding company.

3. If the Commission finds a stockholder unsuitable, denies an application of the stockholder, or revokes an approval of the stockholder, the stockholder and the corporate holding company shall comply with NRS 463.585 (3) and (4).

4. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Board Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Board Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00 and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

5. The Board Chair may require a stockholder who is required to be registered by this section to apply for a finding of suitability at any time in the Chair's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the holding company at the address on file with the Commission. A stockholder shall apply for a finding of suitability as required by the Board Chair within 40 days of the stockholder's receipt of notice. The notice shall be deemed to have been received by the stockholder 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

6. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

7. If a stockholder of a holding company is also a holding company and is required to register with the Board under this section, the stockholder is not required to register with the Commission pursuant to NRS 463.585 unless the Chair requires the stockholder to apply for a finding of suitability.

8. In enacting this regulation section, the Commission finds that waiver of NRS 463.585 and NRS 463.595 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making these waivers, the Commission finds such waivers are consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waivers are for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waivers do not diminish the Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

9. Upon the Board Chair requiring a stockholder who is required to be registered by this section to apply for licensure, the stockholder does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Effective: 9/73. Amended: 12/11; 8/13.)

15.585.7-5 Officers and directors of holding companies.

1. Except as otherwise specified in this section, any person who has a relationship to a holding company of a type described in Regulations 16.410 or 16.415 with respect to publicly traded corporations shall file an application for finding of suitability and may be required to be licensed.

2. An officer or director of a holding company

(a) who would otherwise be required to be found suitable pursuant to subsection 1;

(b) who does not serve on any committee to which is delegated the authority of the board of directors to act in any matter involving the activities of a corporate gaming licensee; and

(c) who does not have a relationship to a holding company of a type described in Regulations 16.410(3)(a) or 16.415(3)(c) with respect to publicly traded corporations

➥ is not required to be found suitable or licensed and must register in that capacity with the Board if the holding company is not, directly or indirectly, a general partner or manager of any licensee and does not control any licensee. A person who is required to be registered by this section shall apply for registration within 30 days after the person assumes office.

3. If the Commission finds a person who has a relationship to a holding company of a type described in Regulations 16.410 and 16.415 with respect to publicly traded corporations unsuitable, denies an application of the person, or revokes an approval of the person, the person and the holding company shall comply with NRS 463.595(2).

4. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Board Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Board Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00 and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

5. The Board Chair may require a person who is required to be registered by this section to apply for a finding of suitability or licensure at any time in the Chair's discretion by sending notice through the United

States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the holding company at the address on file with the Commission. Such person shall apply for a finding of suitability or licensure as required by the Board Chair within 40 days of the individual's receipt of notice. The notice shall be deemed to have been received by such person 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

6. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

7. In enacting this regulation section, the Commission finds that waiver of NRS 463.595 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the Commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waiver does not diminish the Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

8. Upon the Board Chair requiring a person who has a relationship to a holding company of a type described in Regulations 16.410 and 16.415 with respect to publicly traded corporations who is required to be registered by this section to apply for licensure, the person does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Effective: 9/73. Amended: 12/11; 8/13.)

15.585.7-6 Certain payees. Any person who receives payments from a holding company computed on the basis of the earnings or profits of the holding company, or on the basis of the receipts from gaming of a subsidiary corporate licensee of such holding company, may be required to be found suitable or licensed or approved.

(Effective: 9/73.)

15.585.7-7 Reporting requirements for certain holding companies. Each holding company which is a firm, partnership, trust or other form of business organization not a natural person or a corporation, must furnish the Board with analogous information required to be furnished by NRS 463.585(1)(a) and (b).

(Adopted: 10/90.)

15.625.1 Exclusion of publicly traded corporations. Regulation 15 shall not apply to the securities of, nor other interest in, any holding company which has been permitted to comply with NRS 463.635 to NRS 463.641 nor to its stockholders, directors, officers, agents, employees, underwriters, lenders, and other holders of evidence of indebtedness, as such.

(Effective: 9/73.)

End – Regulation 15

REGULATION 15A

LIMITED PARTNERSHIP LICENSEES

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15A.270 Post-approval monitoring after approval of delayed licensing.
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15A.300 Exclusion of public limited partnerships.
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15A.010 Definitions. As used in Regulation 15A:

1. "Capital account" as reflected on the books of the partnership shall mean the partner's initial and any subsequent contributions to the limited partnership; as increased by the partner's pro rata share of net income of the partnership; and decreased by the partner's pro rata share of net losses incurred by the partnership, as well as any draws or distributions to the partner of any kind or nature.
2. Unless otherwise specified, "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
3. "Certificate of limited partnership" means the certificate referred to in NRS 88.350, and the certificate as amended or restated, or in the case of a foreign limited partnership, the substantial equivalent of a certificate of limited partnership as required by the law of the jurisdiction in which the limited partnership is formed.
4. "Contribution" means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his or her capacity as a partner.
5. "Control," including the terms "controlling," "controlled by" and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.
6. A "controlled affiliate" of a specified person is another person which, directly or indirectly, is controlled by the person specified.
7. A "controlling affiliate" of a specified person is another person which, directly or indirectly controls the person specified.
8. "Delayed licensing" means an approval granted by the Commission to a limited partner of a limited partnership licensee, enabling the limited partner to receive a share or percentage of revenues derived from the conduct of gaming prior to the limited partner being licensed.

9. “Holding company” means, in addition to the definition set forth in NRS 463.485, a limited partnership that owns or has the power or right to control all or any part of the outstanding securities of a limited partnership that holds or applies for a state gaming license.

10. “Limited partnership” means a partnership formed by two or more persons pursuant to the terms of chapter 88 of NRS, having as members one or more general partners and one or more limited partners.

11. “Own,” “hold” and “have” mean the possession of a record or beneficial interest in a limited partnership.

12. “Partnership agreement” means any valid, written agreement of the partners as to the affairs of a limited partnership and the conduct of its business.

13. “Sale” or “sell” includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security whether or not for value. “Sale” or “sell” includes any exchange of securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding securities.

14. The term “security” means any stock; membership in an incorporated association; partnership interest in any limited or general partnership; bond; debenture or other evidence of indebtedness; investment contract; voting trust certificate; certificate of deposit for a security; or, in general, any interest or instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidence of indebtedness reported under Regulation 8.130 is a security.

(Adopted: 8/88. Amended: 3/91.)

15A.030 Powers of Board and Commission. The Board shall have full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning, restriction, revocation, or delay of any license, registration, approval, or finding of suitability required or permitted by this regulation, or any application therefor, or to recommend other disciplinary action for any cause deemed reasonable by the Board. The Commission shall have full and absolute power and authority, to the extent permitted by law, to grant, deny, condition, restrict, revoke, suspend, or delay any license, registration, approval, or finding of suitability required or permitted under Regulation 15A, or any application therefor, or to take other disciplinary action for any cause deemed reasonable by the Commission.

(Adopted: 8/88.)

15A.040 Burden of proof. The burden of proof with respect to the granting of any approval required or permitted by Regulation 15A is at all times upon the person applying for such approval. Each applicant shall satisfy the Board or the Commission, as the case may be, that the granting of an approval is consistent with the state policies regarding gaming set forth in NRS 463.0129 and 463.563.

(Adopted: 8/88.)

15A.050 Certain affiliates of limited partnership licenses. [Repealed: 12/11.]

15A.060 Prohibition with respect to ownership of limited partnership licensees. Except as otherwise provided, no person shall acquire any equity security issued by a limited partnership licensee or a holding company, become a controlling affiliate of a limited partnership licensee or a holding company, become a holding company of a limited partnership licensee or of a holding company without first obtaining the prior approval of the Commission in accordance with this Regulation and Regulations 4 and 8.

(Adopted: 8/88. Amended: 12/11.)

15A.065 Registration of certain limited partners of limited partnerships.

1. All limited partners with a 5 percent or less ownership interest in a limited partnership licensee must register in that capacity with the Board and affirmatively state in writing that they submit to the Board’s jurisdiction. Such registration must be made on forms prescribed by the Chair. A limited partner who is required to be registered by this section shall apply for registration before the limited partner obtains an ownership interest of 5 percent or less in a limited partnership licensee.

2. If the Commission finds a limited partner unsuitable, denies an application of the limited partner, or revokes an approval of the limited partner, the limited partner and the limited partnership shall comply with NRS 463.567(2) and (3).

3. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00 and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

4. The Chair may require a limited partner who is required to be registered by this section to apply for licensure at any time in the Chair's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the limited partnership at the address on file with the Commission. A limited partner shall apply for licensure as required by the Chair within 40 days of the limited partner's receipt of notice. The notice shall be deemed to have been received by the limited partner 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

5. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

6. If a limited partner of a limited partnership licensee is a holding company and is required to register with the Board under this section, the limited partner is not required to register with the Commission pursuant to NRS 463.585 unless the Chair requires the limited partner to apply for licensure.

7. In enacting this regulation section, the Commission finds that waiver of NRS 463.585 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the Commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waiver does not diminish the Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

8. Upon the Chair requiring a limited partner who is required to be registered by this section to apply for licensure, the limited partner does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Amended: 8/13.)

15A.070 Institutional investor.

1. An institutional investor that intends to become subject to NRS 463.569 and Regulations 15A.060 and 15A.190, or NRS 463.585, as a result of its ownership of an interest in or equity security issued by a limited partnership licensee or a holding company, may apply to the Board and Commission for a waiver of the requirements of NRS 463.170(6), 463.569, 463.585, 463.595 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190 with respect to the ownership of the interest in or equity securities issued by the limited partnership licensee or a holding company if such institutional investor intends to and does hold the interest or equity securities for investment purposes only. An institutional investor shall not be eligible to receive or hold a waiver if the institutional investor will own, directly or indirectly, more than a 15 percent interest in or of the equity securities issued by the limited partnership licensee or a holding company on a fully diluted basis where any such interest or securities are to be acquired other than through a debt restructuring. Limited partnership interests or securities acquired before a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to an institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor's direct or indirect ownership interest in or of the equity securities issued by a limited partnership meets the limitations set forth above.

2. An institutional investor shall not be deemed to hold an interest in or equity security issued by a limited partnership licensee or a holding company, for investment purposes only unless the interest or equity securities will be acquired and held in the ordinary course of business as an institutional investor, is not a general partnership interest, and does not, directly or indirectly, allow the institutional investor to vote for the election or appointment of a general partner(s), cause any change in the partnership agreement, certificate of limited partnership, or other organic document, management, policies or operations of the limited partnership licensee or the holding company, or cause any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding an interest or equity securities for investment purposes only:

(a) Serving as a member of any committee of creditors or security or interest holders in connection with a debt restructuring;

(b) Nominating any candidate for election or appointment to a board of directors or the equivalent in connection with a debt restructuring;

(c) Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and

(d) Such other activities as the Commission may determine to be consistent with such investment intent.

3. An application for a waiver must include:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in section 11 of this regulation.

(b) A certification made under oath and the penalty of perjury, that:

(1) The interest in or equity securities of the limited partnership licensee or the holding company will be acquired and held for investment purposes only as defined in subsection 2 and a statement by the signatory explaining the basis of the signatory's authority to sign the certification and to bind the institutional investor to its terms.

(2) The applicant agrees to be bound by and comply with the Nevada Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Nevada, and to consent to Nevada as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.

(3) The applicant agrees that it shall not grant an option to purchase, or sell, assign, transfer, pledge or make any other disposition of any interest in or equity security issued by the limited partnership licensee or the holding company without the prior approval of the Commission.

(c) A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection 2.

(d) The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of an interest in or equity securities of the limited partnership licensee or the holding company.

(e) The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its rights as a holder of the interest in or equity securities of the limited partnership licensee or the holding company.

(f) The name of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent.

(g) A list of the institutional investor's affiliates.

(h) A list of all regulatory agencies with which the institutional investor or any affiliate that owns any voting or equity securities or any other interest in a company which is licensed or registered with the Nevada Gaming Commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(i) A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, and current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

(j) Any additional information the Board or the Commission may request.

4. The Board and Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection 1, including but not limited to:

(a) Whether the waiver is consistent with the policy set forth in NRS 463.0129, 463.489, and Regulation 15A.310; and

(b) Any views expressed to the Board and Commission by the limited partnership licensee or any affiliate thereof.

5. Any waiver granted pursuant to this section may be limited or conditioned in any respect by the Board or Commission, including, but not limited to, requiring a certification, made under oath and the penalty of perjury, which contains the following:

(a) A statement attesting that the institutional investor holds and/or has held the interest in or equity securities issued by the limited partnership licensee or the holding company for (1) investment purposes only, and (2) in the ordinary course of business as an institutional investor and not for the purpose of (A) causing, directly or indirectly, the appointment of any general partner(s), or (B) effecting any change in the partnership agreement, certificate of limited partnership, other organic document, management, policies or operations of the limited partnership licensee or any of its affiliates.

(b) A statement that the institutional investor has not engaged in any activities inconsistent with the holding of an interest in or equity securities of a limited partnership licensee or the holding company for investment purposes only in accordance with the provisions of section 2 hereof.

(c) The name, title and telephone number of the persons having direct control over the institutional investor's holdings of an interest in or equity securities issued by the limited partnership licensee or the holding company.

(d) A statement of all complaints, arrests, indictments or convictions of any officer or director of the institutional investor regarding the rules and regulations of the Securities and Exchange Commission and any regulatory agency of any State where it conducts business, or any offense which would constitute a gross misdemeanor or felony if committed in the State of Nevada. The name, position, charge, arresting agency, and a brief description of the event must also be included in the statement.

(e) A Statement indicating any change to the structure and/or operation of the institutional investor which could affect its classification as an institutional investor as defined within Regulation 16.010(14).

6. An institutional investor that has been granted a waiver of licensing, registration or finding of suitability as required by NRS 463.170(6), 463.569, 463.585, 463.595 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190 and that subsequently intends not to hold its interest in or equity securities issued by the limited partnership licensee or the holding company for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Chair in writing of the change in its investment intent. The Chair may then take such action under the provisions of NRS 463.170(6), 463.569 and 463.585 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190, or any other provisions of the Gaming Control Act or regulations of the Commission as the Chair deems appropriate.

7. A waiver that has been granted pursuant to this section and NRS 463.489(2) and Regulations 15.489.2-1 and 15A.310 shall subject the institutional investor to requirements similar to those found with

NRS 463.567(1), or Regulation 15A.180, as applicable, in that any purported sale, assignment, transfer, pledge or other disposition of any interest in or equity security issued by the limited partnership licensee or the holding company, or the granting of an option to purchase such an interest or equity security, shall be void unless approved in advance by the Board and Commission.

8. The institutional investor shall be entitled to whatever economic advantage, including, but not limited to, distributions, that may flow from ownership of the interest or equity securities as though it has been licensed, registered or found suitable.

9. If the Chair finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to licensing, registration, finding of suitability or any approval to protect the public interest, the Chair may, in accordance with NRS 463.170(6), 463.569 and 463.585 and Regulations 15.585.7-4, 15.585.7-5, 15A.060 and 15A.190 or any other provision of the Gaming Control Act or regulations of the Commission the Chair deems appropriate, require the institutional investor to apply for licensing, registration or a finding of suitability. The institutional investor affected by the action taken by the Chair may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Commission Chair may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Chair, or remand the matter to the Chair for such further investigation and reconsideration as the Commission may order. While the application for licensure, registration or a finding of suitability or Commission review of the Chair's action requiring the filing of such application is pending, the institutional investor shall not directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the limited partnership licensee or the holding company.

10. The limited partnership licensee or the holding company shall immediately notify the Chair of any information about, fact concerning or actions of, an institutional investor holding any interest in or equity securities of the limited partnership licensee or the holding company, that may materially affect the institutional investor's eligibility to hold a waiver under this section.

11. For purposes of this regulation "institutional investor" shall have the meaning set forth in Regulation 16.010(14) and "debt restructuring" shall have the meaning set forth in Regulation 16.010(8).

(Adopted and Effective: 7/00.)

15A.100 Foreign limited partnership ineligible to hold certain licenses. [Repealed: 12/11.]

15A.110 Required provisions in certificate of limited partnership. The following provisions must be included in the certificate of limited partnership of every limited partnership that receives a state gaming license:

1. The purpose clause shall contain language substantially as follows:

> The character and general nature of the business to be conducted by the partnership is to operate, manage, and conduct gaming in a gaming casino on or within the premises known as----------and located at----------.

2. The certificate shall include language substantially as follows:

> Notwithstanding anything to the contrary expressed or implied in this agreement, the sale, assignment, transfer, pledge, or other disposition of any interest in the partnership is void unless approved in advance by the Commission. If at any time the commission finds that an individual owner of any such interest is unsuitable to hold that interest, the commission shall immediately notify the partnership of that fact. The partnership shall, within ten days from the date that it receives the notice from the commission, return to the unsuitable owner the amount of the unsuitable owner's capital account as reflected on the books of the partnership. Beginning on the date when the commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the partnership, it is unlawful for the unsuitable owner: (a) to receive any share of the profits or distributions of any cash or other property other than a return of capital as required above; (b) to

exercise, directly or through any trustee or nominee, any voting right conferred by such interest; or (c) to receive any remuneration in any form from the partnership, for services rendered or otherwise.

3. The certificate shall include language substantially as follows:

Any limited partner granted delayed licensing that is later found unsuitable by the commission shall return all evidence of any ownership in the limited partnership to the limited partnership, at which time the limited partnership shall refund to the unsuitable limited partner no more than the amount that the unsuitable partner paid for his or her ownership interest, and the unsuitable limited partner shall no longer have any direct or indirect interest in the limited partnership.

(Adopted: 8/88.)

15A.120 Public offerings by limited partnership licensees and holding companies. No limited partnership licensee and no holding company shall make a public offering of securities of a limited partnership licensee of a holding company except as is permitted by, and in accordance with, Regulation 16.

(Adopted: 8/88.)

15A.130 Assignment of interest in a security. Included within the meaning of the term "disposition" as used in NRS 463.567(1) is any transfer, whether or not for value, of any interest in the profits or proceeds realized from the holding or disposition of a security.

(Adopted: 8/88.)

15A.140 Procedure for obtaining approval under NRS 463.567(1) for transfer of securities. The provisions of Regulation 8 shall govern all transfers for which approval is required by NRS 463.567(1).

(Adopted: 8/88.)

15A.150 Persons who may be determined to be unsuitable for purposes of NRS 463.567(2). Without in any manner limiting or restricting the scope of NRS 463.567(2), the following persons may be determined to be unsuitable within the meaning of that section:

1. Any person who, having been notified by the general partners, the Board, or the Commission of the requirement that such persons be licensed as contemplated by NRS 463.569, fails, refuses, or neglects to apply for such licensing within 30 days after being requested to do so by the Board or the Commission.
2. Any record holder of a security issued by a limited partnership licensee or a holding company who fails, refuses, or neglects, upon request of the Board or the Commission, to furnish to the Board or the Commission within 30 days after such request, full, complete, and accurate information as to the owner of any beneficial interest in such security.
3. Any record owner of a security that is beneficially owned, in whole or in part, by a person determined to be unsuitable by the Commission.

(Adopted: 8/88.)

15A.160 Limited partnership non-compliance with NRS 463.569. Whenever the Commission determines that the public interest will be served by requiring any or all of the limited partnership's lenders, holders of evidences of indebtedness, underwriters, key executives and agents, employees or other persons dealing with the limited partnership and having the power to exercise a significant influence over decisions by the limited partnership to be licensed, the Commission shall serve a notice of such determination upon the limited partnership either personally or by certified mail. If the person or entity that is the subject of such determination shall not have, within 30 days following the receipt of such notice, applied for a license as contemplated by NRS 463.569, the limited partnership may be deemed to have failed to require such application as contemplated by NRS 463.569.

(Adopted: 8/88.)

15A.170 Approval by Commission required for all issues or transfers by a holding company of its securities. No holding company shall issue or transfer any security of which it or its controlled affiliate is the issuer without the prior approval of the Commission. As used herein, the terms "issue or transfer" extend to transactions involving any type of ownership referred to in Regulation 15A.010(11).

(Adopted: 8/88.)

15A.180 Commission approval required for dispositions of outstanding securities issued by holding companies. No person other than the issuer shall sell, assign, transfer, pledge or make any other disposition of any security issued by any holding company without the prior approval of the Commission. As used herein, the terms "sale, assignment, transfer, pledge or other disposition" extend to disposition of any type of ownership referred to in Regulation 15A.010(11).

(Adopted: 8/88.)

15A.190 Licensing of general partners and limited partners of limited partnership holding companies.

1. Except as otherwise provided in this section, each general partner of a limited partnership holding company must be licensed. Each limited partner of a limited partnership holding company must be licensed if the limited partner owns more than 5 percent of any licensee owned by the limited partnership holding company, except to the extent delayed licensing is approved by the Commission. For the purposes of this section, "own" means the possession of a record or beneficial interest in any business organization.

2. All limited partners of a limited partnership holding company which own 5 percent or less of any licensee owned by the limited partnership holding company must register in that capacity with the Board and affirmatively state in writing that they submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Chair. A limited partner who is required to be registered by this section shall apply for registration before the limited partner obtains an ownership interest in the limited partnership holding company.

3. A general partner of a limited partnership holding company is not required to be licensed and must register in that capacity with the Board if both of the following apply:

(a) The general partner owns 5 percent or less of each licensee owned by the limited partnership holding company; and

(b) The limited partnership holding company is not, directly or indirectly, a general partner or manager of any licensee and does not control any licensee.

➥ A general partner who is required to be registered by this section shall apply for registration before the general partner obtains an ownership interest in the limited partnership holding company.

4. If the Commission finds a limited partner or general partner unsuitable, denies an application of the limited partner or general partner, or revokes an approval of the limited partner or general partner, the limited partner, general partner, and the limited partnership holding company shall comply with NRS 463.585 (3) and (4) and NRS 463.595(2).

5. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00; and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

6. The Chair may require a limited partner or general partner who is required to be registered by this section to apply for licensure at any time in the Chair's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the limited partnership holding company at the address on file with the Commission. A limited partner or general partner shall apply for licensure as required by the Chair within 40 days of the limited partner or general partner's receipt of notice. The notice shall be deemed to have been received by the limited partner or general partner 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

7. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

8. If a limited partner or general partner of a limited partnership holding company is also a holding company and is required to register with the Board under this section, the limited partner or general partner is not required to register with the Commission pursuant to NRS 463.585 unless the Chair requires the limited partner or general partner to apply for licensure.

9. In enacting this regulation section, the Commission finds that waiver of NRS 463.585 and NRS 463.595 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making these waivers, the Commission finds such waivers are consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waivers are for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waivers do not diminish the Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

10. Upon the Chair requiring a limited partner or general partner who is required to be registered by this section to apply for licensure, the limited partner or general partner does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Adopted: 8/88. Amended: 12/11; 8/13.)

15A.200 Certain payees required to be found suitable, licensed or approved. The Commission may require any person who receives payments from a limited partnership holding company computed on the basis of the earnings or profits of the holding company or on the basis of the receipts from gaming of the subsidiary limited partnership licensee of such holding company to be found suitable, licensed or approved.

(Adopted: 8/88.)

15A.210 Delayed licensing for limited partners. Pursuant to the provisions of NRS 463.563(2) and Regulation 15A, the Commission may waive licensing of limited partners and, in lieu thereof, grant approval of delayed licensing for any limited partner.

(Adopted: 8/88.)

15A.220 Eligibility for delayed licensing.

1. A limited partnership that has filed an application to be registered with the Board pursuant to the provisions of NRS 463.568 or NRS 463.585 may file an application for approval of delayed licensing of its limited partners.

2. Only limited partners whose aggregate effective ownership percentage in the limited partnership is no more than 10 percent will be considered for delayed licensing approval. For purposes of determining aggregate effective ownership percentage, a natural person who is part of a legal entity that is a limited partner shall be deemed to have the percentage ownership interest held by the legal entity.

3. A general partner is not eligible for delayed licensing.

4. A limited partnership seeking delayed licensing of its limited partners shall apply for a ruling from the Commission, upon recommendation of the Board, that it is eligible for delayed licensing of its limited partners. Such application may be made at the same time that the limited partnership applies for a state gaming license or registers with the Board, and must include the information from limited partners required by Regulation 15A.240.

(Adopted: 8/88. Amended: 3/91.)

15A.225 Application for delayed licensing by individual limited partners. Once a limited partnership has been found eligible for delayed licensing pursuant to Regulation 15A.220, each limited partner seeking delayed licensing shall file an application for delayed licensing pursuant to Regulation 15A.230. A limited partner may file an application for delayed licensing prior to the Commission's ruling on the eligibility of the limited partnership, but the application will not be considered by the Board and Commission until the Commission rules that the limited partnership is eligible for delayed licensing.

(Adopted: 8/88.)

15A.230 Procedure for consideration of application for delayed licensing. Any application for delayed licensing, whether by the limited partnership pursuant to Regulation 15A.220, or by an individual limited partner pursuant to Regulation 15A.225, shall be made to the Board on forms furnished by the Board and in accordance with these regulations. The Board shall investigate the applicant and make a recommendation to the Commission pursuant to section 463.210 of the Nevada Revised Statutes and the Commission shall act upon the application pursuant to section 463.220 of the Nevada Revised Statutes.

(Adopted: 8/88.)

15A.240 Information to be provided by applicant for delayed licensing. In addition to filing a completed personal history record and personal financial questionnaire, along with all required releases and fingerprint cards, each limited partner applying for approval of delayed licensing shall provide the following information:

1. A listing of any other business interest between the applicant and a general partner existing prior to, at the time of, or after the formation of the limited partnership.

2. Whether the applicant has a familial relationship, either by blood, marriage or adoption, with a general partner.

3. A certification that the applicant does not have and will not have a material relationship to, or material involvement with, a general partner of the limited partnership with respect to gaming operations of the limited partnership. A person may be deemed to have a material relationship to, or material involvement with, a general partner if the person is a shareholder, controlling person or key employee of a legal entity that is a general partner, or if the person, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of such general partner.

(Adopted: 8/88.)

15A.250 Effect of the Commission's ruling on a limited partnership's application for delayed licensing. If the Commission rules that a limited partnership is eligible for delayed licensing of its limited partners, the Commission shall direct the Board, based upon such investigation as the Board deems appropriate, to recommend to the Commission which of the limited partners who have applied for delayed licensing, if any, should be granted delayed licensing.

(Adopted: 8/88.)

15A.260 Standards. The Board and Commission shall consider all relevant material facts in determining whether to grant an approval of delayed licensing to a limited partnership, and thereafter to a

limited partner, as permitted by NRS 463.563(2) and Regulation 15A. The Board and Commission may further consider the effects of the action or approval requested by the applicant, the benefits to the State of Nevada, and whether other facts are deemed relevant, including, but not limited to, the following:

1. Whether the applicant, either individually or in conjunction with other limited partners, has any direct or indirect control or significant influence over a general partner, or over the management of the limited partnership's business or gaming operations, or the ability to acquire such control. The limited partnership agreement will be scrutinized to determine if it has clear and specific provisions covering the following:

(a) Restricting the priority rights with respect to income, losses, or other distributions, whether during the term of the limited partnership or upon its dissolution, of limited partners seeking delayed licensing;

(b) Vesting the general partner(s) with the sole and exclusive right to manage and control the limited partnership's business;

(c) Defining the scope of the general partner's (or partners') authority and any limitations thereon;

(d) Restricting the right of the limited partners to remove or elect general partners, except to the extent necessary to elect a general partner upon the retirement, death, or disability of a general partner who is a natural person; and

(e) Whether any additional assessment or capital contribution can be required of the limited partners.

2. Whether the applicant has, or has had, a material relationship with a general partner. Applicants who have a familial relationship, either by blood, marriage or adoption, to a general partner may be deemed to have such a material relationship.

3. The commonality of other business interests between a general partner and any limited partners prior to, or existing at, formation of the limited partnership.

4. Whether the applicant had a key role in forming the limited partnership.

5. The relative level of risk for each general partner.

6. The business probity of each general partner, in gaming or otherwise.

7. The presence or absence of restrictions on the limited partners.

8. Whether a substantial portion of the assets of the limited partnership were owned by only one or more limited partners prior to formation of the limited partnership.

9. Whether substantial portion of the depreciable assets involved in the proposed gaming operation will be owned by the limited partnership.

10. The number of persons and entities involved in the limited partnership. The Commission will not ordinarily grant delayed licensing status to a limited partnership with fewer than 25 limited partners.

11. The various percentage ownership interests in the limited partnership.

12. Whether any limited partner has obligated his or her personal assets as a guarantee for the limited partnership or made any loans to the limited partnership in any manner whatsoever.

13. The terms of any agreement that provides for a buyout of a limited partner's interest in the event that a limited partner is found unsuitable for licensing.

14. The presence or absence of any tax benefits to the limited partner.

(Adopted: 8/88.)

15A.270 Post-approval monitoring after approval of delayed licensing. The partnership agreement of a limited partnership that seeks delayed licensing must contain language to the effect that the licensing of any limited partner granted delayed licensing may be activated at any time pursuant to this regulation. The granting of delayed licensing to a limited partner by the Commission shall be a revocable approval. The Board and Commission shall not relinquish jurisdiction. Any limited partner receiving approval for delayed licensing from the Commission has no legal vested right or privilege inherent in that approval, nor shall the limited partners that have been granted delayed licensing accrue any privilege from the licensing of the limited partnership.

(Adopted: 8/88.)

15A.280 Powers of the Board and Commission after delayed licensing approval. Pursuant to the provisions of NRS 463.110(4), 463.140, 463.1405, 463.143, and 463.563(2), Board and Commission may exercise, without limitation, any of the following powers:

1. After the granting of delayed licensing to a limited partner, the Board may at any time recommend to the Commission that the Commission activate the licensing process for any limited partner granted delayed licensing if it determines that:

(a) A limited partner has thereafter developed a material relationship with or to a general partner;

(b) A limited partner, individually or in conjunction with other limited partners, has acquired the ability to exercise significant control or influence over the management of the limited partnership's gaming operations or business affairs;

(c) A limited partner, individually or in conjunction with other limited partners, has exercised, for any reason, significant control or influence over the management of the limited partnership's gaming operations, either directly or indirectly, even if such control is contemplated or authorized by the partnership agreement;

(d) There is reason to believe that a limited partner cannot demonstrate his or her suitability pursuant to the provisions of NRS 463.170;

(e) The aggregate effective ownership percentage held by a limited partnership granted delayed licensing has increased to more than 10 percent; or

(f) Any other cause it deems reasonable.

2. The Commission after considering the recommendation of the Board, may activate the licensing process for any limited partner granted delayed licensing at any time.

3. The Commission may delegate to the Board the authority to activate, without Commission approval, the licensing process for any particular limited partner granted delayed licensing.

4. The Chair may issue an order requiring escrow of the funds, profits, or other monies due any limited partner granted delayed licensing from the licensed limited partnership for any cause deemed reasonable. Any such escrow ordered by the Chair automatically terminates at the conclusion of the next regular Board meeting unless:

(a) The Board recommends that the Commission activate the licensing process for the limited partner that is the subject of the order;

(b) The Board continues discussion of whether it should recommend that the licensing process be activated to a future meeting at the request of the limited partner that is the subject of the order; or

(c) The Board activates the licensing process pursuant to a delegation of authority from the Commission under section 2 of Regulation 15A.280.

5. Any escrow ordered by the Chair pursuant to subsection 4 automatically terminates if the Commission decides not to activate the licensing process for the limited partner that is the subject of the order or if the Commission licenses the limited partner.

(Adopted: 8/88.)

15A.290 Nontransferability of delayed licensing approval. Delayed licensing approval shall be personal to the limited partnership or limited partner granted delayed licensing. A limited partnership interest that is held under delayed licensing may not be transferred, assigned, encumbered or hypothecated in any manner without the prior approval of the Commission, upon recommendation of the Board.

(Adopted: 8/88.)

15A.300 Exclusion of public limited partnerships. Regulation 15A shall not apply to the limited partnership interest or securities of, nor other interest in, any limited partnership holding company that has been permitted to comply with NRS 463.635 to NRS 463.641, inclusive, nor to its general partners, limited partners, agents, employees, underwriters, lenders, and other holders of evidence of indebtedness, as such.

(Adopted: 8/88.)

15A.310 Waiver of requirement of regulation. The Commission may waive one or more requirements of Regulation 15A if it makes a written finding that such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.563.

(Adopted: 8/88.)

End – Regulation 15A

REGULATION 15B

LIMITED-LIABILITY COMPANY LICENSEES

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15B.010 Definitions. As used in Regulation 15B:

1. "Articles of organization" means the articles of organization filed with the secretary of state for the purpose of forming a limited-liability company pursuant to chapter 86 of the Nevada Revised Statutes.

2. "Capital account" as reflected on the books of the limited-liability company shall mean the member's initial and any subsequent contributions to the limited-liability company; as increased by the member's pro rata share of net income of the limited-liability company; and decreased by the member's pro rata share of net losses incurred by the limited-liability company, as well as any draws or distributions to a member of any kind or nature.

3. Unless otherwise specified, "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

4. "Contribution" means anything of value which a person contributes to the limited-liability company as a prerequisite for or in connection with membership, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.

5. "Control," including the term "controlling," "controlled by" and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

6. A "controlled affiliate" of a specified person is another person which, directly or indirectly, is controlled by the person specified.

7. A "controlling affiliate" of a specified person is another person which, directly or indirectly, controls the person specified.

8. "Delayed licensing" means the approval granted by the Commission to a member of a limited-liability company licensee, enabling the member to receive a share or percentage of revenues derived from the conduct of gaming prior to the member being licensed.

9. “Holding company” means, in addition to the definition set forth in NRS 463.485, a limited-liability company that owns or has the power or right to control all or any part of the outstanding interests of a limited-liability company that holds or applies for a state gaming license.

10. “Interest in a limited-liability company” means a member’s share of the profits and losses of a limited-liability company and the right to receive distributions of the company’s assets. The definition provided within this subsection is not intended to be a definition of “Interest” for use in this or any regulation or statute.

11. “Limited-liability company” means a limited-liability company organized and existing pursuant to the terms of chapter 86 of the Nevada Revised Statutes.

12. “Manager” means a person elected by the members of a limited-liability company to manage the company pursuant to NRS 86.291.

13. “Member” means a person who owns an interest in a limited-liability company.

14. “Member’s interest” means a member’s share of the profits and losses of a limited-liability company and the right to receive distributions of the limited-liability company’s assets. The definition provided within this subsection is not intended to be a definition of “Interest” for use in this or any regulation or statute.

15. “Operating agreement” means any valid written agreement of the members as to the affairs of a limited-liability company and the conduct of its business.

16. “Own,” “hold” and “have” mean the possession of a record or beneficial interest in a limited-liability company.

17. “Sale” or “sell” includes every contract of sale or, contract to sell, or disposition of, a security or interest in a security whether or not for value. “Sale” or “sell” includes any exchange of an interest or securities and any material change in the rights, preferences, privileges or restrictions of or on outstanding interest or securities.

18. The term “security” means any stock; membership in an incorporated association; partnership interest in any limited or general partnership; interest in any limited-liability company; bond; debenture or other evidence of indebtedness; investment contract; voting trust certificate; certificate of deposit for a security; or, in general, any interest or instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing. All of the foregoing are securities whether or not evidence of indebtedness reported under Regulation 8.130 is a security.

(Adopted: 5/94.)

15B.030 Powers of Board and Commission. The Board shall have full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning, restriction, revocation, or delay of any license, registration, approval, or finding of suitability required or permitted by this regulation, or any application therefor, or to recommend other disciplinary action for any cause deemed reasonable by the Board. The Commission shall have full and absolute power and authority, to the extent permitted by law, to grant, deny, condition, restrict, revoke, suspend, or delay any license, registration, approval, or finding of suitability required or permitted under Regulation 15B, or any application therefor, or to take other disciplinary action for any cause deemed reasonable by the Commission.

(Adopted: 5/94.)

15B.040 Burden of proof. The burden of proof with respect to the granting of any approval required or permitted by Regulation 15B is at all times upon the person applying for such approval. Each applicant shall satisfy the Board or the Commission, as the case may be, that the granting of an approval is consistent with the state policies regarding gaming set forth in NRS 463.0129 and 463.573.

(Adopted: 5/94.)

15B.050 Certain affiliates of limited-liability company licensees. [Repealed: 12/11.]

15B.060 Ownership of limited-liability company licensees. Except as otherwise provided by law, no person shall acquire any interest in or equity security issued by a limited-liability company licensee or a holding company, become a controlling affiliate of a limited-liability company licensee or a holding company, become a holding company of a limited-liability licensee or of a holding company without first obtaining the prior approval of the Commission in accordance with this Regulation and Regulations 4 and 8.

(Adopted: 5/94. Amended: 12/11)

15B.065 Registration of certain members of limited-liability companies.

1. All members with a 5 percent or less ownership interest in a limited-liability company licensee must register in that capacity with the Board and affirmatively state in writing that they submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Chair. A member who is required to be registered by this section shall apply for registration before the member obtains an ownership interest of 5 percent or less in a limited-liability company licensee.

2. If the Commission finds a member unsuitable, denies an application of the member, or revokes an approval of the member, the member and the limited-liability company shall comply with NRS 463.5733 (2) and (3).

3. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00; and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

4. The Chair may require a member who is required to be registered by this section to apply for licensure at any time in the Chair's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the limited-liability company at the address on file with the Commission. A member shall apply for licensure as required by the Chair within 40 days of the member's receipt of notice. The notice shall be deemed to have been received by the member 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

5. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

6. If a member of a limited-liability company licensee is a holding company and is required to register with the Board under this section, the member is not required to register with the Commission pursuant to NRS 463.585 unless the Chair requires the member to apply for licensure.

7. In enacting this regulation section, the Commission finds that waiver of NRS 463.585 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making this waiver, the Commission finds such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waiver is for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waiver does not diminish the

Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

8. Upon the Chair requiring a member who is required to be registered by this section to apply for licensure, the member does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Adopted: 12/11. Amended: 8/13.)

15B.070 Institutional investor.

1. An institutional investor that intends to become subject to NRS 463.5735 and Regulations 15B.060 and 15B.190, or NRS 463.585, as a result of its ownership of an interest in or equity security issued by a limited liability company licensee or a holding company, may apply to the Board and Commission for a waiver of the requirements of NRS 463.5735, 463.585, 463.595 and Regulations 15.585.7-4, 15.585.7-5, 15B.060 and 15B.190 with respect to the ownership of the interest in or equity securities issued by the limited liability company licensee or a holding company if such institutional investor intends to and does hold the interest or equity securities for investment purposes only. An institutional investor shall not be eligible to receive or hold a waiver if the institutional investor will own, directly or indirectly, more than a 15 percent interest in or of the equity securities issued by the limited liability company licensee or a holding company on a fully diluted basis where any such interest or securities are to be acquired other than through a debt restructuring. Limited liability company interests or securities acquired before a debt restructuring and retained after a debt restructuring or as a result of an exchange or conversion, after a debt restructuring, of any securities issued to an institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor's direct or indirect ownership interest in or of the equity securities issued by a limited liability company meets the limitations set forth above.

2. An institutional investor shall not be deemed to hold an interest in or equity security issued by a limited liability company licensee or a holding company, for investment purposes only unless the interest or equity securities were acquired and are held in the ordinary course of business as an institutional investor, does not give the institutional investor management authority, and does not, directly or indirectly, allow the institutional investor to vote for the appointment of a manager, cause any change in the articles of organization, operating agreement, other organic document, management, polices or operations of the limited liability company licensee or the holding company, or cause any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding an interest or equity securities for investment purposes only:

(a) Serving as a member of any committee of creditors or security or interest holders in connection with a debt restructuring;

(b) Nominating any candidate for election or appointment to a board of directors or the equivalent in connection with a debt restructuring;

(c) Making financial and other inquires of management of the type normally made by securities analyst for informational purposes and not to cause a change in its management, policies or operations; and

(d) Such other activities as the Commission may determine to be consistent with such investment intent.

3. An application for a waiver must include:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in section 11 of this regulation.

(b) A certification made under oath and the penalty of perjury, that:

(1) The interest in or equity securities of the limited liability company licensee or the holding company will be acquired and held for investment purposes only as defined in subsection 2 and a statement by the signatory explaining the basis of the signatory's authority to sign the certification and to bind the institutional investor to its terms.

(2) The applicant agrees to be bound by and comply with the Nevada Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Nevada, and to consent to Nevada as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.

(3) The applicant agrees that it shall not grant an option to purchase, or sell, assign, transfer, pledge or make any other disposition of any interest in or equity security issued by the limited liability company licensee or the holding company without the prior approval of the Commission.

(c) A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection 2.

(d) The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of an interest in or equity securities of the limited liability company licensee or the holding company.

(e) The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its rights as a holder of the interest in or equity securities of the limited liability company licensee or the holding company.

(f) The name of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent.

(g) A list of the institutional investor's affiliates.

(h) A list of all regulatory agencies with which the institutional investor or any affiliate that owns any voting or equity securities or any other interest in a company which is licensed or registered with the Nevada Gaming Commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(i) A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, and current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

(j) Any additional information the Board or the Commission may request.

4. The Board and Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection 1, including but not limited to:

(a) Whether the waiver is consistent with the policy set forth in NRS 463.0129, 463.489, and Regulation 15B.310; and

(b) Any views expressed to the Board and Commission by the limited liability company licensee or affiliate thereof.

5. Any waiver granted pursuant to this section may be limited or conditioned in any respect by the Board or Commission, including, but not limited to, requiring a certification, made under oath and the penalty of perjury, which contains the following:

(a) A statement attesting that the institutional investor holds and/or has held the interest in or equity securities issued by the limited liability company licensee or the holding company for (1) investment purposes only, and (2) in the ordinary course of business as an institutional investor and not for the purpose of (A) causing, directly or indirectly, the appointment of any manager(s), or (B) effecting any change in the articles of organization, operating agreement, other organic document, management, policies or operations of the limited liability company licensee or any of its affiliates.

(b) A statement that the institutional investor has not engaged in any activities inconsistent with the holding of an interest in or equity securities of a limited liability company licensee for investment purposes only in accordance with the provisions of section 2 hereof.

(c) The name, title and telephone number of the persons having direct control over the institutional investor's holdings of an interest in or equity securities issued by the limited liability company licensee or the holding company.

(d) A statement of all complaints, arrests, indictments or convictions of any officer or director of the institutional investor regarding the rules and regulations of the Securities and Exchange Commission and any regulatory agency of any State where it conducts business, or any offense which would constitute a gross misdemeanor or felony if committed in the State of Nevada. The name, position, charge, arresting agency, and a brief description of the event must also be included in the statement.

(e) A statement indicating any change to the structure and/or operation of the institutional investor which could affect its classification as an institutional investor as defined within Regulation 16.010(14).

6. An institutional investor that has been granted a waiver of licensing, registration or finding of suitability as required by NRS 463.5735, 463.585, 463.595 and Regulations 15.585.7-4, 15.585.7-5,

15B.060 and 15B.190 and that subsequently intends not to hold its interest in or equity securities issued by the limited liability company licensee or the holding company for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Chair in writing of the change in its investment intent. The Chair may then take such action under the provisions of NRS 463.5735 and 463.585 and Regulations 15.585.7-4, 15.585.7-5, 15B.060 and 15B.190, or any other provision of the Gaming Control Act or regulations of the Commission as the Chair deems appropriate.

7. A waiver that has been granted pursuant to this section and NRS 463.489(2) and Regulations 15.489.2-1 and 15B.310 shall subject the institutional investor to requirements similar to those found within NRS 463.5733(1), or Regulation 15B.180, as applicable, in that any purported sale, assignment, transfer, pledge or other disposition of any interest in or equity security issued by the limited liability company licensee or the holding company, or the granting of an option to purchase such an interest or equity security, shall be void unless approved in advance by the Board and Commission.

8. The institutional investor shall be entitled to whatever economic advantage, including, but not limited to, distributions of profits, that may flow from ownership of the interest or equity securities as though it has been licensed, registered or found suitable.

9. If the Chair finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to licensing, registration, finding of suitability or any approval to protect the public interest, the Chair may, in accordance with, NRS 463.5735 and 463.585 and Regulations 15.585.7-4, 15.585.7-5, 15B.060 and 15B.190 or any other provision of the Gaming Control Act or regulations of the Commission the Chair deems appropriate, require the institutional investor to apply for licensing, registration or a finding of suitability. The institutional investor affected by the action taken by the Chair may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Commission Chair may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Chair, or remand the matter to the Chair for such further investigation and reconsideration as the Commission may order. While the application for licensure, registration or a finding of suitability or Commission review of the Chair's action requiring the filing of such application is pending, the institutional investor shall not directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the limited liability company licensee or the holding company.

10. The limited liability company licensee or the holding company shall immediately notify the Chair of any information about, fact concerning or actions of, an institutional investor holding any interest in or equity securities of the limited liability company licensee or the holding company, that may materially affect the institutional investor's eligibility to hold a waiver under this section.

11. For purposes of this regulation "institutional investor" shall have the meaning set forth in Regulation 16.010(14) and "debt restructuring" shall have the meaning set forth in Regulation 16.010(8).

(Adopted and Effective: 7/00.)

15B.100 Foreign limited-liability company ineligible to hold certain licenses. [Repealed: 12/11.]

15B.110 Required provisions in articles of organization. The following provisions must be included in the articles of organization of every limited-liability company that receives a state gaming license:

1. The purpose clause shall contain language substantially as follows:

   The character and general nature of the business to be conducted by the limited-liability company is to operate, manage, and conduct gaming in a gaming casino on or within the premises known as----------and located at----------.

2. The articles of organization shall include language substantially as follows:

   Notwithstanding anything to the contrary expressed or implied in these articles, the sale, assignment, transfer, pledge or other disposition of any interest in the limited-liability

company is ineffective unless approved in advance by the commission. If at any time the commission finds that a member which owns any such interest is unsuitable to hold that interest, the commission shall immediately notify the limited-liability company of that fact. The limited-liability company shall, within 10 days from the date that it receives the notice from the commission, return to the unsuitable member the amount of the unsuitable member's capital account as reflected on the books of the limited-liability company. Beginning on the date when the commission serves notice of a determination of unsuitability, pursuant to the preceding sentence, upon the limited-liability company, it is unlawful for the unsuitable member: (a) To receive any share of the distribution of profits or cash or any other property of, or payments upon dissolution of, the limited-liability company, other than a return of capital as required above; (b) To exercise directly or through a trustee or nominee, any voting right conferred by such interest; (c) To participate in the management of the business and affairs of the limited-liability company; or (d) To receive any remuneration in any form from the limited-liability company, for services rendered or otherwise.

3. The articles of organization shall include language substantially as follows:

Any member that is found unsuitable by the commission shall return all evidence of any ownership in the limited-liability company to the limited-liability company, at which time the limited-liability company shall within 10 days, after the limited-liability company receives notice from the commission, return to the member in cash, the amount of the member's capital account as reflected on the books of the limited-liability company, and the unsuitable member shall no longer have any direct or indirect interest in the limited-liability company.

(Adopted: 5/94.)

15B.120 Public offerings by limited-liability company licensees and holding companies. No limited-liability company licensee and no holding company shall make a public offering of interests or securities of a limited-liability company licensee or of a holding company except as is permitted by, and in accordance with, Regulation 16.
(Adopted: 5/94.)

15B.130 Assignment of interest in a security. Included within the meaning of the term "disposition" as used in NRS 463.5733(1) is any transfer, whether or not for value, of any interest in the profits or proceeds realized from the holding or disposition of a security.
(Adopted: 5/94.)

15B.140 Procedure for obtaining approval under NRS 463.5733 for transfer of interests. The provisions of Regulation 8 shall govern all transfers for which approval is required by NRS 463.5733(1).
(Adopted: 5/94.)

15B.150 Persons who may be determined to be unsuitable for purposes of NRS 463.5733(2). Without in any manner limiting or restricting the scope of NRS 463.5733(2) the following persons may be determined to be unsuitable within the meaning of that section:

1. Any person who, having been notified by the limited-liability company, the Board, or the Commission of the requirement that such person be licensed as contemplated by NRS 463.5735, fails, refuses, or neglects to apply for such licensing within 30 days after being requested to do so by the Board or the Commission.
2. Any record holder of an interest in a limited-liability company or security issued by a limited-liability company licensee or a holding company who fails, refuses, or neglects, upon request of the Board or the Commission, to furnish to the Board or the Commission within 30 days after such request, full, complete and accurate information as to the beneficial owner of any interest or security in a limited-liability company.
3. Any record owner of an interest in a limited-liability company or security that is beneficially owned, in whole or in part, by person determined to be unsuitable by the Commission.

(Adopted: 5/94.)

15B.160 Limited-liability company non-compliance with NRS 463.5735. Whenever the Commission determines that the public interest will be served by requiring any or all of the limited-liability company's lenders, holders of evidences of indebtedness, underwriters, key executives and agents, employees or other persons dealing with the limited-liability company and having the power to exercise a significant influence over decisions by the limited-liability company to be licensed, the Commission shall serve a notice of such determination upon the limited-liability company either personally or by certified mail. If the person or entity that is the subject of such determination shall not have, within 30 days following receipt of such notice, applied for a license as contemplated by NRS 463.5735 the limited-liability company may be deemed to have failed to require such application as contemplated by NRS 463.5735.

(Adopted: 5/94.)

15B.170 Approval by Commission required for all issues or transfers by a holding company of its securities. No holding company shall issue or transfer any security or member's interest of which it or its controlled affiliate is the issuer without the prior approval of the Commission. As used herein, the terms "issue or transfer" extend to transactions involving any type of ownership referred to in Regulation 15B.010(17).

(Adopted: 5/94)

15B.180 Commission approval required for dispositions of outstanding securities issued by holding companies. No person other than the issuer shall sell, assign, transfer, pledge or make any other disposition of any interest in or security issued by any holding company without prior approval of the Commission. As used herein, the terms "sale, assignment, transfer, pledge or other disposition" extend to dispositions of any type of ownership referred to in Regulation 15B.010(17).

(Adopted: 5/94.)

15B.190 Licensing of managers and members of limited-liability company holding companies.

1. Except as otherwise provided in this section, each manager of a limited-liability company holding company must be licensed. Each member of a limited-liability company holding company must be licensed if the member owns more than 5 percent of any licensee owned by the limited-liability company holding company, except to the extent delayed licensing is approved by the Commission. For the purposes of this section, "own" means the possession of a record or beneficial interest in any business organization.

2. All members which own 5 percent or less of any licensee owned by the limited-liability company holding company must register in that capacity with the Board and affirmatively state in writing that they submit to the Board's jurisdiction. Such registration must be made on forms prescribed by the Chair. A member who is required to be registered by this section shall apply for registration before the member obtains an ownership interest in the limited-liability company holding company.

3. A manager of a limited-liability company holding company is not required to be licensed and must register in that capacity with the Board if the limited-liability company holding company is not, directly or indirectly, a general partner or manager of any licensee and does not control any licensee. A manager who is required to be registered by this section shall apply for registration within 30 days after the manager assumes office.

4. If the Commission finds a member or manager unsuitable, denies an application of the member or manager, or revokes an approval of the member or manager, the member, manager, and the limited-liability company holding company shall comply with NRS 463.585 (3) and (4) and NRS 463.595(2).

5. An application for registration with the Board shall:

(a) Include a completed application for registration form as prescribed by the Chair;

(b) Include fully executed waivers and authorizations as determined necessary by the Chair to investigate the registrant;

(c) Include an affirmative statement that the registrant submits to the jurisdiction of the Board;

(d) Include an affirmative statement that the registrant has no intent to exercise control over the licensee other than to vote the registrant's shares in the ordinary course;

(e) Include the fingerprints of the registrant for purposes of investigating the registrant's criminal history. Such fingerprints shall be provided in a form and manner acceptable to the Board. The Chair, in the Chair's sole and absolute discretion, may waive this requirement upon a written request which specifically sets out the reasons for the request for waiver;

(f) Be accompanied by a fee to cover registration investigation costs as follows:

(1) For registrations related to 2 or fewer restricted licenses, an investigative fee in the amount of $550.00; and

(2) For all other registrations, an investigative fee in the amount of $2,500.00.

➥ This fee does not include the application fee or investigation costs should the Chair require the registrant to apply for licensure; and

(g) Include such other information as the Chair may require.

6. The Chair may require a member or manager who is required to be registered by this section to apply for licensure at any time in the Chair's discretion by sending notice through the United States Postal Service to the registrant at the address on the registrant's registration on file with the Board and to the limited-liability company holding company at the address on file with the Commission. A member or manager shall apply for licensure as required by the Chair within 40 days of the member or manager's receipt of notice. The notice shall be deemed to have been received by the member or manager 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

7. Upon receipt of a completed application for registration with the Board, the application shall be placed on an agenda for consideration by the Board not later than the first regular monthly Board agenda following the expiration of 120 days after the Board receives the completed application for registration with the Board.

(a) At the meeting in which the Board considers the application, it shall register the person with the Board, decline to register the person with the Board, or refer the application back to staff. At the meeting in which the Board considers the application, it may also recommend the Chair require the person required to be registered by this section to apply for licensure. If the Board declines to register a person pursuant to this subsection, such action in so declining to register a person with the Board shall not be considered a denial under the act.

(b) A person who has the person's application for registration with the Board declined or referred back to staff may file an application for licensure even if not required to do so by the Chair.

8. If a member or manager of a limited-liability company holding company is also a holding company and is required to register with the Board under this section, the member or manager is not required to register with the Commission pursuant to NRS 463.585 unless the Chair requires the member or manager to apply for licensure.

9. In enacting this regulation section, the Commission finds that waiver of NRS 463.585 and NRS 463.595 pursuant to NRS 463.489 is appropriate to the extent required by this section. In making these waivers, the Commission finds such waivers are consistent with the state policy set forth in NRS 463.0129 and NRS 463.489 because such waivers are for purposes including but not limited to fostering the growth of the gaming industry which is vitally important to the economy of the State and the general welfare of its inhabitants and broadening the opportunity for investment in gaming. The Commission further finds such waivers do not diminish the Board's and Commission's roles in strictly regulating gaming and effectively controlling the conduct of gaming by business organizations because the Board and Commission still require, at a minimum, registration with the Board of all persons involved with gaming and may call such persons subject to registration with the Board forward for licensure, registration with the Commission, or findings of suitability.

10. Upon the Chair requiring a member or manager who is required to be registered by this section to apply for licensure, the member or manager does not have any right to the granting of the application. Any license hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Adopted: 5/94. Amended: 12/11; 8/13.)

15B.200 Certain payees required to be found suitable, licensed or approved. The Commission may require any person who receives payments from a limited-liability company holding company computed on the basis of earnings or profits of the holding company or on the basis of receipts from gaming of the subsidiary limited-liability company licensee of such holding company to be found suitable, licensed or approved.

(Adopted: 5/94.)

15B.210 Delayed licensing for members. Pursuant to the provisions of NRS 463.573(2) and Regulation 15B, the Commission may waive licensing of members and, in lieu thereof, grant approval of delayed licensing for any member.

(Adopted: 5/94.)

15B.220 Eligibility for delayed licensing.

1. A limited-liability company that has filed an application to be registered with the Board pursuant to NRS 463.5734 or NRS 463.585 may file an application for approval of delayed licensing of its members.

2. Only members whose aggregate effective ownership percentage in the limited-liability company is no more than 10 percent will be considered for delayed licensing approval. For purposes of determining aggregate effective ownership percentage, a natural person who is part of a legal entity that is a member shall be deemed to have the percentage ownership interest held by the legal entity.

3. Neither a member having management authority or responsibility nor a manager is eligible for delayed licensing.

4. A limited-liability company seeking delayed licensing of its members shall apply for a ruling from the Commission, upon recommendation from the Board, that it is eligible for delayed licensing of its members. Such application may be made at the same time that the limited-liability company applies for state gaming license or registers with the Board, and must include the information from members required by Regulation 15B.240.

(Adopted: 5/94.)

15B.225 Application for delayed licensing by individual members. Once a limited-liability company has been held eligible for delayed licensing pursuant to Regulation 15B.220, each member seeking delayed licensing shall file an application for delayed licensing pursuant to Regulation 15B.230. A member may file an application for delayed licensing prior to the Commission's ruling on the eligibility of the limited-liability company, but the application will not be considered by the Board and Commission until the Commission rules that the limited-liability company is eligible for delayed licensing.

(Adopted: 5/94.)

15B.230 Procedure for consideration of application for delayed licensing. Any application for delayed licensing, whether by the limited-liability company pursuant to Regulation 15B.220, or by any individual member pursuant to Regulation 15B.225, shall be made to the Board on forms furnished by the Board and in accordance with these regulations. The Board shall investigate the applicant and make a recommendation to the Commission pursuant to NRS 463.210 and the Commission shall act upon the application pursuant to NRS 463.220.

(Adopted: 5/94.)

15B.240 Information to be provided by applicant for delayed licensing. In addition to filing a completed personal history record and personal financial questionnaire, along with all required releases and fingerprint cards, each member applying for approval of delayed licensing shall provide the following information:

1. A listing of any other business interest between the applicant and a manager existing prior to, at the time of, or after the formation of the limited-liability company.

2. Whether the applicant has a familial relationship, either by blood, marriage or adoption, with a manager of the limited-liability company.

3. A certification that the applicant does not have and will not have a material relationship to, or a material involvement with, a manager of the limited-liability company with respect to the gaming operations of the limited-liability company. A person may be deemed to have a material relationship to, or a material involvement with, a manager if the person is a stockholder, controlling person or key employee of a legal entity that is a manager, or if the person, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of such manager.

(Adopted: 5/94.)

15B.250 Effect of the Commission's ruling on a limited-liability company's application for delayed licensing. If the Commission rules that a limited-liability company is eligible for delayed licensing of its members, the Commission shall direct the Board, based upon such investigation as the Board deems

appropriate, to recommend to the Commission which of the members who have applied for delayed licensing, if any, should be granted delayed licensing.

(Adopted: 5/94.)

15B.260 Standards. The Board and Commission shall consider all relevant material facts in determining whether to grant an approval of delayed licensing to a limited-liability company, and thereafter to a member, as permitted by NRS 463.573(2) and Regulation 15B. The Board and Commission may consider the effects of the action or approval requested by the applicant, the benefits to the State of Nevada, and whatever other facts are deemed relevant, including, but not limited to, the following:

1. Whether the applicant, either individually or in conjunction with other members, has any direct or indirect control or significant influence over a manager or over the management of the limited-liability company's business or gaming operations, or the ability to acquire such control. The limited-liability company's operating agreement will be scrutinized to determine if it has clear and specific provisions covering the following:

(a) Restricting the priority rights with respect to income, losses, or other distributions, whether during the term of the limited-liability company or upon its dissolution, of members seeking delayed licensing;

(b) Vesting the managers or the members with the sole and exclusive right to manage and control the limited-liability company's business;

(c) Defining the scope of the manager's authority and any limitations thereon;

(d) Restricting the right of members to remove or elect managers, except to the extent necessary to elect a manager pursuant to NRS 86.291 or upon the retirement, death or disability of a manager who is a natural person; and

(e) Whether any additional assessment or capital contribution can be required of the members.

2. Whether the applicant has, or has had, a material relationship with a manager. Applicants who have a familial relationship, either by blood, marriage or adoption, to a manager, may be deemed to have such a material relationship.

3. The communality of other business interests between a manager and any member prior to, or existing at, formation of the limited-liability company.

4. Whether the applicant had a key role in forming the limited-liability company.

5. The relative level of risk for each manager.

6. The business probity of each manager, in gaming or otherwise.

7. The presence or absence of restrictions on the members.

8. Whether a substantial portion of the assets of the limited-liability company were owned by only one or more members prior to formation of the limited-liability company.

9. Whether substantial proportion of the depreciable assets involved in the proposed gaming operation will be owned by the limited-liability company.

10. The number of persons and entities involved in the limited-liability company. The Commission will not ordinarily grant delayed licensing status to a limited-liability company with fewer than 25 members.

11. The various percentage ownership interests in the limited-liability company.

12. Whether any member has obligated his or her personal assets as a guaranty for the limited-liability company or made any loans to the limited-liability company in any manner whatsoever.

13. The terms of any agreement that provides for a buyout of a member's interest in the event that a member is found unsuitable for licensing.

14. The presence or absence of any tax benefit to the member.

(Adopted: 5/94.)

15B.270 Post-approval monitoring after approval of delayed licensing. The operating agreement of a limited-liability company that seeks delayed licensing must contain language to the effect that the licensing of any member granted delayed licensing may be activated at any time pursuant to this regulation. The granting of delayed licensing to a member by the Commission shall be a revocable approval. The Board and Commission shall not relinquish jurisdiction. Any member receiving approval for delayed licensing from the Commission has no legal vested right or privilege inherent in that approval, nor shall the members that have been granted delayed licensing accrue any privilege from the licensing of the limited-liability company.

(Adopted: 5/94.)

15B.280 Powers of the Board and Commission after delayed licensing approval. Pursuant to the provisions of NRS 463.110(4), 463.140, 463.1405, 463.143, and 463.573(2) the Board and Commission may exercise, without limitation, any of the following powers.

1. After the granting of delayed licensing to a member, the Board may at any time recommend to the Commission that the Commission activate the licensing process for any member granted delayed licensing if it determines that:

(a) A member has thereafter developed a material relationship with or to a manager;

(b) A member, individually or in conjunction with other members, has acquired the ability to exercise significant control or influence over the management of the limited-liability company's gaming operations or business affairs;

(c) A member, individually or in conjunction with other members, has exercised, for any reason, significant control or influence over the management of the limited-liability company's gaming operations, either directly or indirectly, even if such control is contemplated or authorized by the operating agreement;

(d) There is reason to believe that a member cannot demonstrate his or her suitability pursuant to the provisions of NRS 463.170;

(e) The aggregate effective ownership percentage held by a member granted delayed licensing has increased to more than 10 percent;

(f) There is a change in the manager, except upon the retirement, death or disability of a manager who is a natural person; or

(g) Any other cause it deems reasonable.

2. The Commission, after considering the recommendation of the Board, may activate the licensing process for any member granted delayed licensing at any time.

3. The Commission may delegate to the Board the authority to activate, without Commission approval, the licensing process for a particular member granted delayed licensing.

4. The Chair may issue an order requiring escrow of the funds, profits, or other moneys due any member granted delayed licensing from the licensed limited-liability company for any cause deemed reasonable. Any such escrow ordered by the Chair automatically terminates at the conclusion of the next regular Board meeting unless:

(a) The Board recommends that the Commission activate the licensing process for the member that is the subject of the order;

(b) The Board continues discussion of whether it should recommend that the licensing process be activated to a future meeting at the request of the member that is the subject of the order; or

(c) The Board activates the licensing process pursuant to a delegation of authority from the Commission under section 3 of Regulation 15B.280.

5. Any escrow ordered by the Chair pursuant to subsection 4 automatically terminates if the Commission decides not to activate the licensing process for the member that is the subject of the order or if the Commission licenses the member.

(Adopted: 5/94.)

15B.290 Non-transferability of delayed licensing approval. Delayed licensing approval shall be personal to the limited-liability company or member granted delayed licensing. An interest in a limited-liability company that is held under delayed licensing may not be transferred, assigned, encumbered or hypothecated in any manner without the prior approval of the Commission, upon recommendation of the Board.

(Adopted: 5/94.)

15B.300 Exclusion of public limited-liability companies. Regulation 15B shall not apply to an interest in a limited-liability company or securities of, nor other interest in, any limited-liability company holding company that has been permitted to comply with NRS 463.635 to NRS 463.641, inclusive, nor to its managers, members, agents, employees, underwriters, lenders, and other holders of evidence of indebtedness, as such.

(Adopted: 5/94.)

15B.310 Waiver of requirement of regulation. The Commission may waive one or more requirements of Regulation 15B if it makes a written finding that such waiver is consistent with the state policy set forth in NRS 463.0129 and NRS 463.573(1).

(Adopted: 5/94.)

End – Regulation 15B

REGULATION 15C

PRIVATE INVESTMENT COMPANIES

15C.010 Definitions.
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15C.220 Reporting required for certain transfers and changes affecting economic securities in private investment companies.
15C.230 Commission approval required for transfers by the beneficial owners of voting securities of private investment companies.
15C.240 Commission approval required to issue voting securities.
15C.300 Penalties for noncompliance with laws and regulations.
15C.310 Fraudulent and deceptive practices prohibited.
15C.400 Exemptions.

15C.010 Definitions. As used in Regulation 15C:

1. "Private investment company" means any privately held legal entity except a natural person which holds or applies for a license, or owns, directly or indirectly, a beneficial interest in any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization which holds or applies for a license, and which has the following characteristics:

(a) 100% of the economic securities of the company are held, directly or indirectly, by (i) one or more private investment funds that are managed by an investment manager or managers, which investment manager or managers collectively have more than one billion dollars in assets under management or (ii) one or more institutional investors as defined in Regulation 16.010(14) that each has assets of more than one billion dollars;

(b) 100% of the voting securities of the company are held by one or more legal entities that is controlled by one or more controlling persons or key executives of the investment managers or institutional investors; and

(c) The company is not a "publicly traded corporation" as defined in NRS 463.487 or has received Commission approval to convert its registration from a publicly traded corporation to a private investment company.

➥ The Commission may waive or modify one or more of the characteristics above for reasons consistent with NRS 463.0129 and 463.489.

2. "Affiliate" or "affiliated company" means a subsidiary company, holding company, intermediate company or any other form of business organization that controls, is controlled by or is under common control with a private investment company.

3. "Control," when used as a noun, means the possession, direct or indirect, of the power to direct or cause the direction of management and policies of a person, and when used as a verb means to possess, directly or indirectly, such power.

4. "Controlling person" means, with respect to a private investment company, each person who controls the private investment company.

5. "Economic security" means a non-voting interest which entitles the holder to the economic benefits, without the right to control or vote, of a corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization.

6. "Holding company" defined.

(a) “Holding company” means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization not a natural person which, directly or indirectly:

(1) Owns;

(2) Has the power or right to control; or

(3) Holds with power to vote, any part of the limited partnership interests, interests in a limited-liability company or outstanding voting securities of a private investment company

(b) For purposes of this section, in addition to any other reasonable meaning of the words used, a holding company “indirectly” has, holds or owns any power, right or security mentioned in subsection (a) if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the private investment company.

7. “Intermediary company” means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization other than a natural person which:

(a) Is a holding company with respect to private investment company; and

(b) Is a subsidiary with respect to any holding company.

8. “Key executive” means any person performing a principal business or policy making function for a business organization, as determined by the Board on a case by case basis.

9. “Person” means any natural person, corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization, whether or not a legal entity.

10. “Private investment fund” means a business entity exempted from registration under 15 USC § 80a-3(c).

11. “Subsidiary” means: any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization not a natural person, any interest in which is:

(a) Owned;

(b) Subject to a power or right of control; or

(c) Held with power to vote, by a holding company or intermediary company.

12. “Voting security” means an interest which entitles the holder to vote for the election of a member or members of the board of directors or board of trustees of a corporation or a comparable person or persons in the case of a partnership, limited-liability company, or other form of business organization.

(Adopted: 3/16.)

15C.020 Powers of Board and Commission. The Board shall have full and absolute power and authority, to the extent permitted by law, to recommend the granting, denial, limitation, conditioning, restriction, revocation, or delay of any license, registration, approval, or finding of suitability required or permitted by this regulation, or any application therefor, or to recommend other disciplinary action for any cause deemed reasonable by the Board. The Commission shall have full and absolute power and authority, to the extent permitted by law, to grant, deny, condition, restrict, revoke, suspend, or delay any license, registration, approval, or finding of suitability required or permitted under this regulation, or any application therefor, or to take other disciplinary action for any cause deemed reasonable by the Commission.

(Adopted: 3/16.)

15C.030 Burden of proof. The burden of proof with respect to the granting of any approval required or permitted by Regulation 15C is at all times upon the person applying for such approval. Each applicant shall satisfy the Board or the Commission, as the case may be, that the granting of an approval is consistent with the state policies regarding gaming set forth in NRS 463.0129, and, as applicable, 463.489, 463.563, and 463.573.

(Adopted: 3/16)

15C.040 Exemptions from certain requirements. Except as otherwise set forth herein, private investment companies are exempt from the requirements of NRS 463.489 to 463.645, and Regulations 15, 15A and 15B. However, the legal entities that own the voting securities of the private investment company shall be registered and found suitable by the Commission as holding companies and shall be subject to NRS 463.575 to 463. 615 and Regulations 8, 15.585.7-1 to 15.585.7-7, 15A.170 to 15A.190, and 15B.170 to 15B.190.

(Adopted: 3/16.)

15C.050 Private investment companies owning or controlling applicant or licensee; Duties and power of Board and Commission to investigate.

1. If a corporation, partnership, limited partnership, limited-liability company or other business organization applying for or holding a state gaming license is, or becomes owned or controlled, in whole or in part, by a private investment company, or if a private investment company applies for or holds a state gaming license, the private investment company shall:

(a) Maintain a ledger in its principal office or the principal office of its subsidiary which is licensed to conduct gaming in this state, which must:

(1) Reflect the ownership of record of each holder of economic securities and voting securities in the private investment company; and

(2) Be available for inspection by the Board and the Commission and their authorized agents at all reasonable times without notice.

(b) Subject to subsection (d) below, register with the Commission and provide the following information to the Board:

(1) The organization, financial structure and nature of the business of the private investment company, including the names of all key executives and employees actively and directly engaged in the administration or supervision of the activities of the gaming licensee, and the names, addresses and percentage ownership interest held of record by each economic security holder and each voting security holder;

(2) The rights and privileges accorded the holders of different classes of its authorized economic securities and voting securities;

(3) The terms on which its economic securities and voting securities are to be, and during the preceding three years have been, offered by the private investment company to the public or otherwise initially issued by it;

(4) The terms and conditions of all its outstanding loans, mortgages, trust deeds, pledges or any other indebtedness or security device, directly relating to the gaming activities of the gaming licensee;

(5) The extent of the economic securities and voting securities of record in the private investment company held by all key executives and any employees, and any payment received by any such persons from the private investment company for each of its three preceding fiscal years for any reason whatever;

(6) Remuneration exceeding $100,000 per annum to persons other than key executives and employees who are actively and directly engaged in the administration or supervision of the gaming activities of the gaming licensee;

(7) Bonus and profit-sharing arrangements of the private investment company directly or indirectly relating to the gaming activities of the gaming licensee;

(8) Management and service contracts of the private investment company directly or indirectly relating to the gaming activities of the gaming licensee;

(9) Options existing or from time to time created in respect of its economic securities and voting securities;

(10) Balance sheets, certified by independent public accountants, for at least the three preceding fiscal years, or if the private investment company is less than three years old, balance sheets from the time of its formation;

(11) Profit and loss statements, certified by independent certified public accountants, for at least the three preceding fiscal years, or, if the private investment company is less than three years old, profit and loss statements from the time of its formation;

(12) A description of the private investment company's affiliated companies and intermediary companies, and the various gaming licenses and approvals obtained by those entities; and

(13) Any further information within the knowledge or control of the private investment company which either the Board or the Commission may deem necessary or appropriate for the protection of this state, or licensed gambling, or both. The Board or the Commission may make such investigation of the private investment company or any of its key executives, interest holders or other persons associated therewith as it deems necessary.

(c) Upon request of the Board, furnish to the Board a non-interference letter, in a form acceptable to the Board, which provides that the investment managers and institutional investors described in Regulation 15C.010(1)(a) will not take any action to influence the controlling persons or key executives described in Regulation 15C.010(1)(b), as applicable, in the exercise of their management or voting rights in respect of the gaming activities of the private investment company or any of its affiliated, intermediary or subsidiary

companies, and that such controlling persons or key executives, as applicable, are authorized to exercise such rights independently of, and without consultation with, the investment managers and institutional investors.

(d) A private investment company registered with the Commission as a publicly traded corporation pursuant to NRS 463.635(b) will be considered registered for purposes of this section and will not be required to re-register under subsection (b) above following the submission to the Board and an approval by the Commission of an application to convert the registration to that of a private investment company.

2. If the private investment company is a foreign legal entity, it must also qualify to do business in this state.

(Adopted: 3/16.)

15C.060 Individual licensing of key executives and employees; removal from position if found unsuitable or if license is denied or revoked; suspension of suitability by Commission.

1. Each key executive and employee of a private investment company who the Commission determines is or is to become actively and directly engaged in the administration or supervision of, or have any other significant involvement with, the gaming activities of the private investment company or any of its affiliated, intermediary or subsidiary companies must be found suitable therefor and may be required to be licensed by the Commission. Any person who has a relationship to a private investment company of a type described in regulations 16.410 or 16.415 with respect to publicly traded corporations shall file an application for finding of suitability and may be required to be licensed.

2. If any key executive or employee of a private investment company required to be licensed or found suitable pursuant to subsection 1 fails to apply for a gaming license or finding of suitability within 30 days after being requested to do so by the Commission, or is denied a license or is not found suitable by the Commission, or if his or her license or the finding of his or her suitability is revoked after appropriate findings by the Commission, the private investment company shall immediately remove that key executive or employee from any office or position wherein the key executive or employee is actively and directly engaged in the administration or supervision of, or has any other significant involvement with, the gaming activities of the private investment company or any of its affiliated or intermediary companies. If the Commission suspends the finding of suitability of any key executive or employee, the private investment company shall, immediately and for the duration of the suspension, suspend that key executive or employee from performance of any duties wherein the key executive or employee is actively and directly engaged in administration or supervision of, or has any other significant involvement with, the gaming activities of the private investment company or any of its affiliated or intermediary companies.

(Adopted: 3/16.)

15C.070 Suitability of persons acquiring beneficial or record ownership of any economic security or debt security in private investment company; report of acquisition; application; penalty.

1. Each person who acquires beneficial ownership or record ownership of any direct or indirect interest in any economic security in a private investment company which is registered with the Commission may be required to be found suitable in the discretion of the Commission.

2. Each person who acquires beneficial or record ownership of any direct or indirect interest in any debt security in a private investment company which is registered with the Commission may be required to be found suitable in the discretion of the Commission.

3. Any person required by the Commission or by this section to be found suitable shall:

(a) Apply for a finding of suitability within 30 days after the Commission requests that the person do so; and

(b) Together with the application, deposit with the Board a sum of money which, in the opinion of the Board, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of the application, and deposit such additional sums as are required by the Board to pay final costs and charges.

4. Any person required by the Commission or this section to be found suitable who is found unsuitable by the Commission shall not hold directly or indirectly the beneficial or record ownership of any economic security or debt security.

5. As used in this section, “debt security” means any instrument generally recognized as a corporate security representing money owed and reflected as debt on the financial statement of a legal entity.

(Adopted: 3/16.)

15C.080 Remuneration, contracts and employment prohibited for certain unsuitable or unlicensed persons. If any person who is required, pursuant to this regulation, to be licensed or found suitable because of the person's connection with a corporation, partnership, limited partnership, limited-liability company or other business organization holding a license, or a holding company or intermediary company, including a private investment company, fails to apply for a license or a finding of suitability after being requested to do so by the Commission or is denied a license or a finding of suitability, or if the person's license or finding of suitability is revoked, the corporation, partnership, limited partnership, limited-liability company, business organization, holding company, intermediary company or any person who directly or indirectly controls, is controlled by or is under common control with the corporation, partnership, limited partnership, limited-liability company, business organization, holding company or intermediary company shall not, and any licensee or an affiliate of the licensee shall not, after receipt of written notice from the Commission:

1. Pay the person any remuneration for any service relating to the activities of a licensee, except for amounts due for services rendered before the date of receipt of notice of such action by the Commission. Any contract or agreement for personal services or the conduct of any activity at a licensed gaming establishment between a former employee whose employment was terminated because of failure to apply for a license or a finding of suitability, denial of a license or finding of suitability, or revocation of a license or a finding of suitability, or any business enterprise under the control of that employee and the licensee, holding or intermediary company or private investment company is subject to termination. Every such agreement shall be deemed to include a provision for its termination without liability on the part of the licensee upon a finding by the Commission that the business or any person associated therewith is unsuitable to be associated with a gaming enterprise. Any failure to include expressly such a condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement;

2. Enter into any contract or agreement with the person or with a business organization that the licensee knows or under the circumstances reasonably should know is under the person's control which involves the operations of a licensee, without the prior approval of the Commission; or

3. Employ the person in any position involving the activities of a licensee without prior approval of the Commission.

(Adopted: 3/16.)

15C.090 Powers of Commission. The Commission may determine, upon recommendation of the Board, at the time of initial application by a private investment company, or at any time thereafter, that the public interest and the purposes of the Act require that any person who has a material relationship to, or material involvement with, a private investment company, affiliated company or a licensee that is subject to the jurisdiction of the Act should apply for a finding of suitability or licensing. A person may be deemed to have a material relationship to, or material involvement with, a private investment company, affiliated company or licensee if the person is a controlling person or key executive of the private investment company, affiliated company or licensee, or if the person, as an agent, consultant, advisor or otherwise, exercises significant influence upon the management or affairs of the private investment company, affiliated company or licensee. The foregoing powers of the Commission are not limited to persons having a formal and direct involvement or relationship with a private investment company, affiliated company or licensee, nor to persons who are beneficial owners of any stated percentage of the outstanding economic securities of a private investment company, affiliated company or licensee.

(Adopted: 3/16.)

15C.100 Required reports and statements; income tax return; documents filed with Commission.

1. After a private investment company has registered pursuant to this chapter, and while the private investment company or any of its affiliated, intermediary or subsidiary companies holds a gaming license, the private investment company shall:

(a) Report promptly to the Commission, in writing, any change in its key executives or employees who are actively and directly engaged in the administration or supervision of the gaming activities of the private investment company or any of its affiliated, intermediary or subsidiary companies;

(b) Within 45 days after the close of the quarter to which they relate, furnish to the Commission a quarterly profit and loss statement and a balance sheet of the private investment company;

(c) Each year furnish to the Commission a profit and loss statement and a balance sheet of the private investment company as of the end of the year, certified by independent certified public accountants, and, upon request of the Commission therefor, a copy of the private investment company's federal income tax return within 30 days after the return is filed with the Internal Revenue Service. All profit and loss statements and balance sheets must be submitted within 120 days after the close of the fiscal year to which they relate;

(d) Report promptly to the Commission, in writing, any changes that would result in the private investment company no longer having one or more of the characteristics of a private investment company as described in section 15C.010, unless such characteristic has been waived or modified by the Commission;

(e) Establish and maintain a gaming compliance program for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other persons, and to review and ensure compliance by the private investment company, its subsidiaries and any affiliated companies, with the Act, as amended, the Regulations, as amended, and the laws and regulations of any other jurisdictions in which the private investment company, its subsidiaries and any affiliated entities operate. The gaming compliance program, any amendments thereto, and the members of the compliance committee, at least one such member who shall be independent and knowledgeable of the Act and the Regulations, shall be administratively reviewed and approved by the Board Chair or the Chair's designee. The private investment company shall amend the gaming compliance program, or any element thereof, and perform such duties as may be assigned by the Board Chair or the Chair's designee, related to a review of activities relevant to the continuing qualification of the private investment company, its subsidiaries and any affiliated companies under the provisions of the Act and the Regulations;

(f) Fund and maintain with the Board a revolving fund in such amount as the Board shall determine for the purpose of funding investigative reviews by the Board for compliance with the Act and the Regulations and any conditions imposed upon the private investment company by the Board or the Commission. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring, and investigative review of the private investment company and its subsidiaries, and their affiliated companies; and

2. In addition to the requirements set forth in subsection (1), upon request of the Board Chair, the private investment company shall provide any other documents, papers, reports, or other information deemed relevant by the Board Chair.

(Adopted: 3/16.)

15C.200 Approvals required for dividends and distributions. Without the prior approval of the Commission, neither the private investment company, nor any of its affiliated, intermediary or subsidiary companies who have been found suitable by the Commission pursuant to Regulation 15C.070, shall declare any dividends or distributions on any class of securities to any person who has not been licensed or found suitable by the Commission; provided, however, that any of the foregoing entities may, with the prior administrative approval of the Board Chair or the Chair's designee, pay dividends and make distributions to their direct or indirect equity owners who have not been licensed or found suitable by the Commission for the purpose of defraying tax liabilities and tax-related expenses of such direct or indirect equity owners that arise directly out of such direct or indirect ownership interest, and further provided that any of the foregoing entities may, upon five days prior written notice to the Board, make distributions to their direct or indirect equity owners who have not been licensed or found suitable by the Commission for the purpose of the payment of debt service by such direct or indirect equity owners for debt incurred in connection with the acquisition of any licensed subsidiary or the assets comprising a licensed establishment.

(Adopted: 3/16.)

15C.210 Administrative approval required for certain transfers of economic securities in private investment companies. Each person who acquires beneficial ownership or record ownership of any direct interest in any economic security in a private investment company which is registered with the Commission shall not, without the prior administrative approval of the Board Chair, sell, assign, transfer, pledge or otherwise dispose of any economic security of such private investment company, or any other security held by it that is convertible or exchangeable into an economic security of the private investment company.

(Adopted: 3/16.)

15C.220 Reporting required for certain transfers and changes affecting economic securities in private investment companies. A private investment fund and any of its affiliates and subsidiaries who acquire beneficial ownership or record ownership of any indirect interest in any economic security in a private investment company which is registered with the Commission, shall report quarterly to the Board, in writing: (i) the sale, assignment, transfer, pledge or other disposition of any interest in the private investment fund, affiliate or subsidiary; and (ii) the addition of any new members, partners, shareholders, trustees or beneficiaries in the private investment fund, affiliate or subsidiary, excluding persons that are holders of publicly traded securities issued by those entities. The Board may require the private investment company to provide such additional information regarding any of the aforesaid transactions as it deems necessary.

(Adopted: 3/16.)

15C.230 Commission approval required for transfers by the beneficial owners of voting securities of private investment companies. Each person who acquires beneficial ownership or record ownership of any direct or indirect interest in any voting security in a private investment company which is registered with the Commission, and who has been found suitable by the Commission shall not, without the prior approval of the Commission, sell, assign, transfer, pledge or otherwise dispose of any voting security of such private investment company, or any other security held by it that is convertible or exchangeable into a voting security of the private investment company.

(Adopted: 3/16.)

15C.240 Commission approval required to issue voting securities. A private investment company which is registered with the Commission shall not issue voting securities, or any other security that is convertible or exchangeable into a voting security, without the prior approval of the Commission.

(Adopted: 3/16.)

15C.300 Penalties for noncompliance with laws and regulations. If any corporation, partnership, limited partnership, limited-liability company or other business organization holding a license is owned or controlled by a private investment company subject to the provisions of this chapter, or that private investment company, does not comply with the laws of this state and the regulations of the Commission, the Commission may in its discretion do any one, all or a combination of the following:

1. Revoke, limit, condition or suspend the license of the licensee; or
2. Fine the persons involved, the licensee or the private investment company in accordance with the laws of this state and the regulations of the Commission.

(Adopted: 3/16.)

15C.310 Fraudulent and deceptive practices prohibited. It is grounds for disciplinary action under NRS 463.310 if any person, in connection with the purchase or sale of any security issued by a private investment company or an affiliated company or in connection with any document required to be filed pursuant to these regulations or the Act:

1. Employs any device, scheme or artifice to defraud;
2. Makes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;
3. Engages in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; or
4. Causes any document, correspondence, filing or statement containing materially untrue, incorrect or misleading information to be made or filed with the Board or Commission, regardless of whether said information has been made or filed with another regulatory agency.

(Adopted: 3/16.)

15C.400 Exemptions.

1. The Commission may, either generally or specifically, exempt a person, a security, a transaction, or any portion thereof, from the application of Regulation 15C or any portion thereof if the Commission determines that such exemption is consistent with the purpose of the Act.

2. The Commission may delegate to the Board the power to grant exemptions from the application of Regulation 15C.

(Adopted: 3/16.)

End – Regulation 15C

REGULATION 16

PUBLICLY TRADED CORPORATIONS AND PUBLIC OFFERINGS OF SECURITIES

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GENERAL

16.010 Definitions. As used in Regulation 16:

1. “Acquire control” or “acquiring control” means any act or conduct by a person whereby the person obtains control, whether accomplished through the ownership of equity or voting securities, ownership of rights to acquire equity or voting securities, by management or consulting agreements or other contract, by proxy or power of attorney, by statutory mergers, by consummation of a tender offer, by acquisition of assets, or otherwise.

2. Unless otherwise specified, “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

3. “Control,” when used as a noun, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, and when used as a verb, means to possess, directly or indirectly, such power.

4. “Controlling person” with respect to a publicly traded corporation means each person who controls the publicly traded corporation.

5. “Corporate acquisition opposed by management” means an attempt to acquire control of a publicly traded corporation that is an affiliated company by means of a tender offer that is opposed by the board of directors of the affiliated company.

6. “Corporate licensee” means a corporation that is licensed pursuant to NRS 463.160 or 463.650 and that is registered with the Board and Commission pursuant to NRS 463.520.

7. “Current market price” means the average of the daily closing prices for the 20 consecutive trading days immediately preceding the date of a transaction or the closing price on the day immediately preceding the date of such transaction, whichever is higher. For the purpose of this definition, the closing price for each day shall be the last reported sale price, regular way, or in case no such reported sale takes place on such date, the average of the last reported bid and asked prices, regular way, in either case on the principal national securities exchange registered under the Securities Exchange Act of 1934 on which such security is admitted to trading or listed, or if not listed or admitted to trading on any national securities exchange, the closing price of such security, or in case no reported sale takes place, the average of the closing bid and asked prices, on NASDAQ or any comparable system, or if such security is not listed or quoted on NASDAQ or any comparable system, the closing sale price, or in case no reported sale takes place, the average of the closing bid and asked prices, as furnished by any member of the National Association of Securities Dealers, Inc., selected from time to time by the issuer for that purpose.

8. “Debt restructuring” means:

(a) A proceeding under the United States Bankruptcy Code; or

(b) Any out-of-court reorganization of a person that is insolvent or generally unable to pay its debts as they become due.

9. “Exceptional repurchase of securities” means the direct or indirect purchase by a corporation of securities representing beneficial ownership of more than 1 percent of its voting securities, whether in a single transaction or a series of related transactions, at a price more than 10 percent above the current market price of such securities on the date of the agreement to purchase such securities from any person, other than a person who has been an executive officer or a member of the board of directors for at least the past 2 years, who, on the date of the agreement to purchase, is the beneficial owner of more than 3 percent of the voting securities of such corporation and has been the beneficial owner of more than 3 percent of such securities for less than 1 year, unless such purchase has been approved by the affirmative vote of a majority of the holders of voting securities voting on the transaction exclusive of the selling security holder, or is pursuant to the same offer and terms as made to all holders of voting securities of such class, other than holders, if any, who have consented in writing to be excluded from the class of offerees, executive officers, or members of the board of directors. For the purpose of this definition, when determining whether a corporation has purchased more than 1 percent of its voting securities, the amount of voting securities of such corporation shall be deemed to include voting securities issuable pursuant to purchase rights where the price of the purchase rights is less than the current market price of such securities on a given determination date provided, however, that in any event, the amount of such voting securities beneficially owned by a selling security holder pursuant to purchase rights shall be included to determine the amount of the corporation’s voting securities for purposes of such computation if not otherwise included based on the foregoing provision.

10. “Executive officer,” with respect to a publicly traded corporation, means the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policy-making functions for a publicly traded corporation.

11. “Federal Securities Act” means Title 15 United States Code sections 77a–77aa, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder.

12. “Federal Securities Exchange Act” means Title 15 United States Code sections 78a–78kk, as amended from time to time, and the rules and regulations of the United States Securities and Exchange Commission now or hereafter promulgated thereunder.

13. “Full disclosure” with respect to a transaction or to a series of transactions means a descriptive statement thereof that does not make an untrue statement of a material fact nor omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

14. “Institutional investor” means:

(a) A bank as defined in Section 3(a)(6) of the Federal Securities Exchange Act;

(b) An insurance company as defined in Section 2(a)(17) of the Investment Company Act of 1940, as amended;

(c) An investment company registered under Section 8 of the Investment Company Act of 1940, as amended;

(d) An investment advisor registered under Section 203 of the Investment Advisors Act of 1940, as amended;

(e) Collective trust funds as defined in Section 3(c)(11) of the Investment Company Act of 1940, amended;

(f) An employee benefit plan or pension fund that is subject to the Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a publicly traded corporation registered with the Commission;

(g) A state or federal government pension plan;

(h) A group comprised entirely of persons specified in (a) through (g); or

(i) Such other persons as the Commission may determine for reasons consistent with the policies expressed in NRS 463.0129 and 463.489.

To qualify as an institutional investor, a person other than a state or federal pension plan must meet the requirements of a “qualified institutional buyer” as defined in Rule 144A of the Federal Securities Act.

15. “Plan of recapitalization” means a plan proposed by the board of directors to the security holders of a publicly traded corporation that is an affiliated company, which plan:

(a) Contains recommended action in response to a corporate acquisition opposed by management, which acquisition cannot be consummated until approval has been obtained pursuant to section 16.200, and which acquisition has not been consummated, withdrawn or terminated;

(b) Involves either a cash dividend to voting securities or an exchange of voting securities held by security holders in return for a payment of cash or the issuance of securities of the issuer or a combination of cash and securities of the issuer, with an aggregate value in excess of 50 percent of the aggregate current market price of the voting securities of the company on the day of the public announcement of the plan of recapitalization; and

(c) Is financed in substantial part by borrowings from financial institutions or the issuance of debt securities.

16. “Public offering” means a sale of securities that is subject to the registration requirements of section 5 of the Federal Securities Act, or that is exempt from such requirements solely by reason of an exemption contained in section 3(a)10, 3(a)11 or 3(c) of said Act or Regulation A adopted pursuant to section 3(b) of said Act.

17. “Purchase rights” means a security or contractual right in securities issued or issuable on the exercise of options, warrants or other beneficial interest in securities obtained for value upon the issuance of securities, or on conversion of other securities.

18. “Speculative securities” means:

(a) Securities, the value of which depends substantially upon proposed or promised future promotion or development rather than on material existing assets, conditions or operating results; or

(b) Securities, an investment in which involves an extraordinary risk of loss to the investor.

19. “Tender offer” means a public offer by a person other than the issuer to purchase voting securities of a publicly traded corporation that is an affiliated company, made directly to security holders for the purpose of acquiring control of the affiliated company.

20. “Voting security” means a security the holder of which is entitled to vote for the election of a member or members of the board of directors or board of trustees of a corporation or a comparable person or persons in the case of a partnership, trust, or other form of business organization other than a corporation.

(Adopted: 5/73. Effective: 9/73. Amended: 3/83; 9/88; 10/92.)

16.020 Burden of proof. The burden of proof for the granting of any approval required or permitted by Regulation 16 is at all times upon the applicant. Each applicant shall satisfy the Commission or the Board, as the case may be, that the granting of any approval required or permitted by Regulation 16 is consistent with the state policies concerning gaming set forth in NRS 463.0129, 463.489, and 463.621 to 463.622.

(Adopted: 5/73. Effective: 9/73. Amended: 3/83; 9/88.)

16.030 Powers of Commission and Board.

1. Without in any way limiting the generality of the provisions of NRS 463.140 and 463.1405, in connection with any recommendation or action, the Board or Commission may provide:

(a) That a time period be accelerated or extended; or

(b) That as a condition to the processing of an application or to the granting of an approval:

(1) An application be supplemented in any particular and to any extent either before or after the Commission has acted thereon;

(2) An applicant or other person urging the approval or denial of an application appear personally before the Board and Commission and submit to interrogation under oath or otherwise;

(3) Funds, securities, instruments or agreements be placed in escrow upon specified conditions;

(4) A transaction be in compliance with the applicable laws and regulations of any federal, state, or local governmental entity or agency;

(5) A transaction be approved by an applicant's board of directors;

(6) An opinion of an applicant's legal counsel be furnished to the Commission;

(7) An opinion of an applicant's auditors be furnished to the Commission;

(8) All or any portion of an application be examined or evaluated by a consultant to the Commission at the expense of the applicant.

2. The Commission has the power to delegate to the Chair, in its order granting approval, the power to issue an interlocutory stop order. The interlocutory stop order may be issued for any cause deemed reasonable by the Chair.

(Adopted: 5/73. Effective: 9/73. Amended: 7/75; 10/78; 3/83; 9/88.)

16.040 Commission review of stop orders. If a stop order is issued by the Chair pursuant to the provisions of Regulation 16, the Commission shall, upon request of the person that is the subject of the order, conduct a hearing on the merits of the matter no later than its next regular meeting for which notice of the hearing pursuant to chapter 241 of NRS is practicable.

(Adopted: 3/83. Amended: 9/88.)

16.050 Timing of investigations and approvals.

1. The Chair is hereby delegated the power to accelerate or extend the time period in which the Board may grant approval of any act for which approval by the Board is required or permitted by Regulation 16.

2. The Commission shall use its best efforts to take final action upon an application pursuant to section 16.200 by a person making a tender offer, section 16.250, and section 16.260 within 60 days of the date upon which the application is filed and any fees are paid consistent with the public policy of this state concerning gaming as provided in NRS 463.0129, 463.489, and 463.622. If the Commission cannot take final action upon the application within 60 days of filing of such application, the Commission shall transmit to the applicant written notice of a time certain for completion of the investigation and the final action of the Commission. The notice required by this subsection shall be transmitted at least 10 days prior to the sixtieth day after the filing of the application.

(Adopted: 3/83. Amended: 9/88.)

16.060 Standards for Board and Commission action. The Board and Commission will consider all relevant material facts in determining whether to grant an approval required or permitted by Regulation 16. With respect to any approvals requested pursuant to or in accordance with sections 16.100 through 16.140, sections 16.200 through 16.210, or sections 16.250 through 16.280, the Board and Commission may further consider not only the effects of the action or approval requested by the applicant, but whatever other facts are deemed relevant, including but not limited to the following:

1. The business history of the applicant, including its record of financial stability, integrity, and success of its operations.

2. The current business activities and interest of the applicant, as well as those of its executive officers, promoters, lenders, and other sources of financing, or any other individuals associated therewith.

3. The current financial structure of the applicant, as well as changes which could reasonably be anticipated to occur to such financial structure as a consequence of the proposed action of the applicant.

4. The gaming-related goals and objectives of the applicant, including a description of the plans and strategy for achieving such goals and objectives.

5. The relationship between such goals and objectives and the requested approval.

6. The adequacy of the proposed financing or other action to achieve the announced goals and objectives.

7. The present and proposed compensation arrangement between the applicant and its directors, executive officers, principal employees, security holders, lenders, or other sources of financing.

8. The equity investment, commitment or contribution of present or prospective directors, officers, principal employees, investors, lenders, or other sources of financing.

9. The dealings and arrangements, prospective or otherwise, between the applicant and any investment bankers, promoters, finders or lenders, and other sources of financing.

10. The effect of the proposed action on existing and prospective security holders of the applicant, both before and after the intended action.

11. Whether the applicant has made full and complete disclosure of all material facts relative to the proposed action to the Board and the Commission and made provision for such disclosure to all prospective security holders.

12. Whether the proposed action tends not to work a fraud upon the public.

13. Whether a proposed public offering contains speculative securities.

14. Whether a proposed transaction will create a significant risk that the publicly traded corporation and its affiliated companies will not:

(a) Satisfy their financial obligations as they become due; or

(b) Satisfy all financial and regulatory requirements imposed by chapter 463 of NRS and the regulations adopted by the Commission.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83; 9/88.)

PUBLIC OFFERINGS

16.100 Corporate licensees. A corporate licensee shall not guarantee a security issued by an affiliated company pursuant to a public offering, nor hypothecate its assets to secure the payment or performance of the obligations evidenced by a security issued by an affiliated company pursuant to a public offering, without first obtaining the prior approval of the Commission.

(Adopted: 5/73. Effective: 9/73. Amended: 3/83; 9/88; 3/06.)

16.110 Public offerings of affiliated companies. Prior approval of the Commission is required for any public offering of any securities of an affiliated company:

1. Which is not a publicly traded corporation if the securities will be offered by such an affiliated company or by a controlling person thereof.

2. Which is a publicly traded corporation if the securities will be offered by such affiliated company and if such securities or the proceeds from the sale thereof are intended to be used:

(a) To pay for construction of gaming facilities in Nevada to be owned or operated by the affiliated company or a subsidiary of the affiliated company;

(b) To acquire any direct or indirect interest in gaming facilities in Nevada;

(c) To finance the operation by the affiliated company or a subsidiary of such affiliated company of gaming facilities in Nevada; or

(d) To retire or extend obligations incurred for one or more such purposes.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83.)

16.115 Continuous or delayed public offerings.

1. An affiliated company which is a publicly traded corporation may apply for approval of a continuous or delayed public offering of its securities if such an affiliated company:

(a) Has a class of securities listed on either the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automatic Quotation System, or has stockholders' equity in an amount of $10 million or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the United States Securities and Exchange Commission immediately preceding the application; and

(b) Has filed all reports required to be filed by section 13 or section 15(d) of the Federal Securities Exchange Act, or in the case of a foreign issuer or foreign private issuer, pursuant to Regulations 13d-16 and 15a-16 of the Federal Securities Exchange Act, during the preceding 12 months, or for such a shorter period that such affiliated company has been required to file such reports.

2. The Commission may grant approval of a continuous or delayed offering for a period of up to 3 years. An approval granted pursuant to this regulation does not constitute an approval of other related transactions for which separate Board or Commission approval is otherwise required by chapter 463 of NRS or the regulations adopted by the Commission.

3. If an application is approved, the affiliated company shall notify the Board of its intent to make the public offering and identify the type and amount of securities it proposes to sell and the date on which it is anticipated the sale will occur. If such notification is not written, it must be followed, as soon as practicable, with a written confirmation which need not precede such sale.

(Adopted: 3/83. Amended: 9/88; 11/96; 3/06; 5/11.)

16.118 Public offerings by entities not presently licensees or affiliated companies.

1. Any entity that is not a licensee or an affiliated company or otherwise subject to the provisions of the Act or the regulations which plans to make a public offering of securities intending to use such securities, or the proceeds from the sale thereof, to construct gaming facilities in Nevada to be operated by the entity, or a subsidiary of the entity, or any other corporation or other form of business organization under common control with the entity, to acquire any direct or indirect interest in gaming facilities in Nevada, to finance the operation by the entity, or a subsidiary of the entity, or any other corporation or other form of business organization under common control with the entity, of gaming facilities in Nevada, or to retire or extend obligations incurred for one or more such purposes, may apply to the Commission for prior approval of such an offering.

2. After recommendation by the Board, the Commission may act on any such application.

3. Any entity which submits an application pursuant to this regulation shall pay all costs connected with the processing of the application including but not limited to investigative costs.

4. An approval sought under this regulation will not include a finding regarding the suitability of the individuals involved.

5. The Commission may find an entity unsuitable based solely on the fact that it did not submit an application pursuant to subsection 1, unless the Chair has ruled pursuant to subsection 6, that it is not necessary to submit an application pursuant to subsection 1.

6. Upon receipt of a written request for a ruling, the Chair may issue an administrative ruling that it is not necessary for an entity to submit an application pursuant to subsection 1 upon review of such factors as the Chair deems appropriate, including but not limited to the following:

(a) The standards enumerated in Regulation 16.060;

(b) Whether the entity has any applications pending before the Board and Commission and if so, the nature of such applications;

(c) The operational and ownership structure and history of the entity;

(d) A description of the regulatory authorities that the entity is subject to the jurisdiction of and the entity's regulatory history; and

(e) Such other facts as the Chair may deem relevant and material.

7. Any entity for which the Commission has approved an application submitted pursuant to subsection 1 shall cause the following statement to be included in the prospectus, offering circular or other offering document, or if such a document is not required by law the offeror shall maintain adequate records that the statement was furnished to potential investors, for the public offering which was approved by the Commission:

Because proceeds of this offering are to be used in connection with gaming facilities in Nevada, the entity making the offering voluntarily sought and received approval of the Nevada Gaming Commission to make the offering. That approval relates solely to the terms of the offering. It does not constitute a finding that the entity has been or will be found qualified to be involved with gaming activities in Nevada for which a separate Nevada Gaming Commission approval will be required. It also does not involve a finding by the Nevada Gaming Commission as to the accuracy or adequacy of this document.

(Adopted: 3/83. Amended: 1/95.)

16.120 Certain public offerings and stockholder approvals. The Commission may find a publicly traded corporation unsuitable to be a holding company of a corporate licensee if:

1. At a time when the applicant was not subject to the jurisdiction of the Commission it made a public offering of securities intending to use such securities, or the proceeds from the sale thereof, to construct gaming facilities in Nevada to be operated by the applicant, or a subsidiary of the applicant, or any other corporation or other form of business organization under common control with the applicant, to acquire any direct or indirect interest in gaming facilities in Nevada, to finance the operation by the applicant, or a subsidiary of the applicant, or any other corporation or other form of business organization under common control with the applicant, of gaming facilities in Nevada, or to retire or extend obligation incurred for one or more such purposes; or
2. At a time when the applicant was not subject to the jurisdiction of the Commission it obtained the approval or consent of its stockholders to have a material involvement with gaming in the State of Nevada, and in connection with such offering, approval or consent, it did not make a full disclosure of all material facts to the offerees or its stockholders relating to such material involvement including, without limitation, a description of the nature and scope of the state and applicable local laws of Nevada regarding gaming control.

(Adopted: 9/73. Amended: 10/78; 3/83.)

16.125 Approval of securities issuable on exercise of options or warrants or conversion of other securities. If the Commission approves a public offering of securities which involves securities issuable on exercise of purchase rights, such approval is deemed continuing for the entire period of exercisability or convertibility and further approval is not required for the actual issuance of such securities.

(Adopted: 3/83. Amended: 9/88.)

16.130 Application for approval of public offering. A person applying for approval of a public offering pursuant to Regulation 16 shall make a full disclosure of all material facts relating thereto to the Board and Commission. To the extent applicable, the application must include the following information:

1. A description of the securities to be offered.
2. The terms upon which the securities are to be offered.
3. The gross and net proceeds of the offering, including a detailed list of expenses.
4. The use of proceeds.
5. The name and address of the lead underwriter and the participating underwriters, if any.
6. The forms of the underwriting agreement, the agreement among underwriters, if any, and the selected dealers agreements, if any.
7. A statement of intended compliance with all applicable federal, state, local and foreign securities laws.
8. The names and addresses of the applicant's general counsel, local counsel, special securities counsel, independent auditors, and any special consultants on the offering.
9. If any securities to be issued are not to be offered to the general public, the names and addresses of the other offerees and the form of the offering thereto.
10. True copies or descriptions of all papers filed with the United States Securities and Exchange Commission and all material communications between the applicant and the United States Securities and Exchange Commission or, if the offering is not subject to the registration requirements of Section 5 of the Federal Securities Act other than by reason of an exemption contained in Regulation A adopted pursuant to Section 3 of said Act, copies or descriptions of all papers filed with, and all material communications between the applicant and such other governmental entity charged with securities regulation, if any. A copy

of each registration statement and each amendment thereto must be filed with the Board by the end of the next business day after their filing with the United States Securities and Exchange Commission. All other papers required to be included pursuant to this subsection must be filed with the Board as soon as practicable.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83.)

16.140 Coordination.

The Board and Commission will ordinarily permit an application for approval of a public offering pursuant to Regulation 16 to be completed over a period of time as documents and information become available in accordance with the normal and customary practice in the securities industry. An application may be filed without all the information required by Regulation 16.130 if all such information required by the Board or Commission is supplied prior to the sale of the securities.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83.)

MERGERS, ACQUISITIONS AND CHANGES OF CONTROL

16.200 Approval of acquisition of control. A publicly traded corporation shall not directly or indirectly acquire control of a corporate licensee or affiliated company, and a person shall not acquire control of a publicly traded corporation which is an affiliated company, without the prior approval of the Commission.

(Adopted: 5/73. Effective: 9/73. Amended: 3/83; 9/88.)

16.210 Application for approval of acquisitions of control. An application for approval of a transaction subject to Regulation 16.200 must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

1. The information required by NRS 463.635(1)(b);
2. The terms and provisions of the contemplated transaction;
3. A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction; and
4. Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with such other governmental entity charged with securities regulation, if any.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83; 9/88.)

16.250 Approval of plan of recapitalization. Except as provided by section 16.270, a publicly traded corporation that is an affiliated company shall not consummate a plan of recapitalization without the prior approval of the Commission.

(Adopted: 9/88.)

16.260 Approval of exceptional repurchases of securities. Except as provided by section 16.270, a publicly traded corporation that is an affiliated company shall not make an exceptional repurchase of securities without the prior approval of the Commission.

(Adopted: 9/88.)

16.270 Exempt transactions. Unless otherwise required by the provisions of chapter 463 of NRS or the regulations adopted by the Commission, and notwithstanding the provisions of section 16.250 and section 16.260, the approval of the Board or Commission is not required before a publicly traded corporation that is an affiliated company may repurchase securities issued by such corporation if:

1. The repurchase is made pursuant to contractual rights or arrangements, including without limitation puts and price guarantees, given the issuee of such securities or the issuee's designee at the time of the original issuance of the security;
2. The repurchase is made for purposes of compromising a bona fide dispute with a security holder arising from the original issuance of such securities;

3. The repurchase is made pursuant to calls or redemptions of any securities in accordance with the terms and conditions of the governing instruments of such securities;

4. The repurchase involves securities evidenced by a scrip certificate, order form, or similar document that represents a fractional interest in a share of stock or similar securities;

5. The repurchase is made pursuant to a statutory procedure for the purchase of dissenting security holders' securities;

6. The repurchase is made in order to comply with any court or administrative order;

7. The repurchase is made in accordance with or to effectuate the provisions of any employee compensation arrangement, employee stock plan, or employee benefit program including, without limitation, an employee stock ownership plan or to eliminate or cancel outstanding employee stock options or create a "disposition" for federal income tax purposes as to securities acquired as a result of the exercise of an employee incentive stock option as defined under the Internal Revenue Code;

8. The repurchase involves a transaction or series of related transactions occurring within a fiscal quarter in which the aggregate price of the securities purchased is less than the greater of $1 million or 5 percent of the consolidated net worth of the corporation purchasing the securities determined using the most recent audited financial statements of the corporation or the financial statements most recently filed by the corporation with the Securities and Exchange Commission; or

9. The repurchase is made pursuant to a publicly announced open market securities repurchase program in which the price and other terms of sale are not negotiated between the purchaser and seller.

(Adopted: 9/88.)

16.280 Application for approval of recapitalization plan or exceptional securities repurchases. An application for approval of a plan of recapitalization subject to section 16.250 or an exceptional repurchase of securities subject to section 16.260 must contain full disclosure of all material facts relating thereto, and include to the extent applicable:

1. The terms and provisions of the contemplated transaction.

2. A statement of any contemplated management and operating changes to be effected after completion of the contemplated transaction.

3. An analysis showing on a pro forma basis the effect of the transaction on the financial statements of the publicly traded corporation that is an affiliated company.

4. A general description of the source of funds for the purchase and any financing arrangements.

5. Copies or descriptions of all material documents and correspondence filed with the United States Securities and Exchange Commission in connection with the contemplated transaction, if any, or, if the transaction is not subject to the Federal Securities Act, copies or descriptions of all material documents and correspondence filed with any other governmental entity charged with securities regulation.

6. Any other documents, papers, reports, or other information deemed relevant by the Chair.

(Adopted: 9/88.)

MARKETS AND TRADING

16.300 Fraudulent and deceptive practices prohibited. It is grounds for disciplinary action under NRS 463.641 or 463.310 if any person, in connection with the purchase or sale of any security issued by a corporate licensee or an affiliated company or in connection with any document required to be filed pursuant to these regulations or the Act:

1. Employs any device, scheme or artifice to defraud;

2. Makes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

3. Engages in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; or

4. Causes any document, correspondence, filing or statement containing materially untrue, incorrect or misleading information to be made or filed with the Board or Commission, regardless of whether said information has been made or filed with another regulatory agency.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83; 9/88; 5/11.)

16.310 Approval of proxy and information statements related to gaming.

1. Before any person sends to the holders of a voting security of a publicly traded corporation a proxy statement subject to Regulation 14A of the United States Securities and Exchange Commission, or an information statement subject to Regulation 14C of the United States Securities and Exchange Commission, and includes a discussion of the nature and scope of, and procedures under, the Act and regulations, such proxy statement or information statement must be approved by the Board.

2. A proxy statement or information statement is deemed to have been approved if it has been filed with the Board for at least 10 days and the Board has not issued a stop order during such period.

(Adopted: 5/73. Effective: 9/73. Amended: 7/75; 10/78; 3/83; 9/88.)

16.320 Listing on securities exchange. [Repealed: 5/19/11.]

16.330 Reporting requirements.

1. Upon the request of the Chair, whenever any material document, including any document considered to be confidential or furnished to the holders of voting securities of the publicly traded corporation, is filed by a publicly traded corporation with the United States Securities and Exchange Commission or with any national or regional securities exchange, such publicly traded corporation shall within 5 business days file a true copy of such document with the Board.

2. Upon the request of the Chair, whenever a publicly traded corporation receives any material document filed with the United States Securities and Exchange Commission by any other person relating to such publicly traded corporation, it shall, within 10 days following such receipt, file a true copy of such document with the Board.

3. Upon the request of the Chair, each publicly traded corporation shall file with the Board annually a list of the holders of its voting securities or more frequently as such lists are prepared.

4. Each publicly traded corporation shall, within 60 days of election or appointment, report to the Board, on the form prescribed by the Board, the election or appointment of any director, any executive officer and any other officer actively and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of the corporate licensee.

5. Whenever a publicly traded corporation is informed that any person determined by the Commission to be a controlling person in respect of such corporation has disposed of any of such corporation's voting securities, such corporation shall thereupon promptly report such information to the Board.

6. Each publicly traded corporation shall file promptly with the Board such other documents within its control as the Board or Commission may lawfully request

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 3/83; 9/88; 5/11.)

16.340 Form of stock certificates. [Repealed: 5/19/11.]

INDIVIDUALS

16.400 Powers of Commission. The Commission may determine, upon the recommendation of the Board, at the time of initial application by a publicly traded corporation for registration as a holding company, or at any time thereafter, that the public interest and the purposes of the Act require that any individual who has a material relationship to, or material involvement with, a publicly traded corporation, affiliated company or a licensee that is subject to the jurisdiction of the Act should apply for a finding of suitability or licensing. A person may be deemed to have a material relationship to, or material involvement with, a corporation, affiliated company or a licensee if the person is a controlling person or key employee of the corporation, affiliated company or a licensee, or if the person, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of the corporation, affiliated company or a licensee. The foregoing powers of the Commission are not limited to individuals having a formal and direct involvement or relationship with a publicly traded corporation, affiliated company or a licensee, nor to individuals who are beneficial owners of any stated percentage of the outstanding equity securities of a publicly traded corporation, affiliated company or a licensee.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 5/11.)

16.405 Beneficial owners of voting securities.

1. The Commission shall consider the provisions of NRS 463.643(1), (2), (3), (4) and (5) in making its determination as to which beneficial owners of voting securities of publicly traded corporations must or may be required to be found suitable or to be licensed.

2. All rules and regulations of the Securities and Exchange Commission applicable in determining whether a person is the beneficial owner of a particular equity security for purposes of Section 13(d) of the Federal Securities Exchange Act may be considered by, but shall not be binding upon, the Commission in making its determination whether, and the extent to which, a person is the beneficial owner of a voting security for the purposes of NRS 463.643, and sections 16.010(8), 16.330, 16.405, and 16.430 of this regulation.

3. NRS 463.643 applies to every person who is, directly or indirectly, the beneficial owner of any voting security in a publicly traded corporation which is registered with the Commission, irrespective of the time of acquisition of such ownership.

4. If any securities of a publicly traded corporation are held in street name, by a nominee, an agent or trust, the publicly traded corporation shall render maximum assistance to the Board, upon its request, to determine the beneficial ownership of such securities.

(Adopted: 10/78. Amended: 9/88; 5/11.)

16.410 Officers and employees.

1. The Commission shall require application for finding of suitability and may require licensing of any officer or employee of a publicly traded corporation whom the Commission finds to be actively and directly engaged in the administration or supervision of, or any other significant involvement with, the activities of a corporate gaming licensee.

2. The Commission may require application for licensing or finding of suitability by any officer or employee of a publicly traded corporation whose application is not otherwise required pursuant to paragraph 1 of this regulation and NRS 463.637(1), if the Commission determines that the policies of the state regarding gaming would be served by such action.

3. The following officers or employees of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of, and significantly involved with, the activities of the corporate licensee and therefore are normally required to be licensed or found suitable:

(a) Each employee who is involved in gaming and who is also a director of the publicly traded corporation; and

(b) The president, any persons performing the function of principal executive officer or principal operating officer, the principal financial officer, and any persons performing the function of chief technology officer or chief information officer.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 5/11.)

16.415 Directors.

1. The Commission shall require application for finding of suitability and may require licensing of any director whom the Commission finds to be actively and directly engaged in the administration or supervision of the gaming activities at a licensed gaming establishment of a subsidiary corporate licensee.

2. The Commission may require application for licensing or finding of suitability by any director of a publicly traded corporation whose application is not otherwise required by paragraph 1 of this regulation and NRS 463.637(1), if the Commission determines that the policies of the state regarding gaming would be served by such action.

3. The following directors of the publicly traded corporation are deemed to be actively and directly engaged in the administration or supervision of the gaming activities of the subsidiary corporate licensee and therefore are normally required to be licensed or found suitable:

(a) Each director who serves as Chair of the board of directors;

(b) Each director who serves as the Chair of the audit committee;

(c) Each director who, individually or in association with others, is the beneficial owner of greater than 5 percent of any class of voting securities of the registered publicly traded corporation for which he or she serves as a director; and

(d) Each person, whether as director or otherwise, who serves on any committee to which is delegated the authority of the board of directors to act in any matter involving the activities of a corporate gaming licensee and each director who serves in the capacity of lead director.

(Adopted: 10/78. Amended: 5/11.)

16.420 Appointments and elections. Except in a transaction subject to Regulation 16.200 which involved a change of control of a publicly traded corporation as a whole, an individual may be appointed or elected to a position described in Regulations 16.410 or 16.415 without the prior approval of the Commission, and may occupy the position and exercise the authority and duties thereof until otherwise ordered by the Commission. The Commission may impose stricter requirements, including a requirement of prior approval, on any publicly traded corporation or with respect to any individual at any time.

(Adopted: 9/73. Amended: 10/78; 9/88.)

16.430 Institutional investor.

1. An institutional investor that becomes or intends to become subject to NRS 463.643(4) as a result of its beneficial ownership of voting securities of a publicly traded corporation registered with the Commission may apply to the Commission for a waiver of the requirements of NRS 463.643(4) with respect to the beneficial ownership of the voting securities of such publicly traded corporation if such institutional investor holds the securities for investment purposes only; provided, however, that an institutional investor shall not be eligible to receive or hold a waiver if the institutional investor beneficially owns, directly or indirectly, except as otherwise provided in subsection 2, more than 25 percent of the voting securities and if any of the voting securities were acquired other than through a debt restructuring. Voting securities acquired before a debt restructuring and retained after a debt restructuring or as a result of an exchange, exercise or conversion, after a debt restructuring, of any securities issued to the institutional investor through a debt restructuring, shall be deemed to have been acquired through a debt restructuring. A waiver granted under this section shall be effective only as long as the institutional investor's direct or indirect beneficial ownership interest in such voting securities meets the limitations set forth above, and should the institutional investor's interest exceed such limitations at any time, it shall be subject to NRS 463.643(4).

2. An institutional investor that has been granted a waiver pursuant to subsection 1, may beneficially own more than 25 percent, but not more than 29 percent, of the voting securities of a publicly traded corporation registered with the Commission, only if such additional ownership results from a stock repurchase program conducted by such publicly traded corporation, and upon the condition that such institutional investor does not purchase or otherwise acquire any additional voting securities of the publicly traded corporation that would result in an increase in the institutional investor's ownership percentage.

3. An institutional investor shall not be deemed to hold voting securities for investment purposes only unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors, any change in the corporate charter, bylaws, management, policies or operations of the publicly traded corporation registered with the Commission or any of its gaming affiliates, or any other action which the Commission finds to be inconsistent with investment purposes only. The following activities shall not be deemed to be inconsistent with holding voting securities for investment purposes only:

(a) Voting, directly or indirectly through the delivery of a proxy furnished by the board of directors, on all matters voted on by the holders of such voting securities;

(b) Serving as a member of any committee of creditors or security holders formed in connection with a debt restructuring;

(c) Nominating any candidate for election or appointment to the board of directors in connection with a debt restructuring;

(d) Accepting appointment or election as a member of the board of directors in connection with a debt restructuring and serving in that capacity until the conclusion of the member's term;

(e) Making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in its management, policies or operations; and

(f) Such other activities as the Commission may determine to be consistent with such investment intent.

4. An application for a waiver must include:

(a) A description of the institutional investor's business and a statement as to why the institutional investor is within the definition of "institutional investor" set forth in Regulation 16.010(14).

(b) A certification made under oath and the penalty of perjury, that the voting securities were acquired and are held for investment purposes only as defined in subsection 2 and a statement by the signatory

explaining the basis of the signatory's authority to sign the certification and to bind the institutional investor to its terms. The certification shall also provide that the applicant agrees to be bound by and comply with the Nevada Gaming Control Act and the regulations adopted thereunder, to be subject to the jurisdiction of the courts of Nevada, and to consent to Nevada as the choice of forum in the event any dispute, question, or controversy arises regarding the application or any waiver granted under this section.

(c) A description of all actions, if any, taken or expected to be taken by the institutional investor relating to the activities described in subsection 2.

(d) The name, address, telephone number and social security number of the officers and directors, or their equivalent, of the institutional investor as well as those persons that have direct control over the institutional investor's holdings of voting securities of the publicly traded corporation registered with the Commission.

(e) The name, address, telephone number and social security or federal tax identification number of each person who has the power to direct or control the institutional investor's exercise of its voting rights as a holder of voting securities of the publicly traded corporation registered with the Commission.

(f) The name of each person that beneficially owns more than 5 percent of the institutional investor's voting securities or other equivalent.

(g) A list of the institutional investor's affiliates.

(h) A list of all securities of the publicly traded corporation registered with the Commission that are or were beneficially owned by the institutional investor or its affiliates within the preceding year, setting forth a description of the securities, their amount, and the date of acquisition or sale.

(i) A list of all regulatory agencies with which the institutional investor or any affiliate that beneficially owns voting securities of the publicly traded corporation registered with the Commission files periodic reports, and the name, address, and telephone number of the person, if known, to contact at each agency regarding the institutional investor.

(j) A disclosure of all criminal or regulatory sanctions imposed during the preceding 10 years and of any administrative or court proceedings filed by any regulatory agency during the preceding 5 years against the institutional investor, its affiliates, any current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information need be provided only to the extent that it relates to actions arising out of or during such person's tenure with the institutional investor or its affiliates.

(k) A copy of the institutional investor's most recent Schedule 13D or 13G and any amendments thereto filed with the United States Securities and Exchange Commission concerning any voting securities of the publicly traded corporation registered with the Commission.

(l) A copy of any filing made under 15 U.S.C. 18a with respect to the acquisition or proposed acquisition of voting securities of the publicly traded corporation registered with the Commission.

(m) Any additional information the Board or the Commission may request.

5. The Board and Commission shall consider all relevant information in determining whether to grant a waiver requested pursuant to subsection 1, including but not limited to:

(a) Whether the waiver is consistent with the policy set forth in NRS 463.0129, 463.489, and 463.622;

(b) The factors set forth within Regulation 16.060; and

(c) Any views expressed to the Board and Commission by the publicly traded corporation or any licensed affiliate thereof.

6. An institutional investor that has been granted a waiver of a finding of suitability and that subsequently intends not to hold its voting securities of the publicly traded corporation for investment purposes only, or that intends to take any action inconsistent with its prior intent shall, within 2 business days after its decision, deliver notice to the Chair in writing of the change in its investment intent. The Chair may then take such action under the provisions of NRS 463.643 as the Chair deems appropriate.

7. A waiver of the requirements of NRS 463.643(4) that has been granted pursuant to this section and NRS 463.489(2) shall not be construed as a waiver of or exemption from the prior approval requirements of Regulation 16.200. An institutional investor that intends to apply for a waiver of the requirements of NRS 463.643(4) pursuant to this section must also simultaneously apply to the Commission for an exemption from the prior approval requirements of Regulation 16.200 if:

(a) The proposed acquisition would give the institutional investor, directly or indirectly, the power to direct or cause the direction of the management and policies of the publicly traded corporation; or

(b) The institutional investor intends to increase its beneficial ownership to more than 20% but not more than 25% of the voting securities of the registered publicly traded corporation.

➥ If at the time an institutional investor applies to the Commission for a waiver of the requirements of NRS 463.643(4) it does not intend to increase its beneficial ownership to more than 20% of the voting securities of the registered publicly traded corporation but subsequently intends to increase to more than 20% but not more than 25%, it must apply to the Commission for an exemption from the prior approval requirements of Regulation 16.200.

8. If the Chair finds that an institutional investor has failed to comply with the provisions of this section, or should be subject to a finding of suitability to protect the public interest, the Chair may, in accordance with NRS 463.643, require the institutional investor to apply for a finding of suitability. The institutional investor affected by the action taken by the Chair may request a hearing on the merits of such action. The hearing shall be included on the agenda of the next regularly scheduled Commission meeting occurring more than 10 working days after the request for hearing. Upon good cause shown by the institutional investor, the Commission Chair may waive the 10-day requirement and place such hearing on an earlier Commission agenda. The Commission, for any cause deemed reasonable, may by a majority vote, sustain, modify or reverse the decision of the Chair, or remand the matter to the Chair for such further investigation and reconsideration as the Commission may order. While the application for a finding of suitability or Commission review of the Chair's action requiring the filing of such application is pending, the institutional investor shall not, directly or indirectly, cause or attempt to cause any management, policy, or operating changes in the publicly traded corporation or any gaming affiliate.

9. Any publicly traded corporation registered with the Commission or any registered or licensed subsidiary thereof shall immediately notify the Chair of any information about, fact concerning or actions of, an institutional investor holding any of its voting securities, that may materially affect the institutional investor's eligibility to hold a waiver under this section.

10. An institutional investor that is subject to NRS 463.643(4) as a result of its beneficial ownership of voting securities of a publicly traded corporation registered with the Commission and that has not been granted a waiver pursuant to subsection 1, may beneficially own more than 10 percent, but not more than 11 percent, of the voting securities of such publicly traded corporation, only if such additional ownership results from a stock repurchase program conducted by the publicly traded corporation, upon the same conditions as provided in subsection 2. Unless otherwise notified by the Chair, such an institutional investor is not required to apply to the Commission for a finding of suitability, but shall be subject to reporting requirements as prescribed by the Chair.

(Adopted: 10/19/92. Amended: 6/20/02; 1/21/10; 5/11. Effective: 6/20/02.)

16.440 Proscribed activities with respect to "unsuitable" persons.

1. If a person required by the Commission to apply for a finding of suitability fails, refuses or neglects to apply for a finding of suitability or a license within 30 days after the Commission orders that such application be made, the Commission may find such person to be unsuitable.

2. The Commission may determine a publicly traded corporation registered with the Commission to be unsuitable, or take other disciplinary action, if the publicly traded corporation, after the Commission serves notice to the publicly traded corporation that a person is unsuitable to be a stockholder or to have any other relationship or involvement with such publicly traded corporation or with a corporate licensee or any other affiliated company:

(a) Pays to any person found to be unsuitable any dividend or interest upon any voting securities or any payment or distribution of any kind whatsoever except as permitted by paragraph (d) of this regulation;

(b) Recognizes the exercise by any such unsuitable person, directly or indirectly, or through any proxy, trustee or nominee, of any voting right conferred by any securities or interest in any securities referred to in NRS 463.643;

(c) Pays to any such unsuitable person any remuneration in any form for services rendered or otherwise except as permitted pursuant to NRS 463.645; or

(d) Fails to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the immediate purchase of said voting securities by the publicly traded corporation for cash at fair market value.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78.)

16.450 Exemptions.

1. The Commission may, either generally or specifically, exempt a person, a security, a transaction, or any portion thereof, from the application of Regulation 16 or any portion thereof if the Commission determines that such exemption is consistent with the purpose of the Act.

2. The Commission may by its order, from time to time, delegate to the Board the power to grant exemptions from the application of Regulation 16, to the extent, and within the scope, specified in such order.

(Adopted: 10/78. Amended: 9/88.)

TRANSITION PROVISIONS

16.900 Effective date. Regulation 16, as amended, shall be effective on September 21, 1988.
(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 9/88.)

16.910 Current orders. All waivers, exemptions, rulings, conditions and orders which are effective on October 1, 1978, and which relate to the subject matter covered by the provisions of Regulation 16 shall continue according to their terms until altered or revoked in accordance with the Act and the regulations of the Commission. Each order of the Commission which is current on October 1, 1978, and which permits the compliance with NRS 463.635 to 463.641 instead of NRS 463.585 to 463.615 is hereby amended effective on and after October 1, 1978, to include compliance with Regulation 16, as amended, instead of Regulation 15.

(Adopted: 5/73. Effective: 9/73. Amended: 10/78; 9/88.)

16.920 Current proceedings. [Repealed: 10/78.]

End – Regulation 16

REGULATION 17

SUPERVISION

17.010 Authority.
17.020 Policy.
17.030 Determination to seek supervisor.
17.040 Qualifications of supervisor.
17.050 Termination.
17.060 Distribution of earnings to former legal owners.

17.010 Authority. The following regulations are issued pursuant to NRS 463B.070 and 463B.200, and the terms utilized herein have the same definitions as set forth in NRS 463B.010 through 463B.040.

(Adopted: 11/82.)

17.020 Policy. The Commission finds and hereby declares that the continuation of a nonrestricted gaming establishment's gaming operation following surrender, lapse, suspension or revocation of a license essential to such operation presents significantly enhanced dangers to the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and should only be permitted when:

1. The possible adverse economic impact of closure of the gaming operations upon the specific community in which the establishment is located and upon the state generally is significant; and

2. Continued gaming operation pursuant to a supervisorship would facilitate speedy transfer of ownership of the establishment in a manner that does not unreasonably endanger the public health, safety, morals, good order and general welfare.

(Adopted: 11/82. Amended: 3/92.)

17.030 Determination to seek supervisor.

1. Pursuant to NRS 463B.080, only the Commission is empowered to petition ex parte for court appointment of a supervisor if the license of any person whose license is essential to the operation of a gaming establishment:

(a) Is revoked by the Commission;

(b) Is suspended by the Commission;

(c) Lapses; or

(d) Is surrendered because the gaming establishment or the ownership thereof has been conveyed or transferred to a secured party who does not possess the licenses necessary to operate the establishment.

2. The decision to file such a petition is discretionary with the Commission, and in determining whether such a petition shall be filed, the Commission shall consider, at any time following issuance of an order revoking, suspending or allowing surrender or lapse of a nonrestricted gaming license:

(a) The nature of the violation which resulted in the revocation, suspension, surrender or lapse;

(b) The ability and actions taken, if any, for a removal by licensees in good standing of persons who committed the violation;

(c) The involvement during a proposed supervisorship in any operation of the establishment of persons whose licenses were revoked, suspended, surrendered or lapsed;

(d) The economic impact of closure of the gaming operations upon the community in which the establishment is located;

(e) The economic impact of closure of the gaming operations upon the State of Nevada;

(f) The prior efforts, if any, to sell the establishment;

(g) The involvement, if any, of undisclosed interests in the establishment;

(h) The presence, if any, of a publicly traded holding company and the public trading that would occur during a supervisorship;

(i) The current status of all fees and taxes applicable to the operation;

(j) The adequacy of existing financing for the operation, if continued, and the suitability of the source of such financing;

(k) The impact upon public confidence and trust that gaming operations in Nevada are conducted honestly, competitively and free from criminal and corruptive elements;

(l) The ownership of the gaming establishment premises or an interest therein by persons other than the offending, surrendering or lapsed licensee;

(m) Any other matter material to a full and complete consideration of the particular circumstances presented;

(n) The availability of two or more persons qualified and willing to assume the position of supervisor for the establishment in question, unless, in the opinion of the Commission, only one person is available who is qualified to serve, in which case the Commission may name only that person.

3. The Commission may decline to petition for appointment of a supervisor if satisfied that because of any or all of the above considerations or for any other reason, a continuation of the gaming operation would not be in the best interest of the State of Nevada, the gaming industry, or both.

4. The Commission will not petition for a supervisor to continue gaming operations at any establishment if:

(a) A rehearing has been granted by the Commission to the licensee on the revocation or suspension of his or her license and the rehearing has not been concluded; or

(b) The gaming establishment has never been in operation and opened to the public; or

(c) The gaming establishment is, or reasonably appears to be, insolvent; or

(d) Gaming operations ceased at the establishment for any reason prior to revocation, suspension or lapse of an essential license.

(Adopted: 11/82. Amended: 3/92.)

17.040 Qualifications of supervisor.

1. Should the Commission petition for appointment of a supervisor, the Commission shall include the names of two or more persons who the Commission believes are suitable and qualified to manage the gaming establishment involved and who are available for appointment by the court, unless, in the opinion of the Commission, only one person is available who is qualified to serve, in which case the Commission may name only that person.

2. The Commission shall not petition for appointment of any person unless first satisfied that the person meets the qualifications of NRS 463.170(2) and (3)(a).

3. The Commission may petition for the appointment of more than a single individual, such as a management team, association or company, where such an appointment would better meet the circumstances and the needs of the establishment.

(Adopted: 11/82. Amended: 3/92.)

17.050 Termination.

1. Once a license essential to a continuation of the gaming operations has been revoked, suspended, surrendered or has lapsed, there is no right or interest in any person to further conduct gaming at the establishment, and the Commission may seek termination of a supervisorship for any cause deemed reasonable by the Commission.

2. Without limiting the foregoing, the Commission may seek termination whenever:

(a) License fees and taxes are not paid when due;

(b) The establishment enters into voluntary or involuntary bankruptcy proceedings;

(c) The establishment's debts exceed the value of its assets or the establishment cannot meet its debts as they become due;

(d) The Commission determines that a violation of NRS Chapters 463, 463B, 464 or 465 or the regulations enacted pursuant thereto, relating to the establishment has occurred subsequent to the supervisorship;

(e) A former owner, the former owner's agent, employee or representative are determined by the Commission to have violated any statute or regulation relating directly or indirectly to gaming or the administration of the supervisorship, other than the violation, if any, which resulted in the revocation, suspension, surrender or lapse;

(f) The death, disability, or removal of the supervisor;

(g) Closure of gaming operations at the establishment for any reason, regardless of fault; or

(h) Any circumstances which, in the determination of the Commission, renders continued operations under the supervisorship impractical or detrimental to the interests of the State of Nevada, or licensed gaming, or both.

(Adopted: 11/82. Amended: 3/92.)

17.060 Distribution of earnings to former legal owners.

1. A supervisor shall not distribute earnings of the gaming establishment to the former licensed owners thereof, until deduction is made for:

(a) The costs of the supervisorship, including compensation and expenses incurred by the supervisor and those engaged by the supervisor to aid in the supervisor's duties, then due and owing;

(b) Amounts deemed necessary by the supervisor for continuing the operation of the establishment, including, but not limited to, bankroll, salaries, and foreseeable operating expenses;

(c) Amounts deemed necessary by the supervisor to preserve the assets of the gaming establishment; and

(d) A reserve fund sufficient, in the determination of the supervisor, to facilitate continued operation in light of pending civil litigation, disputed claims, contractual obligations, taxes, fees and any other contingency known to the supervisor which may require payment by the establishment.

2. The supervisor, pursuant to NRS 463B.110, is subject to the provisions of NRS Chapter 463 and regulations adopted pursuant thereto, and shall not distribute any earnings of the gaming establishment in contravention of any provision thereof.

(Adopted: 11/82.)

End – Regulation 17

REGULATION 19

EMPLOYEE LABOR ORGANIZATIONS

19.010 Authority.
19.020 Definitions.
19.030 Information required of local labor organization.
19.040 Information required of international labor organization. [Repealed: 5/31/90.]
19.050 Information required of listed labor organization personnel.
19.060 Exemptions.
19.070 Powers of Commission.
19.080 Required revisions of list.

19.010 Authority. Regulation 19 is adopted in accordance with the provisions of NRS 463A.030 and NRS 463.150. Nothing herein shall be construed as limiting the power of the Board and Commission pursuant to the provisions of chapter 463 and 463A of NRS, including but not limited to NRS 463A.030.

(Adopted: 4/85.)

19.020 Definitions. All terms defined in the Act, NRS chapter 463A, and Regulation 1 shall have the same meaning in Regulation 19 as in the Act, NRS 463A and Regulation 1, respectively. Additionally, unless the context otherwise requires:

1. "Labor organization personnel" means all employees, agents or representatives of a labor organization, acting with or without compensation, other than individuals whose sole involvement relates exclusively to benefit programs subject to the Employee Retirement Income Security Act of 1974, who:

(a) Adjust grievances, or negotiate or administer a collective bargaining agreement which governs the wages, hours, working conditions or conditions of employment of any Nevada gaming casino employee;

(b) Solicit, collect or receive any dues, assessments, levies, fines, contributions or other charges within this state for or on behalf of the organization from any Nevada gaming casino employee;

(c) Act as officers, members of the governing body, (except where the labor organization is functioning as a committee of the whole) business agents or in any other policy-making or supervisory position in the organization; or

(d) For compensation advise, represent, or provide other assistance to a labor organization concerning Nevada gaming casino employees with respect to those activities listed in subsections (a) through (c), other than as an attorney or accountant.

2. "List" means the document filed with the Board by a labor organization including the names and all required information relating to that organization's labor organization personnel.

3. "Local labor organization" means a labor organization within the State of Nevada, whether it is affiliated with an international labor organization or not.

4. "International labor organization" means a labor organization outside the State of Nevada, and having a local labor organization which is a subordinate or which it directly or indirectly has the power to or right to control.

(Adopted: 4/85.)

19.030 Information required of local labor organization.

1. Each local labor organization shall provide the following information on its list filed with the Board:

(a) Name, address and telephone number of the labor organization;

(b) Name and address of any international labor organization with which it directly or indirectly maintains an affiliation or relationship;

(c) With respect to all local labor organization personnel:

(1) Full name, including any known alias or nickname;

(2) Title or other designation in the labor organization;

(3) A brief description of the duties and activities of each individual;

(4) The business address and telephone number of each individual; and

(5) Annual compensation including salary, allowances, and other direct or indirect disbursements (including reimbursed expenses).

(d) With respect to international labor organization personnel, those individuals who perform or who have performed any of the functions set forth in Regulation 19.020(1) with respect to Nevada gaming casino employees or advised or consulted with a local labor organization concerning one or more of such functions with respect to Nevada gaming casino employees within the 12 months immediately prior to filing the list:

(1) Full name, including any known alias or nickname;

(2) Title or other designation in the labor organization;

(3) A brief description of the duties and activities performed by each individual for, or with respect to the local labor organization;

(4) The business address and telephone number of each individual.

(e) A written certification under oath in a form prescribed by the Board, signed by the local labor organization president and secretary-treasurer, and chief official of the local labor organization if the chief official's title is other than president or secretary-treasurer, that the information contained on the list is complete and accurate.

2. Within 10 days of filing or revising its list with the Board, the labor organization shall notify in writing each of the labor organization personnel, international or local, that have been listed or added, except for those who are exempted from the reporting requirements by Regulation 19.060, advise them of the reporting requirements of NRS chapter 463A and this regulation, and file with the Board written proof of service of the notification in a form prescribed by the Board.

(Adopted: 4/85.)

19.040 Information required of international labor organization. [Repealed: 5/31/90.]

19.050 Information required of listed labor organization personnel.

1. Subject to the provisions of Regulation 19.060, all listed labor organization personnel, whether local or international, shall provide the following information to the Board in writing, 90 days after notification by the labor organization of being listed:

(a) Full name, including any aliases or nicknames by which he or she has been or is known by;

(b) Business address and telephone number;

(c) Home address and telephone number;

(d) Date and place of birth;

(e) Social Security number;

(f) Title;

(g) Date of hire by the local or international labor organization, or date of first consultation or advice;

(h) A detailed description of his or her:

(1) Labor organization activities;

(2) Prior performance of the same or similar functions on behalf of a labor organization;

(3) Previous employment or occupational history;

(i) Excluding minor traffic offenses, a detailed description of the following areas of criminal conduct, if any, whether the crime involved is denominated a felony, gross misdemeanor or misdemeanor:

(1) Any convictions;

(2) Any criminal offenses for which he or she was charged, indicted or summoned to answer, but for which he or she was not convicted;

(3) Any criminal offenses for which he or she received a pardon;

(4) Any criminal offenses for which the record was expunged or sealed by court order;

(j) Whether he or she has ever been denied a business, liquor, gaming or professional license, or has had such license revoked;

(k) Whether he or she has ever been found by any court or governmental agency to be unsuitable to be affiliated with a labor organization and if so, all details relating thereto;

(l) Whether he or she has ever been subpoenaed as a witness before any grand jury, legislative body, administrative body or crime commission and if so, all details relating thereto;

(m) A complete set of fingerprints;

(n) A photograph taken within the last 60 days; and

(o) Such other information or documents as the Board may require.

2. Labor organization personnel who have been listed, and who have provided the Board the information required by subsection 1, need not thereafter provide such information to the Board after notification of inclusion on any subsequent list unless the previously provided information has changed in

any respect. In the event such previously provided information has changed in any respect, then such labor organization personnel shall provide the Board with written notice of such changes within 60 days after notification by the labor organization of being included on any subsequent list.

3. The failure of any listed labor organization personnel to file with the Board the information required by NRS chapter 463A and this regulation within the time period specified in subsections 1 and 2 may be deemed grounds for disqualification.

(Adopted: 4/85.)

19.060 Exemptions.

1. The following categories of listed individuals are exempted from the reporting requirements set forth in Regulation 19.050:

(a) Individuals whose performance of one or more of the functions set forth in Regulation 19.020(1) with respect to Nevada gaming casino employees is only incidental to clerical or ministerial duties, or

(b) International labor organization personnel, other than the general president and general secretary-treasurer, who act or have acted as officers, members of the governing body, or in any other policy-making position in the international labor organization who have been certified in writing under oath in a form prescribed by the Board that they have not performed any of the functions set forth in Regulation 19.020(1) with respect to Nevada gaming casino employees or advised or consulted with a local labor organization concerning one or more of such functions with respect to Nevada gaming casino employees within the 12 months immediately prior to the filing of the list. The certification must be signed under oath by the general president and general secretary-treasurer of the international labor organization, and by the local labor organization president and secretary-treasurer, and chief official of the local labor organization if the chief official's title is other than president or secretary-treasurer, who shall all verify the truth and accuracy of the certification. Such certification must be submitted annually, within 90 days after filing of the list in order for such personnel to qualify for an exemption.

2. The Commission may, upon recommendation of the Board, require any listed individual who is in a category which has been previously exempted pursuant to this regulation to comply with the reporting requirements set forth in Regulation 19.050 for any cause deemed reasonable by the Commission.

(Adopted: 4/85.)

19.070 Powers of Commission. Notwithstanding any other provision in Regulation 19, or exemption contained therein, the Commission may determine, upon recommendation of the Board, at any time that the public interest and purposes of NRS chapter 463A require that any individual who has a material relationship to, or material involvement with a labor organization should file the information required by Regulation 19.050. A person may be deemed to have a material relationship to, or material involvement with a labor organization if the person, with or without compensation, as an agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of a labor organization concerning one or more of the functions set forth in Regulation 19.020(1) with respect to Nevada gaming casino employees. The foregoing powers of the Commission are not limited to individuals having a formal and direct involvement or relationship with a labor organization. Any person required to file pursuant to this regulation shall thereafter be subject to the provisions of Regulation 19 and NRS chapter 463A.

(Adopted: 4/85.)

19.080 Required revisions of list.

1. A complete list shall be submitted to the Board annually, on or before the 15th of January, except that the first complete list shall be submitted to the Board within 90 days after the effective date of Regulation 19.

2. Any changes, additions, or deletions to any information contained in the list which occur subsequent to the filing of the list and prior to the filing of the list for the next calendar year shall be reported to the Board in writing no less than 10 days after the end of the calendar quarter during which the change, addition, or deletion occurred unless the change occurs in the fourth calendar quarter in which event the change must be included in the next annual filing.

(Adopted: 4/85.)

End – Regulation 19

REGULATION 20

DISSEMINATORS

20.005 General.
20.010 Definitions.
20.020 License required; finding of suitability for a person providing transmission services; applications.
20.025 Information regarding post time.
20.030 Rates and billings; user reports.
20.040 Rate changes.
20.050 Disseminator reports. [Repealed: 1/27/11.]
20.060 Records.
20.070 Reviewed financial statements.

20.005 General. The Chair may waive one or more of the requirements of this regulation if the Chair determines the waiver is consistent with the state policy set forth in NRS 463.0129.

(Adopted: 1/11.)

20.010 Definitions. As used in this regulation:

1. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
2. "Buyer" means a person who receives horse or other animal racing information within the State of Nevada from a disseminator by means other than a live broadcast, and who uses the information to determine winners of or payoffs on wagers accepted at a race book operated by the buyer. The term is not applicable to a person who receives services related to pari-mutuel wagering activity applicable to Regulation 26A.
3. "Live broadcast" means "live broadcast" as that term is defined in NRS 463.4212.
4. "User" of a live broadcast means "user" as that term is defined in NRS 463.4218.

(Adopted: 7/85. Effective: 8/1/85. Amended: 7/87; 1/11.)

20.020 License required; finding of suitability for a person providing transmission services; applications.

1. Applications for disseminator licenses submitted pursuant to NRS 463.430, or applications for a finding of suitability submitted pursuant to NRS 463.168 by a person providing transmission services in association with a disseminator, must be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require or approve.
2. Except as provided in subsection 3, no person who owns, controls, or has any interest of any kind in a company or other enterprise that must hold a disseminator license, nor any person who applies for or holds a disseminator license, nor any employee or agent of any such persons, may hold a gaming license.
3. The Commission may grant a disseminator license to a person who holds a license to operate and who operates a race book or sports pool. A disseminator license issued to such a person authorizes the person:

(a) To disseminate only live broadcasts;

(b) To contract with not more than one track or association of tracks at a time for the purpose of disseminating live broadcasts; and

(c) To disseminate live broadcasts from not more than one track at a time.

(Adopted: 7/85. Effective: 8/1/85. Amended: 7/87; 1/11.)

20.025 Information regarding post time. The disseminator who provides live broadcasts shall, for a reasonable fixed fee, or if otherwise required by any contractual agreement by and between the disseminator and buyer, provide the post times of such races to buyers as soon as the disseminator makes that information available to users.

(Adopted: 7/87.)

20.030 Rates and billings; user reports.

1. For live broadcasts of racing meets that were distributed within Nevada during the previous year, disseminators shall charge users a percentage of the amounts wagered at each user's establishment on the live broadcast races, which must not exceed the lesser of the effective percentage rate of the previous year's racing meet as increased by one half of 1 percent, or:

(a) Three percent if the previous year's average daily handle generated by such races at all users' establishments did not exceed $150,000;

(b) Two and three-fourths percent if the previous year's average daily handle generated by such races at all users' establishments was greater than $150,000 but did not exceed $250,000;

(c) Two and one-half percent if the previous year's average daily handle was greater than $250,000 but did not exceed $350,000;

(d) Two and one-fourth percent if the previous year's average daily handle generated by such races at all users' establishments was greater than $350,000 but did not exceed $450,000;

(e) Two percent if the previous year's average daily handle generated by such races at all users' establishments was greater than $450,000.

2. For live broadcasts of racing meets that were not distributed in Nevada during the previous year, or that were distributed but which are substantially different from the previous year's meet, disseminators shall charge users a percentage of the amounts wagered in the users' establishment on live broadcast races, which must not exceed three percent.

(a) A racing meet may be considered to be substantially different from the previous year's racing meet if:

(1) The racing meet was broadcast during a substantially different time of the year the previous year;

(2) The racing meet was broadcast during a substantially different time of the day the previous year;

(3) The racing meet was modified to include new tracks;

(4) The racing meet was modified to exclude tracks from which racing was previously broadcast; or

(5) There has been a substantial increase or decrease in the number of racing days.

(b) If the average daily handle generated by new or substantially different races at all users' establishments is determined at the conclusion of the racing meet to exceed $150,000, the disseminator shall, not later than 60 days after the conclusion of the racing meet, determine the applicable percentage rate for that meet using the standards of subsection 1 and shall rebate to each user on a pro rata basis determined from each user's handle, the amount of fees collected in excess of the amount that could have been charged pursuant to subsection 1 if the racing meet had been distributed the previous year or if it was not substantially different from the previous year's meet.

3. The Commission Chair may, in the Commission Chair's sole and absolute discretion, permit a disseminator to charge users a percentage rate greater than that permitted by subsections 1 and 2 of this section, if the disseminator proposing to distribute the live broadcast and the users, who during the previous year generated at least sixty-six and two-thirds percent of the average total daily handle for a particular racing meet, file a petition with the Commission requesting that the rate be modified for that particular racing meet. The petition must state the rate the users agree to pay the disseminator and must be signed by the chief executive officer, or the chief executive officer's designee, of each user supporting the petition. The petition must be filed prior to submitting a proposal pursuant to Regulation 21 for the exclusive right to disseminate a live broadcast for that racing meet. The petition must include an affidavit of mailing that sets forth the date of mailing and that certifies that a copy of the petition has been sent to all users and other disseminators. All users that have not signed the petition and other disseminators shall have 10 calendar days from the date set forth in the affidavit of mailing or by such date as specified by the Chair in which to file with the Commission any comments or opposition to the petition. The Commission Chair shall consider the interests of the users, the disseminators, and the state in determining whether the Commission Chair will approve a rate greater than that permitted by subsection 1 or 2 of this section. If the Commission Chair does not allow a different rate, the disseminator and users who have filed the petition may appeal that decision to the full Commission. The appeal must be filed with the Commission within 7 calendar days of the Chair's decision or by such date as specified by the Chair. The appeal must include an affidavit of mailing that sets forth the date of mailing and that certifies that a copy of the appeal has been sent to all users and other disseminators. All users that did not sign the petition and other disseminators shall have 7 calendar days from the date set forth in the affidavit of mailing or by such date as specified by the Chair in which to file with the Commission any comments or opposition to the petition. The decision of the Commission is final.

4. For services other than live broadcasts, disseminators shall charge buyers a fixed fee determined in advance.

5. A disseminator shall not offer or provide a service to a buyer or user at a fee or a percentage rate different from that charged to every other buyer or user for the same service.

6. Each disseminator shall regularly provide each of its buyers with a written statement of charges, separately identifying the services provided and the amount charged for each service.

7. Each buyer and user shall file monthly with the Board a written report, itemized by track, of the amounts wagered at the buyer's or user's establishment of races and events for which a disseminator supplies the buyer or user with horse or other racing information used to determine winners of or payoffs on the wagers. These reports must separately disclose the amounts wagered and the resultant gross revenue on live broadcast races, pari-mutuel races and non-live broadcast/non-pari-mutuel races. Buyers and users shall file each report with the Board and users shall furnish a copy of each report to the disseminator not later than the 24th day of the month after the month covered by the report. If the Board at any time discovers discrepancies between amounts wagered at a buyer's or user's establishment and amounts charged or paid for disseminator services, the Board may so inform the buyer or user and disseminator. Each buyer and user shall permit its disseminator to examine such records of the buyer or user as are necessary to verify the accuracy of the buyer's or user's monthly reports. It shall be an unsuitable method of operation for any disseminator, except with the prior written approval of the Chair, to disclose to any person the contents of any report received or record examined pursuant to this subsection.

(Adopted: 7/85. Effective: 8/1/85. Amended: 5/87. Effective: 7/1/87. Amended: 7/31/87. Amended and effective: 12/14/88. Amended and effective: 1/27/11.)

20.040 Rate changes.

1. Disseminators shall notify the Board and each affected buyer of any rate increase at least 30 days before the effective date of the increase, stating in detail the reasons for the increase. A buyer affected by a rate increase may, within 30 days after receiving notice of the increase, file written objections with and request a hearing before the Commission. The filing of an objection does not operate to stay the effectiveness of the rate increase, but the Chair may grant a stay on such terms and conditions as the Chair deems appropriate. The Commission may grant or deny the request for hearing at its sole and absolute discretion.

2. If the Commission grants a buyer's request for a hearing pursuant to subsection 1, the Commission shall give all buyers and disseminators written notice of the hearing at least 20 days in advance of the hearing. The notice must specify the time and place of the hearing and fairly summarize its purposes.

3. At the hearing, all interested parties may be heard and may present evidence in support of or in opposition to the rate increase.

4. At the conclusion of the hearing, the Commission may set or adjust the rates to be charged, determine the nature and extent of the services to be provided, order a refund, or take such other action as the Commission considers appropriate. The Commission shall make its determinations based upon the evidence and testimony presented at the hearing. The determinations of the Commission must be in writing and must specify the applicable rates and the effective dates of such rates or the amount of any refund.

5. The determination of the Commission is final, binding, and conclusive upon the disseminator and all affected buyers.

6. This section does not apply to a rate increase for a live broadcast.

(Adopted: 7/85. Effective: 8/1/85. Amended: 7/87; 1/11.)

20.050 Disseminator reports. [Repealed: 1/27/11.]

20.060 Records.

1. Each disseminator shall maintain the following records with respect to each race or event regarding which the disseminator distributes information to a buyer or user:

(a) The scheduled post time as supplied by the disseminator;

(b) The actual post time as defined in Regulation 22;

(c) The name, number, and official finishing position, as supplied by the track, of each entrant finishing in a position for which a payoff is made or offered;

(d) The official payoff results; and

(e) Such other information as the Chair may require.

2. Each disseminator shall comply with the recording and reporting requirements specified in Regulation 21.090.

3. Each disseminator shall create and maintain a report indicating the name and address of each buyer, the date each buyer subscribed and canceled its subscription, if applicable, and the amounts charged each buyer for each service provided by the disseminator during the previous calendar quarter. This report must be created no later than 15 days after the end of the calendar quarter.

4. Each disseminator shall create and maintain detailed schedules which depict the revenues, expenses, and results of operations for each live broadcast racing meet.

5. Upon request, each disseminator, buyer, and user shall provide a written consent to the Board or Commission to examine and copy any and all records of any telephone, telegraph, or similar communications company or utility that may pertain to the operation of the disseminator, buyer, or user.

6. Disseminators, buyers, and users shall create and maintain the records required by this regulation in such manner and using such forms as the Chair may require or approve. The Chair may require disseminators, buyers, and users to create and maintain such other records and reports as are necessary or convenient for strict regulation of disseminators, buyers, and users. Disseminators, buyers, and users shall preserve the records required by this regulation for at least 5 years after they are made. The Board may at any time examine and copy the records of any disseminator, buyer, or user.

(Adopted: 7/85. Effective: 8/1/85. Amended: 7/87; 6/88; 1/11.)

20.070 Reviewed financial statements.

1. Each disseminator shall prepare financial statements covering all financial activities of the disseminator's establishment for each business year. The financial statements must be submitted to the Board in duplicate not later than 120 days after the last day of the disseminator's business year. In the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 120 days after the event, submit to the Board 2 copies of reviewed financial statements covering the period since the period covered by the previous statement. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of the business year for which a statement has not been submitted, the licensee may submit statements covering both the business year and the final period of business.

2. Each disseminator shall engage an independent accountant who shall review the financial statements in accordance with the statements on standards for accounting and review services, or, if the Chair requires or the disseminator engages him or her to do so, the independent accountant shall audit the statements in accordance with generally accepted auditing standards.

3. Unless the Chair approves otherwise in writing, the statements must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated establishments, but the statements must distinguish the activities of each establishment from those of the other establishments.

4. If a disseminator changes its business year, the disseminator shall prepare financial statements covering the period from the end of the previous business year to the beginning of the new business year (the "stub" period). The disseminator shall submit the statements to the Board not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the statements for the new business year.

5. Correspondence written in conjunction with the independent accountant's review or examination of the disseminator's financial statements must be submitted within 120 days following the end of the disseminator's business year.

6. All other correspondence from the independent accountant regarding internal control matters must be submitted to the Board within 30 days after the disseminator receives it.

7. The Chair may request additional information or documents from either the disseminator or the disseminator's independent accountant, through the disseminator, regarding the financial statements or the services performed by the accountant.

(Adopted: 7/87. Amended: 1/11.)

End – Regulation 20

REGULATION 21

LIVE BROADCASTS

21.005 General.
21.010 Definitions.
21.020 Standards for Board authorization.
21.030 Prohibited activities.
21.031 Intent to submit a live broadcast proposal.
21.032 Live broadcast proposals.
21.034 Hearing panel.
21.035 Hearing panel members: qualifications and eligibility.
21.039 Notices. [Repealed: 1/27/11.]
21.040 Proposals for the exclusive right to disseminate a live broadcast of a racing meet to users. [Repealed: 1/27/11.]
21.045 Standards for approval of a live broadcast proposal.
21.046 Approval of live broadcast proposals.
21.047 Withdrawal of authorization and action following withdrawal.
21.050 Documents and information to be maintained or submitted following Board authorization.
21.053 Standard revenue and expense classifications. [Repealed: 1/27/11.]
21.055 Unsuitable methods of operation.
21.060 Production.
21.070 Signal transmission, reception and security.
21.080 Procedures of users.
21.090 Records and reports.
21.100 Board monitoring and authority.
21.110 Live broadcast supervision.
21.120 Notification procedures.

21.005 General. The Chair may waive one or more of the requirements of this regulation if the Chair determines the waiver is consistent with the state policy set forth in NRS 463.0129.
(Adopted: 7/87. Amended: 10/92; 1/11.)

21.010 Definitions. As used in this regulation:
1. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
2. "Disseminator" means "disseminator" as that term is defined in NRS 463.0147.
3. "Live broadcast" means "live broadcast" as that term is defined in NRS 463.4212.
4. "User" of a live broadcast means "user" as that term is defined in NRS 463.4218.

(Adopted: 7/87. Amended 1/11.)

21.020 Standards for Board authorization. Pursuant to section 21.046, the Board or Chair shall not authorize a disseminator to enter into an agreement with a track to disseminate a live broadcast to users unless it is established to the Board's or Chair's satisfaction that:
1. The investigative and supervisory time and effort required to maintain effective control over the live broadcast is justified;
2. There exists a comprehensive, effective, government regulatory system governing the track in the jurisdiction where the track is located;
3. Information pertaining to the live broadcast operations at the track will be readily accessible to the Board at all times;
4. Proper and adequate administrative and production controls exist at the track to ensure that the interests of the State of Nevada are not unduly jeopardized; and
5. The track and the proposed live broadcast meet such other standards and requirements as these regulations or the Chair may impose.

(Adopted: 7/87. Amended: 1/11.)

21.030 Prohibited activities.
1. Disseminators shall not distribute audio-only transmissions of more than one race at a time to a race book.

2. Disseminators may distribute the audio portion of live broadcasts without the video portion; however, a user shall not use an audio-only transmission to determine winners of or payoffs on nonpari-mutuel wagers.

3. No disseminator may grant or purport to grant to any user an exclusive right to the use of any live broadcast or any part thereof, and any contractual provision that grants or purports to grant such exclusive right is void.

(Adopted: 7/87. Amended 1/11.)

21.031 Intent to submit a live broadcast proposal.

1. A disseminator intending to submit a live broadcast proposal for the exclusive right to disseminate a live broadcast of a racing meet to users must submit written notification of this intent to the Chair no later than 100 days prior to the start of the proposed racing meet.

2. If only one disseminator submits written intent notification, pursuant to subsection 1, the Chair will provide notice directing the disseminator to submit a live broadcast proposal to the Chair that meets the submission requirements set forth in section 21.032. The proposal must be submitted no later than 7 days prior to the start of the proposed racing meet, unless the meet was not distributed in Nevada during the previous year, in which case the proposal must be submitted no later than 30 days prior to the start of the racing meet.

3. If more than one disseminator submits written intent notification, pursuant to subsection 1, the person holding the live broadcast track rights ("rightsholder") shall determine which of the disseminators will be given the exclusive right to disseminate the racing meet to users. The disseminator given this right must notify the Chair of this determination no later than 45 days prior to the start of the proposed racing meet. The disseminator must also submit a live broadcast proposal to the Chair that meets the submission requirements set forth in section 21.032, following the same filing deadlines specified in subsection 2. If the rightsholder does not select a disseminator at least 45 days prior to the start of the meet, each disseminator who submitted written intent notification must submit to the Chair, no later than 30 days prior to the start of the proposed racing meet, a live broadcast proposal that meets the submission requirements set forth in section 21.032. A hearing panel may then be assembled, in accordance with section 21.034, to make a recommendation to the Board, as to which disseminator should be granted the right. The Chair will provide timely notices to the disseminator and users throughout this process as the Chair deems necessary.

4. A disseminator must notify the Chair in writing, no later than 7 days prior to the start of the proposed racing meet, to modify or withdraw the intent notification the disseminator made pursuant to this section.

(Adopted: 1/11.)

21.032 Live broadcast proposals.

1. Live broadcast proposal submissions for the exclusive right to disseminate a live broadcast of a racing meet to users must be made in a manner and using such forms as the Chair may prescribe. The Chair may require each proposal to be distributed to the users. Each proposal must include, in addition to such other information as this regulation may require:

(a) Evidence satisfactory to the Chair that the live broadcast would not be contrary to the laws and regulations of the jurisdictions where the track at which the live broadcast races are to be run is located;

(b) A description of the entire racing program, including a schedule of race days, types of wagering and number of races to be offered, and program times;

(c) If requested by the Chair, a precise, detailed diagram showing the path of the live broadcast signal from track to race book;

(d) Identification of the satellite proposed to be used;

(e) If requested by the Chair, a written description of all track and disseminator procedures relating to the live broadcast;

(f) The proposed agreement between the disseminator and users;

(g) On a live broadcast proposal form to be provided by the Chair, information pertaining to the racing meet under consideration, including but not limited to the percentage rate to be charged users and, if available, the past, present or proposed handle;

(h) A copy of an executed letter of intent between the disseminator and the live broadcast rightsholder indicating that the disseminator will be granted the exclusive right to transmit the live broadcast. If the executed letter of intent is provided by a rightsholder other than the track, then a copy of an executed contract or letter of intent between the track and the rightsholder must also be provided;

(i) A copy of the proposed agreement between the disseminator and the live broadcast rightsholder, and a statement from the disseminator that the live broadcast will not be disseminated to users before an executed agreement has been finalized;

(j) Identification of the proposed transmission vendors contracted to provide encoding, uplinking, decoding, and transponder services for the racing meet;

(k) A statement that the live broadcast will comply with all the production requirements set forth in section 21.060. If a production requirement cannot be met, a waiver request must be submitted detailing the reason the requirement cannot be met; and

(l) Any additional documentation or information the Chair may request.

2. When only one disseminator has submitted a live broadcast proposal, the disseminator must notify the Chair in writing no later than 3 days before the start of the racing meet to modify the proposal submission the disseminator made pursuant to subsection 1.

(Adopted: 1/11.)

21.034 Hearing panel.

1. If a hearing is determined to be necessary, the Board shall appoint a hearing panel, in accordance with section 21.035 and NRS 463.423, and shall notify each disseminator and user indicating that a hearing panel meeting will be conducted. The hearing panel will determine, using the approval standards set forth in section 21.045, which disseminator will be recommended to the Board for approval to be granted the exclusive right to disseminate a live broadcast racing meet to users, and will be conducted pursuant to NRS 463.424.

2. The hearing notice may include:

(a) A time certain within which each proposal for the exclusive right to disseminate a live broadcast must be submitted;

(b) Instructions regarding the manner in which each proposal should be prepared for submittal; and

(c) Any other information deemed necessary by the Chair.

(Adopted: 1/11.)

21.035 Hearing panel members: qualifications and eligibility.

1. Each member of the panel shall be a citizen of the United States, and a resident of the State of Nevada.

2. A member of the hearing panel may not:

(a) Represent a disseminator, race book, or nonrestricted gaming establishment approved for a race book, or an affiliate of these entities, in a professional capacity; or

(b) Hold a disseminator or nonrestricted gaming license; or

(c) Be an employee of a disseminator, a nonrestricted gaming licensee, or any affiliate thereof; or

(d) Have a direct pecuniary interest in a disseminator, a nonrestricted gaming licensee, or any affiliate thereof.

3. It is the intention of the Commission that the panel be composed of the most qualified persons available.

(a) One member of the panel must be a certified public accountant licensed by this state or another state of the United States or a public accountant qualified to practice public accounting under the provisions of chapter 628 of NRS, have 5 years of progressively responsible experience in general accounting, and have a comprehensive knowledge of the principles and practices of corporate finance; or such person must possess the qualifications of an expert in the fields of corporate finance, auditing, general finance, gaming or economics.

(b) One member of the panel must either be a lawyer licensed in the State of Nevada and whose practice generally involves business law or administrative law or be an individual, who although not a lawyer, has experience in administrative hearings or administrative law.

(c) One member of the panel must be an individual with 5 years of progressively responsible experience in business or government and with comprehensive knowledge of the principles and practices in the field of regulated industries.

4. Each nonrestricted licensee and each disseminator may submit the names of individuals who in their opinion meet the qualifications for appointment to the panel. Each submission must be in writing and must include a résumé of the proposed panel member. The Board or its designee shall consider the

qualifications of each proposed panel member but retains its sole and absolute discretion to determine who shall be appointed to the panel.

(Adopted: 7/87. Amended: 10/92.)

21.039 Notices. [Repealed: 1/27/11.]

21.040 Proposals for the exclusive right to disseminate a live broadcast of a racing meet to users. [Repealed: 1/27/11.]

21.045 Standards for approval of a live broadcast proposal. A proposal shall not be approved pursuant to section 21.046 unless:

1. It contains all of the information required by section 21.032;
2. The proposed rate to be charged to users does not exceed the rate permitted by subsections 1 or 2 of section 20.030 or the rate approved pursuant to subsection 3 of section 20.030;
3. The terms and conditions of the proposed user agreement are reasonable; and
4. It provides the live broadcast to users at a cost that is lower than that proposed by any other disseminator. If two or more proposals provide for the same lowest cost, the hearing panel shall choose its recommendation for the exclusive right to disseminate the live broadcast by lot.

(Adopted: 7/87. Amended: 12/88; 10/92; 1/11.)

21.046 Approval of live broadcast proposals.

1. If only one live broadcast proposal is submitted to the Chair in accordance with section 21.031(2) or more than one live broadcast proposal is submitted and the person holding the live broadcast track rights determines which disseminator will be given the exclusive right to disseminate the racing meet to users in accordance with section 21.031(3), the Chair shall approve the sole disseminator's live broadcast proposal or the live broadcast proposal of the disseminator selected by the person holding the live broadcast track rights if the approval standards set out in section 21.045 are satisfied by the live broadcast proposal. Upon approval of the live broadcast proposal, the Chair shall notify the disseminator and each user of the Chair's approval.
2. If more than one live broadcast proposal is submitted and the person holding the live broadcast track rights does not determine which disseminator will be given the exclusive right to disseminate the racing meet to users at least 45 days prior to the start of the proposed racing meet, the Board may determine that a hearing is not necessary for the selection of a disseminator and the Board shall choose a disseminator using the approval standards set forth in 21.045. Upon the selection of a disseminator, the Board shall notify each disseminator and user of the Board's selection.
3. If the Board assembled a hearing panel, pursuant to section 21.034, to recommend to the Board which disseminator should be granted the exclusive right to disseminate a live broadcast racing meet to users, the Board shall consider the hearing panel's recommendation in accordance with NRS 463.424 and shall select a disseminator, using the approval standards set forth in section 21.045, to receive this exclusive approval. The Board shall notify each disseminator and user of the Board's selection.

(Adopted: 1/11.)

21.047 Withdrawal of authorization and action following withdrawal.

1. The Board may order the withdrawal of the authorization of any proposed live broadcast without notice or hearing whenever the Board has reason to believe the disseminator has violated any regulation of the Commission, or for any cause the Board deems reasonable. Each disseminator shall be considered to have consented to such authority of the Board as a condition of the approval of the live broadcast. The decision of the Board is final and is not subject to Commission review.
2. Without limiting the discretion of the Board, the following may be grounds for withdrawal of authorization:

(a) If, prior to the live broadcast of the first race of the racing meet, the disseminator fails to broadcast and demonstrate for the Chair a video signal meeting the requirements of this regulation and using the equipment and following the procedures described in the proposal.

(b) If, the Chair determines, the terms of any agreement submitted with the disseminator's proposal are altered to the economic detriment of a user.

(c) If the Chair has not received an executed rights contract, pursuant to subsection 1 of section 21.050.

(d) If the Chair determines the authorized disseminator will be unable to execute a contract for these rights.

(e) If the Chair determines, following execution of the contract for the live broadcast rights, that the authorized disseminator is economically unable to provide the live broadcast.

3. The following action may be taken following withdrawal of authorization:

(a) If more than one disseminator submitted proposals for a live broadcast and the Board acts to withdraw its authorization, the Board may then authorize any other disseminator who submitted a proposal to disseminate the live broadcast.

(b) If only one disseminator submitted a proposal for a live broadcast and the Board acts to withdraw its authorization, the Board may then authorize any other disseminator who is willing to adopt the withdrawn disseminator's proposal and provide the racing meet on those terms to disseminate the live broadcast.

4. Except for any agreement between a disseminator and user, any agreement executed by a disseminator relative to a live broadcast must be deemed to include a provision for its termination upon the Board's withdrawal of authorization. Such termination is without prejudice to the track or organization of tracks to enter into an agreement with another disseminator upon the same terms.

(Adopted: 7/87. Amended: 1/11.)

21.050 Documents and information to be maintained or submitted following Board authorization. Except as may be provided by the Chair, once authorized to disseminate a live broadcast, the disseminator must:

1. Submit to the Chair a copy of any rights contract the disseminator executes with the track or racing association before the live broadcast begins.

2. Maintain copies of the executed agreement with each user.

3. Submit a report listing the inclusive dates of the meet, number of race days, number of users who contracted for the live broadcast, the effective percentage rate charged to the books and any other information that the Chair may require to be filed, using such forms as the Chair may prescribe within 60 days following the completion of the racing meet.

(Adopted: 7/87. Amended: 10/92; 1/11.)

21.053 Standard revenue and expense classifications. [Repealed: 1/27/11.]

21.055 Unsuitable methods of operation. It is an unsuitable method of operation:

1. For a disseminator to submit a proposal to disseminate a live broadcast which includes misrepresentations or omissions.

2. For either disseminators or users to misrepresent any facts during a hearing before the hearing panel or Board.

3. For a disseminator to delay the transmission or a user to delay the public showing of a live broadcast for any period of time.

4. For a disseminator to not meet the filing deadlines specified in this regulation.

(Adopted: 7/87. Amended: 1/11.)

21.060 Production.

1. For each race, the video portion of every live broadcast must include:

(a) The post parade;

(b) At least twice before the start of the race and for at least 30 seconds each time, the track totalizator board or a graphics display, which is interfaced with the tote system, showing the race odds and pool information in United States currency and the time until post at the track;

(c) The race;

(d) At least twice after the end of the race and for at least 30 seconds each time, the track totalizator board or a graphics display, which is interfaced with the tote system, showing the official order of finish and the resulting payoffs in United States currency;

(e) The track totalizator board or a graphics display that accurately reproduces some or all of the information shown on the totalizator board, at all times other required or permitted portions of the program are not shown;

(f) At all times, the track's name or logo; and

(g) At all times, a digital display, as described in subsection 4, of the date and time of day at the track where the live broadcast races are run.

2. For each race, the audio portion of every live broadcast must include:

(a) Post time, as defined in Regulation 22;

(b) An announcement of the start of the race; and

(c) The call of the race.

3. The audio and video portions of any live broadcast may include:

(a) Information identifying the next race, its distance, and track conditions;

(b) The names, numbers, post positions, and other information identifying the horses and jockeys or other entrants in the next race;

(c) Pre-race preparation activities in the paddock area; and

(d) Race replays, but only if the replays are conspicuously identified as such on the video portion of the live broadcast throughout the replay.

4. The digital display referred to in subparagraph (g) of subsection 1 must be generated at the track, broadcast continuously by the disseminator, and displayed continuously by the user. The time must be displayed to the nearest second, conform as closely as possible to the official time used by the track, and, along with the date, be readily visible to the person in the user's employ who controls the closing of wagering for each race.

5. Except as the Chair may otherwise approve in advance in writing, speakers, television screens, and similar devices used to display the audio and video portions of live broadcasts must be located only within public areas of the user's premises.

(Adopted: 7/87. Amended 1/11.)

21.070 Signal transmission, reception, and security. Before providing a live broadcast to a user, the disseminator must:

1. Verify that the signals to be transmitted will be encrypted and controlled by a conditional access system.

2. Install and maintain at each user's premises such equipment needed to decrypt the signals transmitted to that user.

3. Maintain records of all serial numbers for all decryption equipment located at each user's premises.

(Adopted: 7/87. Amended: 12/88; 1/11.)

21.080 Procedures of users.

1. A user may not use a live broadcast before the user has executed an agreement with the disseminator. The user must maintain copies of all such executed agreements for five years after the expiration of such executed agreement.

2. A user may not use information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book unless the user receives the live broadcast from the disseminator approved to disseminate the live broadcast.

3. Each user shall post at the user's establishment an explanation of any discrepancies between numbers used at the track and those used at the user's establishment to identify entrants.

(Adopted: 7/87. Amended: 10/92; 1/11.)

21.090 Records and reports.

1. Each user who uses information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book shall record simultaneously with the occurrence of the recorded event, for each live broadcast race:

(a) The scheduled post time supplied by the disseminator;

(b) The actual post time as defined in Regulation 22;

(c) The name, number, and official finishing position, as supplied by the track, of each entrant finishing in a position for which a payoff is made or offered;

(d) The official race track payoff results announced in the live broadcast; and

(e) Such other information as the Chair may require.

2. Every user shall retain copies of the reports filed pursuant to Regulation 20.030(7).

3. Each disseminator shall record the audio and video portions of each live broadcast the disseminator transmits to users. Disseminators shall use such recording equipment and procedures as the Chair may approve in advance, and shall preserve the recordings for at least 20 days after the occurrence of the events recorded unless the Chair orders preservation for a different length of time. Using such equipment as may be approved in advance by the Chair, each disseminator shall incorporate in the video portion of the recordings the date and, to the nearest second, the correct time of day at which the live broadcast is transmitted to users. The disseminator shall take reasonable steps to prevent discrepancies between the track time displayed as part of the live broadcast and the time generated as part of the recording, and shall maintain and, upon the Chair's request, submit records describing each such discrepancy in detail. In the alternative, a disseminator, upon approval from the Chair and subject to conditions prescribed by the Chair, is not required to record the audio and video portions of each live broadcast the disseminator transmits to users if the disseminator is able to obtain such recordings from the track originating such live broadcast provided that the track maintains the recordings for at least 20 days after the occurrence of the events recorded or for such different time period as approved by the Chair.

4. Disseminators and users shall create and maintain the records required by this or any other regulation in such manner and using such forms as the Chair may require or approve. The Chair may require disseminators and users to create and maintain such other records and reports as are necessary or convenient for strict regulation of disseminators and users. At the Chair's request, disseminators and users shall submit the records specified in subsection 1. Users and disseminators shall preserve the records required by this regulation (other than the recordings referred to in subsection 3) for at least 5 years after they are made. The Board may at any time examine and copy the records of any user or disseminator.

(Adopted: 7/87. Amended: 1/11.)

21.100 Board monitoring and authority.

1. A disseminator who distributes live broadcasts to users shall provide and maintain at Board offices a post-licensing, investigative and security verification fund in such amount as the Chair may require.

2. The Board may review the security of the live broadcast transmission and reception at any time and in any manner, including, but not limited to:

(a) Verifying the security codes used to authorize decoders;

(b) Requesting security code changes;

(c) Verifying the number and locations of decoders; and

(d) Verifying the serial number of any decoder.

3. The Chair may order the immediate termination of any live broadcast transmission or reception without prior notice or hearing whenever the Chair has reason to believe the disseminator or user has violated any regulation of the Commission, and each disseminator and user shall be considered to have consented to such authority of the Chair as a condition to the approval of the live broadcast. After any such termination, the disseminator or user may, within 3 days of the order, request a hearing before the Commission to review the Chair's order. The decision of the Commission is binding and conclusive on the affected disseminator and users.

4. The Board may recommend to the Commission that a person or an entity providing services in connection with the transmission of live broadcasts be required to file an application for a finding of suitability pursuant to NRS 463.168.

(Adopted: 7/87. Amended: 1/11.)

21.110 Live broadcast supervision. Each disseminator:

1. Shall maintain an office in Nevada and designate a key employee to supervise and be responsible for the day-to-day operations of the dissemination of the live broadcasts; and

2. By using communications equipment other than equipment used to transmit live broadcasts:

(a) Shall be able at all times to contact each user immediately; and

(b) Shall be available at all times to respond immediately to user requests for confirmation of information included in the live broadcasts.

(Adopted: 7/87.)

21.120 Notification procedures. The method of "notification" used pursuant to this regulation may include, but is not limited to, written notification through United States mail, email, and posting to the Board's website.

(Adopted: 1/11.)

End – Regulation 21

REGULATION 22

RACE BOOKS AND SPORTS POOLS

22.010 Definitions.
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22.032 Finding of suitability required to operate a call center; applications.
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22.125 Wagers; terms and conditions.
22.130 Communications technology.
22.135 Use of communications devices prohibited. [Repealed: 8/21/08.]
22.140 Wagering communications; establishing patron wagering accounts for sports, nonpari-mutuel race, and other event wagering.
22.145 Account wagering systems.
22.147 Account wagering rules. [Repealed 5/18/17.]
22.150 House rules.
22.155 Business entity wagering.
22.160 Wagering account transactions.
22.165 Use of an operator of a call center.
22.170 Credit accounts. [Repealed: 9/27/05.]
22.180 Gross revenue computations and layoff bets.
22.190 Assigned agent.
22.195 Records and reports for users and buyers.
22.200 Records and forms.
22.210 Sunset provision. [Repealed: 8/23/01.]
22.220 Global Risk Management.

22.010 Definitions. As used in this regulation:

1. "Account wagering system" means a system of wagering using telephone, computer or other method of wagering communication as approved by the Chair whose components shall be located in this State. The components shall include, but not be limited to, the systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.

2. "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS and this regulation.

3. "Call center system" means a computerized system, or a component of such a system, that is used to receive and transmit wagering instructions from a patron to a licensed book. The call center system is located within Nevada but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment.

4. "Cash" means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation.

5. "Central site book" means a book which, for the purpose of wagering communications, may allow other licensed books to establish wagering or credit accounts, accept deposits on accounts and return funds or close out accounts for the central site. Such other licensed books:

(a) Must be outstation or satellite books of the central site, as defined in this regulation, or must be affiliates of the central site, as defined in NRS 463.430(3)(b); and

(b) Must have on-line, real-time access to the appropriate functions of the central site's computerized bookmaking system.

6. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

7. "Communications technology" means the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on wire, cable, radio, microwave, light, optics, or computer data networks. The term does not include the Internet.

8. "Group I licensee" means a Group I licensee as that term is defined in Regulation 6.010.

9. "Group II licensee" means a Group II licensee as that term is defined in Regulation 6.010.

10. "Internet" means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

11. "Key employee" means an employee in any of the classes described in subsection 1 of Regulation 3.100, other than an employee meeting only the description in paragraph (e) of that subsection.

12. "Messenger bettor" means a person who places a race book or sports pool wager for the benefit of another for compensation.

13. "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. "Operator of a call center" means a person who, as an agent of a licensed Nevada book, engages in the business of operating a call center system as a means of providing patron services to assist a patron located in this state to convey wagering instructions to one or more licensed Nevada books. An operator of a call center does not accept wagers. A licensed Nevada book operating a call center on the premises of their gaming establishment or any affiliated licensed gaming establishment, with participation limited to affiliated licensed gaming establishments, is not an operator of a call center.

15. "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).

16. "Payout" means the total payment due on a winning wager whether or not:

(a) The patron collects the total payment due at one time;

(b) All or a portion of the payment due is made in the form of cash, chips, or other form of payment; or

(c) All or a portion of the payment due is used by the patron to place another wager.

17. "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 Chair.

(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 Chair.

(c) For licensed race books that, pursuant to an agreement with a licensed systems operator, use a computerized bookmaking system that allows the systems operator to close wagering via electronic remote access, that time 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 Chair, as determined by the systems operator through information the systems operator independently receives from a disseminator.

(d) Except as provided in paragraphs (a), (b) and (c) of this subsection 16, not later than 2 minutes before the scheduled post time as announced by the disseminator.

18. "Race book" means a business that accepts wagers on horse or other animal races.

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

20. “Secure personal identification” means a secure personal identification as that term is defined in Regulation 5.225.

21. “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. The term “other events” includes, but is not limited to, virtual events which are not prohibited by Regulation 22.120.

22. Wagering account” means a wagering account as that term is defined in Regulation 5.225.

23. “Wagering communication” means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

24. “Wagering instructions” means the instructions given to an operator of a call center by a patron who maintains a wagering account at a book to effect a wagering communication to the book.

(Adopted: 7/85. Effective: 9/1/85. Amended: 7/87; 11/98; 6/20/02; 9/05; 6/30/07; 8/21/08; 2/26/15; 5/17; 4/18.)

22.020 License required; applications.

1. No person may operate or own any interest in a race book or sports pool in Nevada unless that person holds a nonrestricted gaming license specifically permitting the person to do so.

2. Applications for a license to operate a race book or a license to operate a sports pool must be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require.

3. Each application for approval made by a Group I licensee must be accompanied by an internal control system prepared and submitted in accordance with Regulation 6 and this regulation.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 9/05.)

22.030 Book key employees. [Repealed: 1/1/99.]

22.032 Finding of suitability required to operate a call center; applications.

1. A person shall not function as the operator of a call center unless the person has been found suitable pursuant to chapters 463 and 464 of the Nevada Revised Statutes to operate a call center under this regulation or Regulation 26C.

2. Applications for a finding of suitability to function as the operator of a call center must be made, processed, and determined using such forms as the Chair may require or approve.

(Adopted: 8/21/08. Effective: 8/21/08.)

22.035 Registration of employees. [Repealed: 11/21/13.]

22.037 Employees of an operator of a call center. Any employee of an operator of a call center who fulfills the function of receiving and transmitting wagering instructions and any employee supervising this function is a gaming employee and subject to the provisions of NRS 463.335 and 463.337.

(Adopted: 8/21/08. Effective: 8/21/08.)

22.040 Reserve requirements.

1. Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to subsection 20(b) of Regulation 5.225, each book shall comply with the following to calculate the minimum reserve requirements:

(a) Each book shall at all times maintain a reserve of not less than the greater of $25,000 or the sum of the following amounts:

(1) Amounts held by the book for the account of patrons;

(2) Amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and

(3) Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers.

(b) Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of $25,000 or the amount the Chair projects will at least equal the sum of the amounts specified in subparagraphs (1), (2), and (3) of subsection 1(a) at the end of the first week of the book’s operation. After the book begins operations, the book’s reserve must comply with subsection 1.

2. The reserve described in subsection 1 may be combined as a single amount for a book and its satellite books.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 11/98; 9/05; 5/17.)

22.050 Issuance and control of betting tickets.

1. Immediately upon accepting a wager, other than an account wager, the book shall create a betting ticket on which the terms of the wager are written.

2. Betting tickets must bear the name and address of the book.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 9/05.)

22.060 Acceptance of wagers.

1. Books may not accept wagers unless made with cash, chips, tokens, or other representatives of value approved by the Chair, or against credits made to a wagering account as provided for in Regulation 22.160 or on credit extended in accordance with the provisions of chapter 463 of NRS and the regulations of the Commission.

2. A book shall accept wagers only on its licensed premises, and only at betting stations approved by the Chair or through an account wagering system that has been approved by the Chair.

3. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined. A licensed sports pool shall not accept a wager on an event unless the date and time at which the outcome of the event is determined can be confirmed from reliable sources satisfactory to the Chair or from records created and maintained by the book in such manner as the Chair may approve.

4. Licensed sports pools may accept wagers, including parlay card wagers, as to which of the participating contestants will win specified sports events and as to whether the total points scored in a specified game, match, or similar sports event will be higher or lower than a number specified for that event. Licensed sports pools shall not accept wagers, including parlay card wagers, on other contingencies unless their outcomes are reported in newspapers of general circulation or in official, public records maintained by the appropriate league or other governing body, or unless the pertinent sports events are televised live at the book and a book employee other than a betting ticket writer monitors the telecast, records the occurrence of the pertinent events and contingencies simultaneously with their occurrence, and records the time of their occurrence.

5. No book or agent or employee of a book may accept a wager from a person who the book, agent, or employee knows or reasonably should know is a messenger bettor or is placing the wager in violation of state or federal law.

6. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a betting ticket documenting the wager and contingency is issued immediately when the book receives the money or its equivalent.

7. A race book or sports pool may not accept wagers on a race or sporting event unless the wagering proposition is posted. Propositions may be posted by electronic or manual means, including printed media. If posted propositions are not updated simultaneously with actual changes to the propositions, an announcement, audible throughout the race book or sports pool, must be made simultaneously with the actual changes followed by updating the posted propositions within a time specified in the house rules.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 7/87; 11/98; 9/05; 6/30/07.)

22.061 Wagers and payouts in excess of $10,000.

1. Prior to accepting any nonpari-mutuel wager in excess of $10,000 or making a payout in excess of $10,000 on a nonpari-mutuel winning wager the book shall:

(a) Obtain the patron's name;

(b) Obtain the patron's permanent address;

(c) Obtain the patron's social security number or passport number;

(d) 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 issued identification credentials; or

(5) Other picture identification credential normally acceptable as a means of identification when cashing checks; and

(e) Examine the identification credential obtained to verify the patron's name and the accuracy of the information obtained pursuant to paragraphs (b) and (c).

2. Prior to accepting a nonpari-mutuel wager in excess of $10,000 or making a payout in excess of $10,000 on a nonpari-mutuel winning wager, if a book knows a person is placing a wager or receiving a payout 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 (e) of subsection 1 with respect to all persons placing the wager or receiving the payout, and the licensee shall reasonably attempt to obtain and, to the extent obtained, shall record the information required by paragraphs (a) through (e) of subsection 1 with respect to all persons for whom the wager was placed or the payout received.

3. Subsequent to accepting a nonpari-mutuel wager in excess of $10,000 or making a payout in excess of $10,000 on a nonpari-mutuel winning wager 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 and, if applicable, for the agent;

(e) The amount of the wager or payout;

(f) Window number or other identification of the location where the wager or payout occurred;

(g) The time and date of the wager or payout;

(h) The names and signatures of the book employees accepting or approving the wager and payout on the wager; and

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

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

4. Each book shall report the wagers or payouts required to be recorded pursuant to this section on a "Book Wagering Report," a form published or approved by the Chair 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) government issued identification credential information;

(c) The patron's and agent's (if applicable) social security number;

(d) Wager and payout 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 Chair 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 Chair requires retention for a longer period of time.

(Adopted: 11/98. Effective: 3/1/99. Amended: 9/05; 6/07; 11/15; 5/17; 4/18.)

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 wagering multiple transaction logs.

2. Each book shall record in a wagering multiple transaction log all nonpari-mutuel wagers in excess of $5,000, or in smaller amounts that aggregate in excess of $5,000 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 nonpari-mutuel wagers occurring during a designated 24-hour period, within a monitoring area.

3. Each log entry in a 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 wager; and

(f) Signature or electronic 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 nonpari-mutuel wagers occurred. At the conclusion of each designated 24-hour period, the last entry on a log which is recorded manually 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 Chair.

4. Each book shall aggregate all nonpari-mutuel wagers in excess of $5,000 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.

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.

7. As used in this section:

(a) "Designated 24-hour period" means the 24-hour period ending at midnight each day unless otherwise approved by the Chair.

(b) "Monitoring area" means all race book and sports pool writing locations unless otherwise approved by the Chair.

(Adopted: 11/98. Amended: 6/30/07; 8/21/08; 5/17; 4/18. Effective: 3/1/99.)

22.063 Structured wagers.

1. A book, its officers, employees or agents shall not encourage or instruct the patron to structure or attempt to structure wagers. This subsection does not prohibit a book from informing a patron of the regulatory requirements imposed upon the book, including the definition of structured wagers.

2. A book, its officers, employees or agents shall not knowingly assist a patron in structuring or attempting to structure wagers.

3. As used in this section, "structure wagers" or "structuring wagers" means to willfully conduct or attempt to conduct a series of wagers in any amount, at one or more books, on one or more days in any manner as to willfully evade or circumvent the recording and reporting requirements of Regulation 22.061. The wager or wagers need not exceed the dollar thresholds in Regulation 22.061 at any single book in any single day in order to constitute structuring within the meaning of this definition.

(Adopted: 11/98. Effective: 3/1/99.)

22.064 Required submissions to the board. [Repealed: 6/30/07.]

22.065 Imposition of supplemental recordkeeping and reporting requirements. The Chair may require a book to comply with the identification, recordkeeping, and reporting requirements of Regulations 22.061 and 22.062 for pari-mutuel wagers. The Chair shall notify the book of the decision, in writing, and such decision shall be considered an administrative decision, and therefore reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195.

(Adopted: 11/98. Effective: 3/1/99. Amended: 9/05.)

22.070 Grading of betting tickets. [Repealed: 1/1/99.]

22.080 Payment of winning wagers.

1. Except as otherwise provided in this subsection, books shall make payment on a winning wager to the person who presents the patron's copy of the betting ticket representing the wager. A book need not make payment to a person who the book or an agent or employee of the book knows is not the person to whom the patron's copy was issued. A book shall not make payment on a winning wager to a person who the book or its agent or employee knows or reasonably should know is collecting the payment on behalf of another for monetary consideration or in violation of federal law. A book may withhold payment of a winning wager if the patron refuses to supply identification or any other documentation required by state or federal law.

2. Presentment of the betting ticket and payment of the winning wager may be made at an affiliated book provided that:

(a) An adequate accounting of the payment is kept for 5 years by both books; and

(b) The payout is properly included in the computation of gross revenue of the licensee that initially accepted the wager.

3. Books shall honor winning betting tickets for 30 days after the conclusion of the event wagered upon unless a longer period is established by the book. The book shall state the redemption period on each betting ticket, in house rules and on notices conspicuously placed about the licensed premises. Payment by mail may be made only after presentment of the betting ticket and all identification information and documentation required by state or federal law, and must be made not later than 10 days after presentment. A book may accept a photocopy of a driver license or passport in lieu of an actual driver license or passport when presentment of the betting ticket is made by mail. Books shall maintain the information and documentation presented for a period of 5 years.

4. A licensed race book shall determine the winners of or payouts on wagers on horse and other animal races only with information the book receives from licensed disseminators pursuant to Regulations 20 and 21.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 7/87; 11/98; 9/05; 5/17; 4/18.)

22.090 Parlay card wagers.

1. As used in this section, "parlay card wager" means a wager on the outcome of a series of 3 or more games, matches, or similar sports events or on a series of 3 or more contingencies incident to particular games, matches or similar sports events.

2. Each sports pool that offers to accept parlay card wagers shall fully, accurately, and unambiguously disclose on all parlay card wagering forms:

(a) The amounts to be paid to winners or the method by which such amounts are to be determined and, if the sports pool limits payouts to an aggregate amount under subsection 3, the aggregate amount and the establishments to which it applies.

(b) The effect of ties.

(c) The minimum and maximum betting limits, if any.

(d) The procedure for claiming winnings, including but not limited to the documentation players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail.

(e) The effects of an event wagered on not being played on the date specified and of other events that will cause selections to be invalid.

(f) The requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and the money wagered will be refunded.

(g) The rights, if any, reserved by the sports pool, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined.

(h) The requirement that the point spreads printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers.

(i) That the sports pool's house rules apply to parlay cards unless otherwise stated on the parlay card wagering form.

3. As used in this subsection, “parlay card” means a wagering form offering exactly the same propositions on exactly the same terms.

(a) A sports pool, a sports pool and its outstation books, or a sports pool and its satellite books may limit the aggregate amount to be paid to winners on a parlay card in proportion to the amounts won, provided that the aggregate limit must not be less than the amount disclosed on the parlay card (the “base amount”) plus twice the amount wagered on the parlay card at all establishments to which the aggregate limit applies.

(b) When a sports pool knows or reasonably should know that actual payouts on a parlay card will be limited by an aggregate amount established under paragraph (a), the sports pool shall cease accepting wagers and making payouts on the parlay card. After the outcome of the final game, match, or event covered by the parlay card has been determined, the sports pool shall pay each winner at least that proportion of the payout amount stated on the parlay card that the aggregate limit bears to total payouts (including payouts made prior to the suspension of payouts) that would otherwise have been made but for the limit.

(c) When a book ceases accepting wagers and making payouts on a parlay card under paragraph (b), the book may accept wagers on the parlay card on those propositions whose outcomes have not been determined if the parlay card, patron receipts, and related documentation are distinguishable from the card, receipts, and documentation as to which the book has ceased accepting wagers, in which case the parlay card shall be considered a different parlay card for purposes of this subsection.

(d) If a book pays the winner of a parlay card wager more than 10 percent of the base amount established under paragraph (a) before the outcome of every proposition offered by the parlay card has been determined, the book must pay every winner of a wager on that parlay card the proper payout amount stated on the parlay card in full and without regard to any aggregate limit established under paragraph (a).

(e) In specific cases the Commission may waive or impose requirements more restrictive than the requirements of this subsection.

4. Prior to adopting or amending parlay card rules, a book shall submit such rules to the Chair for approval.

(Adopted: 7/85. Amended: 3/91; 11/98; 9/05; 5/17.)

22.100 Computerized bookmaking systems. Before beginning operations, each book shall install and thereafter maintain a computerized bookmaking system meeting the specifications approved by the Chair.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 11/98. Effective: 1/1/99.)

22.110 Layoff bets. Books may accept wagers placed by other books. Books may place wagers only with other books. A book that places a wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose its identity.

(Adopted: 7/85. Effective: 9/1/85.)

22.115 Prohibition against rescission of wagers. A book may not unilaterally rescind any wager without the prior written approval of the Chair.

(Adopted: 5/89. Amended: 9/05.)

22.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.

1. No wagers may be accepted or paid by any book on:

(a) Any amateur sport or athletic event other than;

(1) Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the Chair or the Chair’s designee in the Chair’s sole and absolute discretion, and

(2) Collegiate sporting or athletic events;

(b) Any collegiate sport or athletic event which the licensee knows or reasonably should know, is being placed by, or on behalf of a coach or participant in that collegiate event. Each licensee shall take reasonable steps to prevent the circumvention of this regulation;

(c) The outcome of any election for any public office both within and without the State of Nevada;

(d) Any event, regardless of where it is held, involving a professional team whose home field, a court, or base is in Nevada, or any event played in Nevada involving a professional team, if, not later than 30 days before an event or the beginning of a series of events, the team’s governing body files with the Commission

a written request that wagers on the event or series of events be prohibited, and the Commission approves the request;

(e) Any virtual event unless:

(1) An approved gaming device is used to determine the outcome(s) and to display an accurate representation of the outcome(s) of the virtual event;

(2) A live display of the virtual event is offered to all approved sports pools; and

(3) The virtual event is approved pursuant to the procedures set forth in subsection 1(f); and

(f) Any event other than a horse race, greyhound race, or an athletic sports event, unless such event is:

(1) Administratively approved by the Chair in writing in accordance with subsection 3;

(2) After referral from the Chair, approved by the Commission in accordance with subsection 5; or

(3) Approved by the Board after review pursuant to Regulation 4.190 or, if applicable, approved by the Commission after review pursuant to Regulation 4.195.

2. A request for approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be made by a book on such forms approved by the Chair, and shall include:

(a) A full description of the event and the manner in which wagers would be placed and winning wagers would be determined.

(b) A full description of any technology which would be utilized to offer the event.

(c) Such other information or documentation which demonstrates that:

(1) The event could be effectively supervised;

(2) The outcome of the event would be verifiable;

(3) The outcome of the event would be generated by a reliable and independent process;

(4) The outcome of the event would be unlikely to be affected by any wager placed;

(5) The event could be conducted in compliance with any applicable laws; and

(6) The granting of the request for approval would be consistent with the public policy of the state.

(d) Such additional or supplemental information as the Chair may require.

➥ The decision whether to grant approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section. The Chair may subject any technology that would be utilized to offer the event to such testing, investigation and approval process as the Chair deems appropriate.

3. The Chair may refer a request for approval to the full Board and Commission for consideration, or grant, deny, limit, restrict or condition a request made pursuant to subsection 2 for any cause the Chair deems reasonable. A book aggrieved by an administrative decision of the Chair may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

4. The Chair is hereby granted the authority to issue an interlocutory order, revoking or suspending any administrative approval granted pursuant to subsection 3 for any cause deemed reasonable. An interlocutory order shall be deemed delivered and effective when personally served upon the book, or if personal service is impossible or impractical, when deposited, postage prepaid, in the United States mail, to the book at its address as shown in the records of the Commission. If an interlocutory order revoking or suspending the administrative approval is issued, the effected book may request that the order be reviewed by the Board and Commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

5. Whenever the Chair refers a request for approval to the Board and Commission for consideration, the request shall be deemed an application and the book which submitted the request shall submit the application fee set forth in subsection 3 of NGC Regulation 4.070. Such application shall be included on the agenda of the next regularly scheduled meeting of the Board occurring more than 10 working days after receipt of the application fee and, thereafter, on the agenda of the next regularly scheduled meeting of the Commission. The Commission, after considering the recommendation of the Board, may grant, deny, limit, restrict or condition the application for any cause it deems reasonable and the decision of the Commission shall be final and shall not be subject to any further administrative or judicial review.

6. Upon approval of the acceptance of wagers on an event other than a horse race, greyhound race, or an athletic sports event pursuant to the provisions of subsection 1(f), the Board shall provide public notice of such approval including any conditions and limitations placed on such approval. Such notice shall occur by publication on the Board's website as close as practicable to the time at which the Commission, Chair, or Board approves the other event. Thereafter, any book may accept wagers on such other event pursuant to the approval and any conditions and limitations placed thereon.

7. For purposes of subsection 1, “professional team” means two or more persons who join together to participate in athletic sports events and who receive any compensation in excess of actual expenses for their participation in such events.

8. For purposes of this regulation, “collegiate sport or athletic event” means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

(Adopted: 7/85. Amended 1/01; 9/05; 1/11; 2/26/15; 4/18.)

22.121 Reports of suspicious transactions.

1. As used in this section, “suspicious transaction” means a transaction which a book knows or, in the judgment of it or its directors, officers, employees or agents, has reason to suspect:

(a) Is, or would be if completed, in violation of, or is part of a plan to violate or evade, any federal, state or local law or regulation;

(b) Is, or would be if completed, wagering by, or on behalf of, a coach or participant in a sporting event or other event on such event; or

(c) Has no business or apparent lawful purpose or is not the sort of transaction the particular patron would normally be expected to perform, and the book knows of no reasonable explanation for the transaction after examining the available facts, including the background of the transaction.

2. A book:

(a) Shall file with the Board, by using a form developed by the Board, a report of any suspicious transaction, if it involves or aggregates to more than $5,000 in funds or other assets; and

(b) May file a report of any suspicious transaction, regardless of the amount if the licensee believes it is relevant to the possible violation of any law or regulation.

3. The report in subsection 2(a) shall be filed no later than 30 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. In situations involving violations that require immediate attention, the licensee shall immediately notify, by telephone, the Board in addition to timely filing a report.

4. A licensee shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report. Supporting documentation shall be identified, and maintained by the licensee as such, and shall be deemed to have been filed with the report. A licensee shall make all supporting documentation available to the Board and any appropriate law enforcement agencies upon request.

5. A licensee and its directors, officers, employees, or agents who file a report pursuant to this regulation shall not notify any person involved in the transaction that the transaction has been reported. Any report filed with the Board is confidential under NRS 463.120 and is privileged under NRS 463.3407 and may be disclosed only by the Board and the Commission in the necessary administration of their duties and responsibilities under the Nevada Gaming Control Act. Any report, whether written or oral, is absolutely privileged under NRS 463.3407 and does not impose liability for defamation or constitute a ground for recovery in any civil action.

(Adopted: 1/01. Effective: 02/07/01. Amended: 8/21/08; 4/18.)

22.125 Wagers; terms and conditions.

1. No book shall:

(a) Accept from a patron, directly or indirectly, less than the full face value of an off-track pari-mutuel wager;

(b) Agree to refund or rebate to a patron any portion or percentage of the full face value of an off-track pari-mutuel wager; or

(c) Increase the payoff of, or pay a bonus on, a winning off-track pari-mutuel wager.

2. The provisions of this subsection do not prohibit the granting of the following by a book, including a satellite book, or a licensed gaming establishment where a book is located, or an affiliate of one or more of those entities that holds a nonrestricted gaming license:

(a) Room, food, beverage, racing data subscriptions or services, including but not limited to broadcasts, periodicals and electronic publications or services, that are available to the public from other sources, tobacco, or other services, including spa services, movies, bowling and entertainment admission;

(b) Limousine or other car service transportation to and from the gaming establishment where the book is located; or

(c) Merchandise or other non-cash equivalents not exceeding $100 per patron per week with the value of such $100 determined by the book's or the licensed gaming establishment's cost.

3. A book, including a satellite book, or a licensed gaming establishment where a book is located, or an affiliate of one or more of those entities that holds a nonrestricted gaming license, may award player loyalty program points based on pari-mutuel wagers placed by a patron, however, such points may only be redeemed in accordance with the rules of the program, provided that points earned based on pari-mutuel wagers may not be redeemed for cash, items or services that the book intends to or does redeem for cash, or free-play on any gaming device or gambling game, or for items or services that do not fall under one of the exceptions listed under subsection 2.

4. A book shall not, in an attempt to provide a benefit to the patron in violation of subsection 1, offer a wagering proposition, or set or move its wagering odds, lines or limits.

5. The Chair may require a book to:

(a) Disclose its betting limits in its house rules and obtain approval from the Chair before changing those limits or modifying its house rules; and

(b) Document and report, in such manner as the Chair may approve or require, wagering limits, temporary changes to such limits, or the acceptance of a wager or series of wagers from the same patron that exceeds such limits. The report may include, but is not limited to:

(1) Recording the name of the patron for which betting limits are changed or exceeded;

(2) Recording the name of the employee approving the acceptance of a wager that exceeds betting limits or causes a change in betting limits;

(3) Describing the nature of the temporary change and any related wagers; and

(4) Describing how the temporary change in limit will benefit the licensee.

➥ The Chair shall notify the book, in writing, of the decision to impose such requirements and such decision shall be considered an administrative decision and, therefore, reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195.

6. A book shall not set lines or odds, or offer wagering propositions, designed for the purposes of ensuring that a patron will win a wager or series of wagers.

(Adopted: 12/98. Effective: 1/1/99. Amended 9/05; 4/16.)

22.130 Communications technology.

1. Before installing or permitting the installation of any communications technology on the premises of a book or a call center, the book or the call center shall notify the Chair in writing of the location and number or other identifier of each communications technology and shall obtain the written approval of the Chair for each communications technology. The Chair may condition the approval in any manner the Chair considers appropriate.

2. Before a book accepts any wagering communications, and before a call center accepts any wagering instructions, the book and the call center must obtain the written approval of the Chair to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. The book or the call center must obtain written permission from the Chair by October 1st of each calendar year to continue using the communications technology.

3. As a condition to the granting of the privilege of having communications technology upon the licensed premises, the book and the call center shall be deemed to have consented to the authority of the Chairn to require the immediate removal of any communications technology from the licensed premises at any time without prior notice of hearing. After any such removal, the book or the call center may request a hearing before the Board as to whether or not circumstances may warrant the permanent revocation of the privilege of having communications technology upon the premises.

4. Upon the request of either the Board or Commission, a book or a call center shall provide a written consent for the Board or Commission to examine and copy the records of any telephone, telegraph, or other communications company or utility that pertain to the operation of the book or the call center.

5. A call center system is associated equipment requiring approval pursuant to Regulation 14.260.

6. A book receiving wagering instructions from a call center system shall comply with the requirements of Regulation 14.290 prior to the use of this system.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 9/05; 8/21/08; 4/18.)

22.135 Use of communications devices prohibited. [Repealed: 8/21/08.]

22.140 Wagering communications; establishing patron wagering accounts for sports, nonpari-mutuel race, and other event wagering.

1. A book may only accept a sports wager, nonpari-mutuel race wager, or other event wager made in person unless the transmission of a wager is initiated from within the State of Nevada. Each book must conspicuously display signs to that effect on its premises.

2. An operator of a call center shall not accept wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers unless the transmission of the wagering instructions is initiated from within the State of Nevada.

3. A book may only accept a pari-mutuel horse race wager made in person unless a pari-mutuel horse race account wager is accepted pursuant to the provisions of Regulation 26C. Each book must conspicuously display signs to that effect on its premises.

4. Each Group I licensee that accepts wagering communications shall establish and implement pursuant to Regulation 6 a system of internal control for such transactions, and comply with both its system of internal control and the Regulation 6.090 minimum internal control standards. Each Group II licensee that accepts wagering communications shall comply with the Regulation 6.100 internal control procedures.

5. Each book shall prepare a written description of its rules and procedures for wagering communications, and shall make a copy available to each patron for whom a wagering account is established.

6. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, on any nonpari-mutuel race wager, or on any other event wager, the following must occur:

(a) A book must register patrons and create wagering accounts in accordance with Regulation 5.225 except as follows:

(1) For purposes of presenting a government issued picture identification credential to confirm the patron's identity, a patron may either personally appear before an employee of the licensee at which the book is located as provided in subsection 7 of Regulation 5.225 or before an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.

(2) A book may register and create wagering accounts for patrons, including inspecting a patron's government issued picture identification credential to confirm their identity as required by subsection 7 of Regulation 5.225, by filing a request with the Chair for permission to have its employees register and create wagering accounts for patrons outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of registering and creating wagering accounts for patrons. A book may not act under its marketing plan prior to the Chair approving the request. The Chair may impose limitations and conditions on any approved request. The Chair may rescind approval of a request of a book to have its employees register and create wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be created pursuant to such marketing plan outside the State of Nevada;

(b) In addition to the requirements of Regulation 5.225, before registering a patron for a wagering account, the book must have the patron affirm that the patron has been informed and acknowledges that:

(1) Patrons are prohibited by law from placing sports wagers, nonpari-mutuel race wagers, and other event wager wagers from outside Nevada and that the book is prohibited from accepting such wagers; and

(2) With regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of regulation 26C.

(c) Notwithstanding the requirements of subsection 5 of Regulation 5.225, for a business entity patron, the patron must provide an employee of the book with the information required pursuant to NRS 463.800 before the book registers and creates a wagering account for the patron. The employee must record such information. Unless a book has otherwise been granted approval by the Chair pursuant to subsection 6(a)(2) of this section, the information required pursuant to NRS 463.800 shall be provided by the patron to an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.

7. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, nonpari-mutuel race wager, or other event wager from another book:

(a) The authorized employee of the other book must personally appear at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account;

(b) The book employee must record:

(1) The authorized employee of the other book's name, permanent business address (other than a post office box number), and business telephone number;

(2) The documents used to verify the other book is a book, the authorized employee is an employee of the other book and is authorized to open this wagering account;

(3) The amount of the authorized employee of the other book's initial wagering account or front money deposit;

(4) The authorized employee of the other book's account number with the book; and

(5) The date the authorized employee of the other book's account with the book is opened;

(c) The authorized employee of the other book must sign, in the presence of a supervising employee of the book, statements attesting that the authorized employee of the other book:

(1) Confirms the accuracy of the information recorded;

(2) Has received a copy, or has had a copy made available to them, of the book's rules and procedures for wagering communications;

(3) Has been informed and understands that authorized employees of other books that establish a wagering account pursuant to this subsection are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;

(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and

(5) Consents to the monitoring and recording by the Board and the book of any wagering communication; and

(d) The employee who verifies the authorized employee of the other book's information and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (c), must each sign statements that they witnessed the authorized employee's signature and confirmed the authorized employee of the other book's identity and residence.

8. In addition to the posting of the wager in the computerized bookmaking system, all wagering communications shall be electronically recorded and retained for a period of 60 days. The method of recording the wager must be approved by the Chair. Such recordings must be made immediately available to any Board agent upon request.

9. All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts shall be retained by the book for no less than one year following the closure of the related wagering account.

10. A book shall not allow the use of a wagering account established pursuant to this section for forms of wagering other than sports wagering, nonpari-mutuel race wagering, or other event wagering unless:

(a) The establishment and use of the wagering account otherwise meets all of the requirements of Regulation 5.225; and

(b) Administrative approval has been granted by the Chair.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 11/98; 9/05; 8/08; 1/11; 11/15; 5/17.)

22.145 Account wagering systems. Account wagering systems shall:

1. For systems that use other than voice-only wagering communications technology, provide for the patron's review and confirmation of all wagering information before the wagering communication is accepted by the book. The system shall create a record of the confirmation. This record of the confirmation of the wager shall be deemed to be the actual transaction of record, regardless of what wager was recorded by the system;

2. Prohibit wagers from being changed after the patron has reviewed and confirmed the wagering information, and the specific wagering communication transaction has been completed;

3. Prohibit the acceptance of wagers after post time except those originated after post time that are approved in the same manner as other events approved pursuant to Regulation 22.120;

4. Prohibit a book from accepting an account wager, or a series of account wagers, in an amount in excess of the available balance of the wagering account;

5. Prohibit a book from accepting out-of-state sports wagers and out-of-state nonpari-mutuel horse race wagers;

6. Post payment on winning account wagers as a credit to the patron's wagering account as soon as reasonably practicable after the event is declared official;

7. Maintain a completely separate wagering account for pari-mutuel horse race wagers. Wagering accounts for pari-mutuel sports wagers, nonpari-mutuel horse race wagers and nonpari-mutuel sports wagers may be commingled in a single wagering account;

8. Maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

9. For systems that use other than voice-only wagering communications technology, produce a printable record of the entire transaction as required by this section and shall not accept any wagering communication or transaction if the printable record system is inoperable.

(Adopted: 9/05. Amended: 1/27/11.)

22.147 Account wagering rules. [Repealed 5/18/17.]

22.150 House rules. Each book shall adopt, conspicuously display at its licensed premises, and adhere to written, comprehensive house rules governing wagering transactions with patrons. Without limiting the generality of the foregoing, the rules must specify the amounts to be paid on winning wagers, the effect of schedule changes, the redemption period for winning tickets, and the method of noticing odds or line changes to patrons. House rules must state that wagers may be accepted at other than the currently posted terms, if applicable. Prior to adopting or amending such house rules, a book shall submit such rules to the Chair for approval.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 01/11. Effective: 1/1/99.)

22.155 Business entity wagering.

1. A book shall notify the Board in writing of its intent to accept wagers from business entities which have met all of the applicable requirements found in NRS Chapter 463.

2. A book is prohibited from accepting wagers from a business entity unless all of the business entity's owners, directors, officers, managers, partners, holders of indebtedness, and anyone entitled to payments based on profits or revenues of the entity are fully disclosed. If the business entity is owned or controlled by one or more holding companies, each of the holding companies' owners, directors, officers, managers, partners, holders of indebtedness and everyone entitled to payments based on profits or revenues of the entity must be fully disclosed.

3. A book which elects to accept wagers from business entities must conduct due diligence on each business entity from which the book will accept wagers which, at a minimum, includes, but is not limited to:

(a) Requiring the business entity to affirm that it has met all of the applicable requirements found in NRS Chapter 463 and this section and that it is not established for the purpose of circumventing any applicable federal or state laws including, but not limited to, laws concerning illegal sports wagering, electronic communications, and money laundering;

(b) Ascertaining all equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals; and

(c) Ascertaining the natural person who is the source of funds for each contribution to the business entity.

➥ A book shall maintain records of the due diligence it performs on a business entity for no less than one year following the closure of the wagering account of the business entity or for no less than one year after rejection of a business entity wagering account application by the book.

4. A book shall not accept wagers from a business entity if:

(a) The business entity does not make the affirmation or disclosures required by subsections 2 or 3(a);

(b) The book is unable to verify the identity of all the equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals of the business entity; or

(c) The book is unable to verify the natural person who is the source of funds for each contribution to the business entity.

5. Upon receipt of updated information from a business entity, a book shall verify the updated information. If a book is unable to verify the updated information within 30 days of the book's receipt of the updated information from the business entity, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.

6. A book shall require a business entity from which the book accepts wagers to provide:

(a) For business entities from which the book accepts wagers aggregating more than $5,000,000 in a calendar year, an independent third-party verification concerning to whom the business entity made payments based on profits or revenues to ensure no payments were made to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive a copy of the independent third-party verification prior to April 1st of the year following the year in which the business entity placed wagers in excess of $5,000,000, the book shall suspend the wagering account and not allow further wagering activity on the wagering account or

(b) For business entities from which the book accepts wagers aggregating $5,000,000 or less within a calendar year, an affirmation stating the business entity did not make payments based on profits or revenues to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive such affirmation prior to April 1st of the year following any year in which the business entity placed wagers with the book, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.

7. A book shall report any violation or suspected violation of law or regulation related to business entity wagering to the Board immediately. Such reporting shall include, but is not limited to, any violation or suspected violation of relevant federal laws such as The Federal Wire Act 18 U.S.C. § 1084, the Illegal Gambling Business Act 18 U.S.C. § 1955, and Title 31 anti-money laundering laws.

8. A book may only accept wagering activity from a business entity, acting through one or more designated individuals, through a wagering account established by the business entity and may only deposit winnings into such wagering account. The book must use an account wagering system for such wagering activity. The requirement to use an account wagering system is effective on January 1, 2017.

9. A book shall not extend credit to a business entity.

10. A book shall report the suspension or closure of a business entity wagering account to the Board within 5 days of suspension or closure and shall include the reason for such suspension or closure in the report. A book shall report the reinstatement of a suspended business entity wagering account to the Board within 5 days of reinstatement and shall include the reasons the book reinstated the wagering account.

11. A book that accepts wagers from business entities shall adopt, conspicuously display at its premises, and adhere to house rules governing business entity wagering transactions.

12. A book that accepts wagers from business entities shall implement policies and procedures designed to ensure that business entities' wagering accounts are used only to place book wagers.

13. As used in this section, "holding company" means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization which, directly or indirectly:

(a) Owns, as defined in Regulation 15.482-6;

(b) Controls, as defined in Regulation 15.482-4; or

(c) Holds with power to vote

➥ any part of a business entity subject to this section. In addition to any other reasonable meaning of the words used, a holding company "indirectly" has, holds or owns any power, right or security if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the business entity subject to this section.

(Adopted: 11/15. Amended 5/17.)

22.160 Wagering account transactions.

1. Except as otherwise provided herein, deposits, withdrawals, credits, and debits to wagering accounts shall be made in accordance with Regulation 5.225.

2. Business entity wagering account deposits and withdrawals may only be made by transfers to and from the bank or financial institution account maintained by the business entity. Business entity wagering account deposits and withdrawals may not be made in cash.

(Adopted: 9/05. Amended: 11/15; 5/17.)

22.165 Use of an operator of a call center.

1. A licensed Nevada book shall not utilize an operator of a call center unless the operator of the call center has been found suitable by the Commission.

2. The call center system, or a component of such a system, will record patron instructions received and transmitted to a licensed Nevada book and the date/time instructions are received from a patron for:

(a) Sports wagers and nonpari-mutuel horse race wagers to be placed; and

(b) Any other wagering instructions as may be approved by the Chair.

3. The operator of a call center performs such patron services as:

(a) Receiving sports and nonpari-mutuel horse race wagering instructions from a patron;

(b) Providing help desk responses to patrons and the general public concerning sports wagers and nonpari-mutuel horse race wagers at a licensed Nevada book; and

(c) Such other patron services as may be approved by the Chair.

4. In addition to the posting of the wager at a licensed Nevada book, all wagering instructions shall be electronically recorded and retained for a period of 60 days. The method of recording the wagering instructions must be approved by the Chair. Such recordings must be made immediately available to any Board agent upon request.

5. The operator of a call center shall allow the members of the Commission, the Board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and examine all papers, books, and records, on the premises, or elsewhere as practicable.

6. The operator of a call center shall only use communications technology approved pursuant to Regulation 22.130.

7. The operator of a call center shall operate in compliance with all applicable provisions of this regulation that may apply to it or the licensed Nevada book using its services.

8. The licensed Nevada book shall maintain responsibility for any operator of a call center, used by the book, to operate in compliance with all state and federal laws and regulations, as applicable.

9. Violation of any applicable law or regulation by an operator of a call center constitutes reasonable cause for disciplinary action.

(Adopted: 8/21/08. Effective: 8/21/08.)

22.170 Credit accounts. [Repealed: 9/27/05.]

22.180 Gross revenue computations and layoff bets. The amounts of wagers placed by a book and the amounts received by the book as payments on such wagers shall not affect the computation of the book's gross gaming revenue.

(Adopted: 7/85. Effective: 9/1/85.)

22.190 Assigned agent. The Board may at any time require a book to allow an agent of the Board to be permanently present on the book's premises during all hours of operation, and to require the costs and expenses for such agent to be borne by the book in a manner deemed reasonable by the Board. The agent shall have full and complete access to all books, records, and to any telephone conversations emanating from or received at the licensed premises.

(Adopted: 7/85. Effective: 9/1/85.)

22.195 Records and reports for users and buyers. Each "user", as defined in NRS 463.4218, who uses information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book, and each "buyer", as defined by Regulation 20.010(2), shall comply with the recording and reporting requirements specified in Regulations 20.030, 20.060, 21.080 and 21.090.

(Adopted: 01/27/11. Effective: 01/27/11.)

22.200 Records and forms. Books shall create and maintain the records and reports required by this regulation in such manner and using such forms as the Chair may require or approve. The Chair may require books to create and maintain such other records and reports as are necessary or convenient for strict regulation of books. Except as otherwise provided in this regulation, books shall preserve the records required by this regulation for at least 5 years after they are made. The Board may at any time examine and copy the records of any book. Each book shall comply with all other applicable regulations of the Commission to the extent not in conflict with this regulation.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 1/11.)

22.210 Sunset provision. [Repealed: 8/23/01.]

22.220 Global Risk Management.

1. A book engaging in global risk management may provide direction, management, consultation, and/or instruction to the operator of a wagering pool located in a permissible jurisdiction concerning:

(a) The management of risks associated with a wagering pool for a race or sporting event or any other event for which the wagering pool is permitted to accept wagers;

(b) The determination of where lines, point spreads, odds, or other activity relating to betting or wagering are initially set and the determination of whether to change such lines, point spreads, odds, or other activity relating to betting or wagering;

(c) Whether or not to accept or reject bets or wagers, to pool bets or wagers, or to lay off bets or wagers;

(d) The use, transmittal, and accumulation of information and data for the purpose of providing global risk management; and

(e) Any other activity associated with a wagering pool if approved in writing by the Chair prior to a book commencing direction, management, consultation, and/or instruction concerning the activity.

2. A book which intends to provide global risk management shall:

(a) Enter into a written agreement to provide global risk management with any operator of a wagering pool to which the book proposes to provide global risk management. A copy of such executed agreement with an operator of a wagering pool located outside of Nevada shall be provided to the Chair no later than the date on which the book commences global risk management for the operator of the wagering pool;

(b) Provide details to the Chair regarding any permissible jurisdiction other than Nevada where the book intends to provide global risk management no later than the date on which the book commences global risk management in such permissible jurisdiction;

(c) No later than the date on which a book commences global risk management, submit the book's systems of accounting and internal control utilized for global risk management to the Chair. Such systems must include provisions for complying with all federal laws and regulations; and

(d) Provide such other information as the Chair may require concerning global risk management.

3. In addition to the requirements contained in subsection 2 of this section, at least 30 days prior to providing global risk management to a Nevada licensee, a book shall submit to the Chair the written agreement for the global risk management provided to the Nevada licensee. The Chair may object in writing to such agreements in the Chair's sole and absolute discretion. If the Chair objects to an agreement, the book shall not provide global risk management to the Nevada licensee until the book has resubmitted the agreement to the Chair, and the Chair has indicated in writing that the Chair does not object to the resubmitted agreement.

(Adopted: 8/15. Effective 8/20/2015.)

End – Regulation 22

REGULATION 23

CARD GAMES

23.010 Authority and applicability.
23.020 Definitions.
23.025 Card game drop box procedures.
23.030 Sale of stakes.
23.040 Accounting for transactions between card table bank and card room bank.
23.045 Limitations on the use of card room banks and card table banks.
23.050 Rake-off and time buy-in.
23.060 Shills. [Repealed: 2/79.]
23.065 Restrictions on use of shills and proposition players.
23.070 Restrictions on other players.
23.080 Posting of rules.
23.090 Effective date.

23.010 Authority and applicability. Pursuant to NRS 463.150(2)(g) and NRS 463.157, the Commission hereby provides for the regulation of the method of operation and fiscal affairs of games of poker and all other similar games.

(Adopted: 1/74. Amended: 2/79.)

23.020 Definitions. As used herein, the following terms shall have the following meanings:

1. Ante: A player's initial wager or predetermined contribution to the pot prior to the dealing of the first hand.
2. Call: A wager made in an amount equal to the immediately preceding wager.
3. Card game shill: An employee engaged and financed by the licensee as a player for the purpose of starting and/or maintaining a sufficient number of players in a card game.
4. Card room bank: An imprest fund which is a part of and accountable to the licensee's casino cage or bankroll but which is maintained in the card room exclusively for the purposes set forth in Regulation 23.045(1).
5. Card table bank: An imprest inventory of cash and chips physically located in the table tray on the card table and controlled by the licensee through accountability established with the card room bank. The card table bank shall be used only for the purposes set forth in Regulation 23.045(2).
6. Check: To waive the right to initiate the wagering, but to retain the right to call after all the other players have either wagered or folded.
7. Hand: One game in a series, one deal in a card game, or the cards held by a player.
8. Pot: The total amount anted and wagered by players during a hand.
9. Proposition player: A person paid a fixed sum by the licensee for the specific purpose of playing in a card game who uses his or her own funds and who retains his or her winnings and absorbs his or her losses.
10. Raise: A wager made in an amount greater than the immediately preceding wager.
11. Rake-off: A percentage of the pot which may be taken by the licensee for maintaining or dealing the game.
12. Stake: The funds with which a player enters a game.
13. Stakes player: A person financed by the licensee to participate in a game under an arrangement or understanding where by such person is entitled to retain all or any portion of his or her winnings.
14. Table tray: A receptacle used to hold the card table bank.
15. Time buy-in: A charge to a player, determined on a time basis, by the licensee for the right to participate in a game.

(Adopted: 1/74. Amended: 2/79.)

23.025 Card game drop box procedures.

1. Each card table shall have one card game drop box with the drop slot located at least four inches in front of the table tray and to the right thereof, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the

drop slot, which when activated will cause the rake to drop directly into the drop box. The card game drop box shall be a locked container marked with a permanent number corresponding to a permanent number on the card table and permanently marked to indicate game and shift, all of which markings shall be clearly visible at a distance of 20 feet. The locked container shall be locked to the card table and shall be separately keyed from the container itself.

2. All card game drop boxes shall be removed from their respective card tables at the end of each shift at the times previously designated in writing to the Board. The removal of card game drop boxes shall be without any interruptions so that an observer may be able to observe the markings on the boxes. The boxes must be transported directly to the room designated for counting where they shall be stored in a secure place or immediately counted.

(Adopted: 2/79.)

23.030 Sale of stakes. No cash or chips received for the sale of stakes shall be commingled with any rake-offs or other compensation received by the licensee from the players for the right to play.

(Adopted: 1/74. Amended: 2/79.)

23.040 Accounting for transactions between card table bank and card room bank.

1. When the card table bank is to be replenished with chips from the card room bank, all cash or chips to be transferred must be counted down by the dealer in public view on the card table and verified by the person who transports the cash or chips.

2. The transfer shall be preceded by the placement of appropriately designated marker buttons (lammer) on the card table of a value equivalent to the cash or chips to be transferred to the card room bank. Such marker buttons may only be removed by the dealer after the transaction has been completed.

3. Upon written Board approval, those licensees wishing to utilize the casino cage in lieu of a card room bank may do so provided that the same procedures as set forth in NGC Regulations 23.040, 23.045, 23.065, and related provisions thereto, shall be followed by the casino cage for such transactions.

(Adopted: 1/74. Amended: 8/77; 2/79.)

23.045 Limitations on the use of card room banks and card table banks.

1. Card room banks shall be used exclusively for the purposes of the issuance and receipt of shill funds, the maintenance of card table banks used in card games, and the issuance of chips to and redemption of chips from players.

2. Card table banks shall be used only for the purposes of making change or handling player buy-ins.

(Adopted: 2/79. Amended: 12/91.)

23.050 Rake-off and time buy-in.

1. Rake-offs shall not exceed 10 percent of all sums wagers in the hand. Rake-offs shall only be pulled from the pot by the dealer in an obvious manner after each wager and call or at the completion of the hand. The rake-off shall be placed in a designated rake circle and shall remain in the designated rake circle until a winner is declared and paid. The rake-off shall then be dropped into the card game drop box.

2. The designated rake circle must be clearly visible to all players and shall be positioned in a location on the table where it is at least four inches from and in front of the table tray and at least eight inches from the table drop slot, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box; such drop slot shall serve as the rake circle.

3. All time buy-ins or other fees charged shall be immediately placed into the card game drop box.

(Adopted: 1/74. Amended: 2/79.)

23.060 Shills. [Repealed: 2/79.]

23.065 Restrictions on use of shills and proposition players.

1. Shills may not check and raise or play in any manner between themselves or in collusion with others to the disadvantage of other players within the game.

2. Each establishment employing shills or proposition players shall identify such shills or proposition players upon request and shall display a sign clearly legible from each table which states:

"Nevada gaming regulations allow the use of shills and proposition players. Shills and proposition players shall be identified by management upon request."

3. Each licensee shall maintain, in a manner as in the case of all other employees, employment records on each individual engaged as a shill or proposition player; additionally, a list of all shills and proposition players shall be maintained at the card room bank and shall be readily available for inspection.
4. Persons who participate in the management or supervision of games subject to this regulation shall be permitted to act as a shill or proposition player in the establishment where employed if supervision is otherwise provided.
5. All advances to and winnings of a shill shall be utilized only for wagering in card games or turned into the card room bank at the conclusion of play.
6. No more than two proposition players may play in a card game. No more than a combination of four shills and proposition players may play in a card game.
7. Shills may only wager chips or coins.

(Adopted: 2/79.)

23.070 Restrictions on other players.

1. Stakes players shall not be utilized by any licensee.
2. No dealer may wager in any game in which he or she is dealing.

(Adopted: 1/74. Amended: 2/79.)

23.080 Posting of rules. The rules of each game shall be posted and be clearly legible from each table and must designate:

1. The maximum rake-off percentage, time buy-in, or other fee charged.
2. The number of raises allowed.
3. The monetary limit of each raise.
4. The amount of ante.
5. Other rules as may be necessary.

(Adopted: 1/74. Amended: 2/79.)

23.090 Effective date. This regulation shall become effective February 1, 1979.

(Adopted: 1/74. Amended: 2/79.)

End – Regulation 23

REGULATION 25

INDEPENDENT AGENTS

25.010 Definitions. [Effective through 4/30/18.]
25.010 Definitions. [Effective 5/1/18.]
25.020 Registration. [Effective through 4/30/18.]
25.020 Registration. [Effective 5/1/18.]
25.025 Independent agent compensation. [Effective 5/1/18.]
25.030 Determination of suitability. [Effective through 4/30/18.]
25.030 Determination of suitability. [Effective 5/1/18.]
25.040 Required reports and recordkeeping. [Effective through 4/30/18.]
25.040 Required reports and recordkeeping. [Effective 5/1/18.]
25.050 Mandatory requirements. [Effective through 4/30/18.]
25.050 Mandatory requirements. [Effective 5/1/18.]
25.060 Reporting requirements for registered independent agents. [Repealed 3/22/18. Repeal effective 5/1/18.]

25.010 Definitions. [Effective through 4/30/18.]

1. "Independent agent" has that meaning prescribed to it in Nevada Revised Statute 463.0164.
2. "Registered independent agent" means an independent agent who registers with the board pursuant to Regulation 25.020(1).
3. "Preferred guest" means any person, 21 years of age or older, who receives complimentary transportation, food, lodging, or other consideration with a retail price over $1,000 in any 7-day period from a licensed establishment as an inducement to gamble.
4. "Secondary representative" means any person other than clerical personnel or ticket takers not otherwise exempt under Nevada Revised Statute 463.0164(2) who receives any form of compensation from a registered independent agent for assisting a registered independent agent.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.010 Definitions. [Effective 5/1/18]

1. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
2. "Customer Incentive" means any inducement extended by a licensee to a person to gamble at the licensee's establishment including, but not limited to, discounts, airfare, money, gifts of personal property, negotiable chips, promotional chips, or any representative of value.
3. "Independent agent" has the meaning ascribed to it in Nevada Revised Statute 463.0164.
4. "Registered independent agent" means an independent agent who registers with the Board pursuant to Regulation 25.020(1).
5. "Secondary representative" means any person other than clerical personnel or ticket takers not otherwise exempt under Nevada Revised Statute 463.0164(2) who receives any form of compensation from a registered independent agent for assisting a registered independent agent.
6. "Theoretical earning potential" means the average bet of a patron multiplied by hours played by the patron multiplied by decisions per hour of the patron multiplied by house advantage for the game played by the patron. (Theoretical earning potential = (average bet) * (hours played) * (decisions per hour) * (house advantage)).

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.020 Registration. [Effective through 4/30/18]

1. An independent agent who (a) arranges transportation or lodging for preferred guests or (b) approves or grants the extension of gaming credit on behalf of a state gaming licensee or collects a debt evidenced by a credit instrument, must register with the board.
2. Except as provided in subsection 5, a licensee shall not compensate an independent agent who must register pursuant to subsection 1 for services rendered until the board chairman notifies the licensee in writing that the independent agent submitted the information required by and in compliance with regulation.
3. A filing for registration as a registered independent agent must include the following:

(a) The name, address, and type of organization of the independent agent.

(b) A copy of any proposed agreement between the licensee and the independent agent. If the proposed agreement is not in writing, the filing shall include a detailed written description of proposed arrangements.

(c) A personal financial questionnaire if the independent agent is to guarantee any payment due to a licensee from any preferred guest.

(d) The designation of persons whom the independent agent may use as a secondary representative.

(e) A statement on a form furnished or approved by the board that the independent agent:

(1) Submits to the jurisdiction of the State of Nevada, the board, and the commission;

(2) Designates the Secretary of State as its representative upon whom service of process may be made; and

(3) Agrees to be governed and bound by the laws of the State of Nevada and the regulations of the commission.

(f) Such additional information as the board or commission may request. If the independent agent is not an individual, the board may designate the officers and principals of the independent agent that shall provide this information. The independent agent shall supply this information on forms furnished or approved by the board.

4. The independent agent shall provide its filing to the licensee for transmittal to the board. The board may reject filings made directly by an independent agent.

5. A licensee may compensate a registered independent agent that is registered with the board pursuant to arrangements with another licensee, if the board chairman notifies the licensee in writing that the registered independent agent has:

(a) Submitted a copy of the proposed agreement between the licensee and the registered independent agent;

(b) A current registration with the board;

(c) Complied with Regulation 25.050; and

(d) Provided such additional information as the board or commission may request.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.020 Registration. [Effective 5/1/18]

1. An independent agent who:

(a) Has authority from a licensee to authorize customer incentives with a cumulative value exceeding $10,000 in a calendar year to any patron;

(b) Receives compensation from a licensee for his or her services as an independent agent; or

(c) Approves or grants the extension of gaming credit on behalf of a state gaming licensee or collects a debt evidenced by a credit instrument

➥ must be registered with the Board and shall have a written agreement with the licensee evidencing such authority or compensation.

2. An independent agent required to register by this section must register with the Board. The registration must be renewed every five years.

3. A licensee shall not compensate an independent agent who must register pursuant to subsection 1 for services rendered until the Chair notifies the licensee in writing that the independent agent is registered with the Board.

4. A filing for registration, or renewal of registration, as a registered independent agent must include the following:

(a) Completed forms, information, and documents as required by the Chair;

(b) A written statement, signed under penalty of perjury on a form furnished or approved by the Board, that the independent agent:

(1) Submits to the jurisdiction of the State of Nevada, the Board, and the Commission;

(2) Designates the Secretary of State as its representative upon whom service of process may be made;

(3) Agrees to be governed and bound by the laws of the State of Nevada and the regulations of the Commission;

(4) Provided complete and accurate information to the Board; and

(5) Will cooperate with all requests, inquiries, and investigations of the Board or Commission;

(c) One complete set of fingerprints from the independent agent (if a natural person) and from each of the direct and beneficial owners thereof, if any (if a natural person);

(d) A fee set by the Chair; and

(e) Any additional information requested by the Board or Commission.

5. The independent agent shall provide its filing to the licensee for transmittal to the Board. The licensee shall transmit such filing to the Board within 90 days of the licensee's receipt of the complete filing. The Board may reject filings made directly by an independent agent.

6. The Chair may object to the registration of an independent agent for any cause the Chair deems reasonable. If the Chair objects to the registration of an independent agent, the Chair shall send written notice of the decision to the independent agent and the submitting licensee.

(a) A Chair objection to the registration of an independent agent shall be considered an administrative decision, and therefore reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190, and 4.195.

(b) A licensee shall not transmit an independent agent's filing for registration to the Board prior to the expiration of 1 year from the date of a notice of the Chair objecting to the registration of the independent agent. Such independent agent shall not commence providing any services set out in subsection 1 of this section prior to the Chair approving the registration.

7. A person registered, or a person who has a pending filing for registration, pursuant to this section shall report changes to the information required pursuant to subsection 4 to the Board within 30 days of such change. The Chair may, in the Chair's sole and absolute discretion, require a new registration pursuant to subsection 1 of this section if there is a change in ownership.

8. The Chair may cancel the registration of an independent agent if the independent agent or direct or beneficial owner thereof:

(a) Is convicted of a felony;

(b) Is convicted for illegal activity occurring on the premises of a licensee; or

(c) Fails to comply with any drug testing ordered by the Chair or a drug test ordered by the Chair shows a positive result for a controlled substance.

➥ The effective date of cancellation pursuant to this subsection shall be 5 days after the Board deposits notice of cancellation to the independent agent's last known address with the United States Postal Service with the postage thereon prepaid. The Board shall notify all licensees which have agreements with the independent agent of such cancellation and the effective date thereof. The Board shall also send notice of the cancellation to the Secretary of State as designated representative of the independent agent upon whom service of process may be made.

9. The cancellation of the registration of an independent agent shall be considered an administrative decision and shall be reviewable upon appeal by the independent agent pursuant to the procedures set forth in Regulations 4.185, 4.190, and 4.195. A licensee shall not transmit an independent agent's filing for registration to the Board prior to the expiration of 1 year from the date of the later of notice of the cancellation or the final decision on any appeal of such cancellation.

10. If the Board receives a copy of a court order related to child support issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is registered as an independent agent:

(a) The Board shall deem the registration of that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Board receives a letter issued to the independent agent by the district attorney or other public agency pursuant to NRS 425.550 stating that the independent agent has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

(b) The Board shall reinstate the registration as an independent agent of a person that has been suspended by a district court pursuant to NRS 425.540 if the Board receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose registration was suspended stating that the person whose registration was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

(c) The Board shall notify all licensees which have agreements with the independent agent of such suspension or reinstatement and the effective dates thereof.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.025 Independent agent compensation. [Effective 5/1/18.] A licensee shall not compensate an independent agent based on the actual earnings or profits from any gambling game played by a patron or

patrons unless the independent agent has been found suitable by the Commission to act as an independent agent. A licensee may compensate an independent agent based on theoretical earning potential.

(Adopted: 3/18.)

25.030 Determination of suitability. [Effective through 4/30/18.]

1. The commission may require a finding of suitability of an independent agent at any time. The commission shall give written notice to the independent agent and any licensee having an agreement with the independent agent on file with the board that the independent agent must file an application for finding of suitability. The commission retains jurisdiction to determine the suitability of an independent agent even if the licensee terminates its relationship with the independent agent or the independent agent is otherwise no longer functioning as an independent agent.

2. If the commission finds a registered independent agent to be unsuitable, the registration of such registered independent agent is thereupon cancelled. A licensee or independent agent shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such independent agent. Failure to terminate such relationship may be deemed to be an unsuitable method of operation. No determination of suitability of an independent agent shall preclude a later determination by the commission of unsuitability.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.030 Determination of suitability. [Effective 5/1/18.]

1. The Commission may require a finding of suitability of an independent agent at any time. The Commission shall give written notice to the independent agent and any licensee having an agreement with the independent agent on file with the Board that the independent agent must file an application for finding of suitability. The Commission retains jurisdiction to determine the suitability of an independent agent even if the licensee terminates its relationship with the independent agent or the independent agent is otherwise no longer functioning as an independent agent.

2. If an independent agent does not file an application for a finding of suitability within 30 days following receipt of notice that the Commission is requiring the independent agent to file an application for a finding of suitability, the Board shall notify all licensees with which such independent agent has an active agreement. Upon such notice, a licensee shall provide documentary evidence that the independent agent no longer acts as an independent agent for the licensee. Failure of the licensee to respond as required by this section shall constitute grounds for disciplinary action.

3. If the Commission finds a registered independent agent to be unsuitable, the registration of such registered independent agent is thereupon cancelled. A licensee or independent agent shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such independent agent. Failure to terminate such relationship may be deemed to be an unsuitable method of operation. No determination of suitability of an independent agent shall preclude a later determination by the Commission of unsuitability.

4. Upon the Commission requiring a person who is required to be registered by this section to apply for a finding of suitability, the person does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.040 Required reports and recordkeeping. [Effective through 4/30/18.]

1. Each licensee shall provide to the board within one month following each calendar quarter, separate lists of registered independent agents:

(a) Whose relationship with the licensee terminated in that quarter, and

(b) Whose total compensation in that quarter either (1) exceeds $1,000 and places them in the top 10 percent of all the licensee's registered independent agents ranked by compensation, or (2) exceeds $20,000. This list shall include the total compensation paid in that quarter to the registered independent agents on the list.

2. The licensee shall retain in its files for a 5-year period and make available for inspection by the board, upon request, the following information:

(a) The origin and dates of stays by preferred guests arranged by a registered independent agent;

(b) The total amount of gaming credit extended to such preferred guests that remains unpaid following their departure; and

(c) Such other information required by the board regarding any business arrangement between the licensee and an independent agent.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.040 Required reports and recordkeeping. [Effective 5/1/18.]

1. Each licensee shall provide to the Board within 15 days following each calendar month, separate lists of registered independent agents:

(a) Whose agreement with the licensee terminated in that month. This list shall include:

(1) The total compensation paid in that month to each registered independent agent on the list;

(2) Truthful statements of the reason(s) for each termination; and

(3) Any additional information regarding the terminations requested by the Chair and

(b) Whose agreement with the licensee is currently active. This list shall include the total compensation paid in that month to each registered independent agent on the list.

2. The licensee shall retain in its files for a 5-year period and make available for inspection by the Board, upon request, the following information:

(a) The state or country of origin and dates of stays by patrons arranged by a registered independent agent;

(b) The total amount of gaming credit extended to such patrons that remains unpaid following their departure; and

(c) Any other information required by the Chair regarding any business arrangement between the licensee and an independent agent.

3. The licensee shall submit a copy of its standard controlling agreement with independent agents to the Board each calendar year on or before the thirty-first day of January. The licensee shall report any change to its standard controlling agreement with independent agents and submit a new copy of the agreement within 30 days of such change. The licensee shall submit a copy of any agreement for the services of an independent agent which deviates from the standard controlling agreement within 30 days of the execution of such agreement.

(Adopted: 10/72. Amended: 3/91; 5/92; 3/18.)

25.050 Mandatory requirements. [Effective through 4/30/18.] Every agreement, including any agreement of employment, between a licensee and a registered independent agent must contain the following conditions:

1. If the commission determines the registered independent agent is unsuitable, the agreement shall thereupon terminate unless the commission orders otherwise.

2. The agreement is not effective and the registered independent agent is not entitled to and may not be paid any compensation until the licensee receives notice that the board chairman has registered the independent agent.

(Adopted: 5/92. Amended 3/18.)

25.050 Mandatory requirements. [Effective 5/1/18.] Every agreement, including any agreement of employment, between a licensee and an independent agent who is required to register pursuant to section 25.020(1) must contain the following conditions:

1. If the Commission determines the registered independent agent is unsuitable, the agreement shall thereupon terminate unless the Commission orders otherwise.

2. The agreement is not effective and the independent agent who is required to register pursuant to section 25.020(1) is not entitled to and may not be paid any compensation until the licensee receives notice that the Chair has registered the independent agent. An independent agent who is required to register pursuant to section 25.020(1) is not entitled to any compensation for services listed in section 25.020(1) if the Chair objects to the registration and, if review of the objection is requested, such objection is sustained.

(Adopted: 5/92. Amended 3/18.)

25.060 Reporting requirements for registered independent agents. [Repealed 3/22/18. Repeal effective 5/1/18.]

1. Annually, on or before July 15, each registered independent agent shall file a list of all secondary representatives on a form furnished or approved by the board. Each licensee shall send a notice annually, on or before June 1, to each registered independent agent under contract with it, advising the registered independent agent of the requirements of this section.

2. The registered independent agent shall report additions, deletions and changes to the following items to the board within 30 days thereof:

(a) The registered independent agent's address or telephone number;

(b) The officers, directors, shareholders or partners of the registered independent agent;

(c) The list of secondary representatives contained within the annual report or the initial submission required by Regulation 25.020(2).

(Adopted: 5/92. Effective: 7/1/92.)

End – Regulation 25

REGULATION 26

PARI-MUTUEL WAGERING

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GENERAL

26.010 Policy. It is the policy of the Nevada Gaming Commission and Board that pari-mutuel betting on sporting events is materially different from other types of gaming and that the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada require stringent regulation of pari-mutuel wagering conducted in conjunction with sporting events; accordingly, pursuant to NRS 464.020(2), licensees operating pari-mutuel wagering facilities on sporting events and races, except horse and dog racing, are required to comply with the following regulation in addition to any regulation applicable to gaming licenses in general.

(Adopted: 3/75.)

26.020 Scope. Regulation 26 shall govern all pari-mutuel wagering for which a license has been granted by the Nevada Gaming Commission under chapter 464 of the Nevada Revised Statutes. The provisions of chapter 463 of Nevada Revised Statutes and the regulations promulgated thereunder shall apply when not in conflict with Regulation 26.

(Adopted: 3/75.)

26.030 Definitions. The following definitions shall apply throughout this regulation, and where not inconsistent elsewhere, shall apply to all other regulations of the Nevada Gaming Commission.

1. Breakage: Odd cents over a multiple of 10 cents arising from the computation of odds and payouts.
2. Commission: An amount retained and not distributed by the licensee from the total sums wagered on an event. The term does not include breakage.
3. Daily double: A wager requiring the selection of the winners of two separate program events designated by the licensee as a daily double.
4. Entry: Two (2) or more entrants competing in a given event and coupled because of common ties.
5. Exacta: The selection, in order of finishing, of the entrants finishing first and second in a given event.
6. Field: All the entrants in an event whose assigned numerical designation exceeds one less than the numbering capacity of the post positions on the tote board.
7. Gross pool: The total amount of money wagered on the outcome of a particular event without any deduction therefrom.
8. Handle: Gross amount of money risked in pari-mutuel wagering.
9. Licensee: As used herein, a person to whom a pari-mutuel wagering license has been issued by the Nevada Gaming Commission.
10. Net pool: Gross pool less commission deducted.
11. Pari-mutuel: A system of wagering on a race or sporting event whereby the winners divide the total amount bet, after deducting commission, fees, and taxes, in proportion to the amount individually wagered.
12. Profits: Net pool less the gross amount wagered upon a given entrant in a particular instance.
13. Quinella: The selection of the entrants finishing first and second in any order in any given event.
14. Entrant: A participant in a race, sporting event or contest upon which a wager may be placed as to the participants' finishing position in the event.
15. Event: An individual race, game or contest wherein pari-mutuel wagering is conducted upon the competing entrants.
16. Win, place, show: Refers to the entrants respectively placing first, second and third in the outcome of an event; also refers to the respective wagers or pools.

(Adopted: 3/75.)

26.040 Licensing.

1. A nonrestricted gaming license under the authority of chapter 463, and a pari-mutuel license under the authority of chapter 464 of the Nevada Revised Statutes, and any other applicable state license or permit shall first be required to conduct pari-mutuel wagering. The pari-mutuel license shall be applied for and issued in the same manner as a non-restricted gaming license.
2. A pari-mutuel license shall be issued only on events conducted, owned, operated and controlled by the licensee unless waived by the Nevada Gaming Commission. Each sporting event shall be deemed a separate operation requiring a separate license which shall issue only on events operated in accordance with the rules and regulations of the Nevada Gaming Commission and the Board.

(Adopted: 3/75.)

26.050 Facilities and location. Unless otherwise permitted, no other form of gaming shall be conducted in an area containing pari-mutuel betting; such area shall be within a well-defined enclosure to which no direct ingress or egress may be made to or from a contiguous area containing other forms of gaming; however, pari-mutuel wagering may be held in the same building where other gaming is permitted.

(Adopted: 3/75.)

26.060 Commissions and taxes.

1. The licensee shall be entitled to deduct from a gross pool a commission not to exceed 13 percent of the pool.

2. From the commission deducted, the licensee shall pay to the Nevada Gaming Commission a tax equal to 2 percent of the sum of all pari-mutuel wagers. The tax due shall not be reduced by minus pools of otherwise.

3. The above tax as imposed by NRS 464.040(2) shall be paid quarterly on or before the last day of the first month of the next succeeding calendar quarter and accompanied with a report of all taxable receipts for the quarter.

(Adopted: 3/75.)

26.070 Accounting.

1. Each licensee shall prepare and maintain in a manner suitable to the Board, complete and accurate accounting records, information and data which shall be generated by an approved computer system and which reflects the following on a daily basis for each event upon which pari-mutuel wagering was held:

(a) Gross amount wagered on each event;
(b) Gross and net amounts of each pool;
(c) Commissions deducted;
(d) Tax and breakage on each pool;
(e) Number and value of tickets sold on each pool;
(f) Final odds;
(g) Payoff prices; and
(h) The amount paid on all winning pari-mutuel tickets.

2. A daily reconciliation of all cash received and paid on each pool of each event shall be recorded along with the cash count of the money room.

3. The applicable provisions of Regulation 6 shall apply.

(Adopted: 3/85.)

MANAGEMENT OF PARI-MUTUEL

26.080 Operation of pari-mutuel facilities.

1. The pari-mutuel operation shall be conducted by the licensee under the control and supervision of a mutuel manager who, along with all ticket sellers, cashiers, and money counters, shall be an employee of the licensee.

2. Should any portion of the mutuel operation be subcontracted to any person or entity other than the licensee, such arrangement shall first be approved by the Board which may require such person or entity or their employees to be licensed.

3. All bettor or spectator complaints must be registered at an information window; a written report as to the substance and disposition of the complaint shall be made, and copy thereof delivered to the Board as soon as reasonably practicable.

(Adopted: 3/75.)

26.090 Mutuel manager.

1. The general operation of the pari-mutuel shall be directed by a mutuel manager who shall have extensive experience in the operation of pari-mutuel wagering.

2. Total responsibility shall rest with the mutuel manager for:

(a) The entire operation of pari-mutuel wagering in accordance with this regulation;
(b) The correct computation of pools, odds, breakage, payouts, commissions, and taxes; and
(c) The conduct of all persons directly or indirectly employed in the mutuel department.

3. Any emergency arising from the operation of the pari-mutuel, not covered by this regulation and requiring immediate action, shall be handled by the mutuel manager who shall make the necessary decisions and render a report to the Board within 24 hours.

(Adopted: 3/75.)

COMPUTATION EQUIPMENT AND OPERATION

26.100 Electronic totalizator.

1. An electronic totalizator shall be used for each event upon which pari-mutuel wagering is conducted, unless written consent is given by the Board to use different equipment or methods. The equipment must automatically: register the total amount wagered in each mutuel pool; the total amount wagered on each participant in a game or race for win, place and show; the total amount wagered on each combination in a daily double, quinella or exacta, and shall print and issue a ticket representing each wager comprising each required total.

2. A license may not be issued until such tests as required and performed by the Board have been made and the equipment conforms to the requirements of these regulations and the Board; provided, however, a license may be conditionally issued based upon further testing of the equipment.

3. The licensee may be required to conduct such test as the Board may prescribe from time to time upon totalizators and ancillary equipment.

4. Failure of the totalizator to meet the requirements as established by these regulations and the Board shall be grounds for ordering the suspension of pari-mutuel wagering until such time as the deficiencies have been corrected.

5. The Board shall issue a policy statement setting forth the standards required for the totalizator system.

6. The totalizator shall calculate the total amounts in each pool and the amounts wagered on each entrant or combination from time to time as wagering progresses. Operated in connection with the totalizator shall be one or more boards prominently displaying to the public the winning odds on each entrant or combination during the progress of wagering at intervals of not more than 90 seconds between each complete change.

7. The totalizator shall be designed so that all ticket machines shall automatically lock and close upon the activation of the off bell which must be activated no later than the start of the event. In no case shall the machines be opened until after a declaration that the results of the event are official.

(Adopted: 3/75.)

26.110 Totalizator failure.

1. A report of any faulty operation of the totalizator or tote board shall be filed with the Board within 24 hours following the malfunction.

2. Whenever the totalizator mechanism fails and is obviously unreliable as to the amounts wagered, all figures on the tote board so affected shall be removed immediately, and the payoff shall be compiled on the sum wagered in each pool as shown by the recapitulation of the sales registered by each individual ticket issuing machines. If an individual ticket issuing machine fails and a computer system is being employed, then the figures as stored in the computer shall be used to calculate the payoff. If the type of wagering equipment used renders this recapitulation impossible, all moneys wagered on the sporting event shall be refunded.

(Adopted: 3/75.)

26.120 Manual computations.

1. If payoff prices are computed manually, before posting the payoff prices of any pool for any event, each of the calculating sheets of such event shall be proved by the calculators and the winners verified. Such proof shall show payouts, breakage, and commission and, when totaled together, must equal the gross pool. All payslips must be checked with the calculating sheets as to winners and prices before being issued to cashiers, and all board prices shall be rechecked with a calculator before being released to the public. The above shall not apply if a computer system is used for the purposes of calculating payoffs.

2. If manual calculation of approximate odds is used, a complete and detailed handwritten record of each event shall be kept containing:

(a) Each change in odds;

(b) The percentage figures on the final reading; and

(c) The actual possible payoff on each entrant.

3. Such records shall be retained for a period of 3 years.

(Adopted: 3/75.)

WAGERS

26.130 Wagers. All pari-mutuel wagers shall be made only in cash, chips or tokens of the licensee and must be consummated on the pari-mutuel premises.

(Adopted: 3/75.)

26.140 Prohibited wagers.

1. No pari-mutuel ticket shall be sold to, or cashed for, a person under 21 years of age.

2. No employee of a mutuel department, officials, participants of a sporting event, or other employees on duty in the playing or spectator areas shall purchase or cash a pari-mutuel ticket; provided, however, the selling and cashing of pari-mutuel tickets for patrons by messengers employed by the licensee for that purpose may be allowed.

3. No mailed or telephone wagers from outside the pari-mutuel enclosure shall be permitted.

4. Resale of pari-mutuel tickets between individuals is prohibited and constitutes grounds for ejection from the premises wherein pari-mutuel wagering or the sporting event is conducted.

(Adopted: 3/75.)

26.150 Pari-mutuel tickets.

1. Pari-mutuel tickets shall evidence or contain:

(a) A designation for each race, game or event;

(b) Entrant or player number;

(c) Race or game number;

(d) Date; and

(e) Amount wagered.

2. Pari-mutuel tickets shall be sold only through designated ticket windows prominently displaying the denomination and type of tickets sold.

(Adopted: 3/75.)

26.160 Wagers by messenger.

1. Wagers may be placed by messengers or runners who shall be employees of the licensee; the taking, placing and paying of wagers shall be done only within the enclosure wherein pari-mutuel wagering is conducted.

2. The following constitutes the minimum requirements for wagering permitted by this section:

(a) The wager of an individual bettor must be first recorded upon a sequentially pre-numbered duplicate betting slip indicating the type, number and cost of each bet, and the total bets and amounts wagered.

(b) The runner shall retain the original bet slip with the duplicate being held by the customer who shall tender the total money wagered; thereafter, the wager shall be placed and tickets issued at the pari-mutuel window, and the tickets returned to the customer in exchange for the duplicate slip.

(c) No wager is deemed to have been made until the runner has purchased the tickets indicated on the betting slips.

(d) The customer may tender a winning ticket to a runner for payment which must be made at a pari-mutuel window.

3. A runner shall not accept any wager which cannot reasonably be expected to be placed before the pari-mutuel machines are locked. Any moneys so received and not bet before the pari-mutuel machines are locked shall be returned to the customer.

(Adopted: 3/75.)

26.170 Refunds on coupled entries. When two or more entrants in an event are coupled on the same mutuel ticket, there shall be no refund unless all of the entrants so coupled are cancelled before the event begins.

(Adopted: 3/75.)

26.180 Registration on wagering, scratch of entrant.

1. When no more than five entrants start an event, show wagering on the event may be deleted or cancelled.

2. When no more than four entrants start an event, both place and show wagering on the event may be deleted or cancelled.

3. Wagering on an event may be prohibited when less than three entrants start an event and both entrants are coupled in an entry.

4. A refund shall be made of wagers placed on an entrant scratched before the betting has closed, except in the case of a player substitution in Jai Alai made in accordance with Regulation 27.

(Adopted: 3/75.)

26.190 Effect of certain wagers.

1. A wager on any one entrant in an entry shall be a wager on all such entrants.

2. A wager on any one entrant in a field shall constitute a wager on all entrants comprising the field.

(Adopted: 3/75.)

26.200 Daily doubles.

1. Except in the circumstances enumerated in section 26.250, no payoff shall be made on a ticket on which both entrants chosen have not in fact won their respective events.

2. No daily double wagering shall be allowed on events with entry or field entrants.

3. All daily double tickets shall be sold only from automatic double machines, and the daily double windows shall be closed and the machines locked at the start of the first event of the daily double.

(Adopted: 3/75.)

26.210 Separate pools. Quinella, exacta and daily double wagering shall individually constitute separate pools and not comprise or be a part of any other win, place, or show pool.

(Adopted: 3/75.)

COMPUTATIONS AND PAYOFFS

26.220 Payoff calculations.

1. The gross commission shall be first deducted from the gross amount wagered on each individual pool, viz., win, place, show, thereby providing a respective net pool.

2. Win pool (first place). The payoff amount per dollar wagered which shall include the gross dollar wagered on the winner, for each gross dollar wagered on the winner shall be determined by dividing the net pool by the gross sum wagered on the winner. In the event of a tie for win, the payoff shall be figured in the same manner as a place pool.

3. Place pool (second place).

(a) The payoff amount per dollar wagered, which shall include the gross dollar wagered upon the winning entrant to place, shall be determined by dividing the gross amount wagered upon the winner to place into the sum of: the gross amount wagered upon the winner to place, plus one-half of the difference between the net pool for place and the combined sum wagered on the winning and placing entrants to place.

(b) The payoff amount per dollar wagered, which shall include the gross dollar wagered upon the placing entrant to place, shall be determined by dividing the gross amount wagered upon the placing entrant to place into the sum of: the gross amount wagered upon the placing entrant to place, plus one-half of the difference between the net pool for place and the combined sum wagered on the winning and placing entrants to place.

(c) In the event of a tie for place, one-half of the profits of the place pool shall be paid upon the winner, and the remaining one-half prorated equally among the entrants constituting the tie.

4. Show pool (third place).

(a) The payoff amount per dollar wagered, which shall include the gross dollar wagered upon the winning entrant to show, shall be determined by dividing the gross amount wagered upon such winning entrant to show into the sum of: the gross amount wagered on the winning entrant to show, plus one-third of the difference between the net pool for show and the combined sums wagered on the entrants which placed first, second, and third to show.

(b) The payoff amount per dollar wagered, which shall include the gross dollar wagered upon the second place entrant to show, shall be determined by dividing the gross amount wagered upon such entrant to show into the sum of: the gross amount wagered on the second place entrant to show, plus one-third of

the difference between the net pool for show and the combined sums wagered on the entrants which placed first, second and third to show.

(c) The payoff amount per dollar wagered, which shall include the gross dollar wagered upon the third place entrant to show, shall be determined by dividing the gross amount wagered upon such entrant to show into the sum of: the gross amount wagered on the third place entrant to show, plus one-third of the difference between the net pool for show and the combined sums wagered on the entrants which placed first, second and third to show.

(d) In the event of a tie for show, one-third each of the profits of the show pool shall be paid upon the entrants placing first and second, and the remaining one-third prorated equally among the entrants constituting the tie.

(Adopted: 3/75.)

26.230 Payoff—daily double.

1. Except as provided below, or section 26.170 in case of refunds, the payoff on a winning daily double combination shall be made pursuant to sections 26.220(1) and (2).

2. When no ticket exists combining the winner of both events, the net pool shall be calculated and distributed as follows under the circumstances enumerated below:

(a) When the winners of both events have been selected individually, but not selected as a combination, the net pool shall be distributed as a place pool upon the winners of either event.

(b) When only one winner of the two events has been chosen, the net pool shall be paid as a win pool on the chosen winner.

(c) When no winner has been selected for either event, the net pool shall be distributed as a win pool to holders of tickets combining the entrants placing second.

3. When no ticket exists requiring distribution under subsections 1 or 2, or when the first event of the daily double is cancelled, the gross pool shall be distributed pro rata to those persons wagering on the daily double.

4. When the second event of a daily double is cancelled, the payoff shall be computed and distributed as a win pool upon the tickets covering the winner of the first event, and if no such ticket exists, the net pool shall be distributed as a win pool upon tickets covering the entrant which finished second in the first event. If no tickets exist covering the entrants placing first or second, the gross pool shall be distributed pro rata to those persons wagering on the daily double.

(Adopted: 3/75.)

26.240 Payoff—quinella.

1. Except in cases specified below, the winning combination in a quinella pool shall be computed and distributed in accordance with sections 26.220(1) and (2).

2. In case of a tie for first place between two entrants, the payoff shall be made upon tickets combining both entrants. In case of a tie for second place, the net pool shall be treated as a place pool with the payoff made on the tickets combining the winning entrant and either of the two entrants finishing second.

3. When a tie for second place occurs and no ticket has been issued covering one of the two winning combination, the net pool shall be calculated and distributed as a win pool and the payoff made on the tickets covering the winning combination.

4. Should no ticket exist covering the winning combination of a quinella, the net pool shall be treated as a place pool and distributed equally among the tickets combining the entrants which place first or second with a non-placing entrant.

5. When tickets have been sold on only one of the first two finishers, the net pool shall be distributed as a win pool to holders of such tickets.

6. When no ticket exists requiring distribution under any of the foregoing subsections, the gross pool shall be distributed pro rata among the persons wagering on the quinella.

(Adopted: 3/75.)

26.250 Payoff—exacta.

1. Except for cases specified below, the winning combination in an exacta pool shall be computed and distributed in accordance with sections 26.220(2) and (3).

2. In case of a tie for first place by two entrants, the payoff shall be made only upon tickets combining both entrants. In the case of a tie for second place, the net pool shall be treated as a place pool and the payoff made on tickets combining the winning entrant with either of the two entrants finishing second.

3. When a tie for second place occurs and tickets are issued combining only one of the two possible winning combinations, the net pool shall be calculated and distributed as a win pool.

4. When no ticket is issued combining the winning combination of an exacta, the net pool shall be calculated and distributed as a place pool and distributed equally among the tickets combining the entrants which placed first or second with a non-placing entrant.

5. When tickets have been sold on only one of the first two finishers, the net pool shall be distributed as a win pool to holders of such tickets.

6. When no ticket exists requiring distribution under any of the foregoing subsections, the gross pool shall be distributed pro rata among the persons wagering on the exacta.

(Adopted: 3/75.)

26.260 Payment on wagers.

1. Payment of wagers will be made only on presentation of appropriate pari-mutuel tickets. Any claim by a bettor that a wrong ticket has been delivered to the bettor at the mutuel ticket window must be made before leaving the window, and thereafter no such claim may be considered.

2. A licensee shall cash all valid unmutilated winning tickets when such tickets are presented for payment during the course of the day when sold and for the period of 30 days thereafter. Subsequent thereto, the licensee shall have no liability relating to such tickets, providing the premises are conspicuously posted with signs stating that winning tickets must be presented for payment within 30 days from date of issuance, and that each ticket issue shall also bear a similar notation

3. The licensee shall have no obligation or liability for tickets thrown away, lost, changed, destroyed, or mutilated beyond identification. In the case of mutilated tickets when the portions of the tickets presented are sufficient to definitely identify the ticket as a winning ticket, the licensee may accept the mutilated ticket and make payment without the necessity of the ticket holder submitting a claim to the Board.

4. In the event of a dispute over the validity of a ticket, the licensee may accept from the holder of such ticket a written and verified claim to be filed by the licensee with the Board, and the Board will render a decision as to payment.

5. Every licensee shall carry on its books an account which shows the total payoff amount of outstanding unredeemed mutuel tickets representing winning tickets not presented for payment.

6. A payoff shall not be less than $1.10 for each $1.00 wagered; however, the tote boards shall indicate the amount due on each $2.00 winning ticket.

7. The entire loss resulting from a minus pool shall be borne by the licensee.

(Adopted: 3/75.)

26.270 Errors in posting. Any error made in posting on the tote board of the payoff prices shall be promptly corrected, and the public immediately advised of the correction by announcement over a public address system.

(Adopted: 3/75.)

26.280 Payment for errors. If an error occurs in payment upon tickets cashed or entitled to be cashed, and as a result the pool involved is not correctly distributed among the winning ticket holders, the following shall apply:

1. The licensee shall bear the cost of any overpayment.

2. In the event of under-payment:

(a) The licensee shall accept timely claims, pay each claim, or a part thereof, which it determines to be valid; notice shall be given to any claimant whose claim is rejected.

(b) Any person whose claim is rejected by the licensee may, within 15 days from the date notice of rejection is received, request the Board to determine the validity of the claim. The failure to file such request with the Board within 15 days shall constitute a waiver of the claim, provided the claimant has received notice of a right of appeal to the Board.

(c) A hearing before the Board shall be held on each claim timely filed, and the Board may determine a claim to be valid, in whole or in part, and thereafter order the licensee to make payment accordingly. Any such determination shall be final and binding on all parties.

(d) Claims not filed with the licensee within 30 days inclusive of the date on which the under-payment was discovered shall be deemed waived, and the licensee shall have no further liability therefor.

(Adopted: 3/75.)

MISCELLANEOUS

26.290 Gaming employees. All mutuel managers, ticket sellers and cashiers, money counters, runners and totalizator operators and programmers are deemed to be gaming employees and subject to the provisions of NRS 463.335 and 463.337.

(Adopted: 3/75.)

26.300 Access to premises and records. The Nevada Gaming Commission and Board and their agents, inspectors and employees have the authority:

1. To inspect and examine all premises where pari-mutuel betting is conducted and all premises where sporting events, races or games are held on which pari-mutuel betting is conducted.
2. To inspect and examine all equipment and supplies in, upon, or about such premises.
3. To summarily seize and remove from such premises and impound any such equipment or supplies for the purpose of examination and inspection.
4. To demand access to and inspect, make copies of, examine and audit all papers, books and records of applicants and licensees respecting the gross income produced by any pari-mutuel betting business, require verification of income, and all other matters affecting the enforcement of the policy of any of the provisions of these regulations.

(Adopted: 3/75.)

26.310 Records and reports. The licensee shall also provide such financial and other information and reports upon forms furnished by the Board as the Board may require from time to time.

(Adopted: 3/75.)

26.320 Disciplinary actions. Any pari-mutuel license is subject to suspension or modification and/or a fine imposed by the Nevada Gaming Commission in any case where any condition of the license has not been complied with or when any violation, law or regulation has occurred. Disciplinary actions shall be commenced and conducted in the same manner as disciplinary actions against gaming licensees under chapter 463 of the Nevada Revise Statutes.

(Adopted: 3/75.)

End – Regulation 26

REGULATION 26A

OFF-TRACK PARI-MUTUEL WAGERING

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26A.010 Scope. This regulation and Regulation 26C govern all off-track pari-mutuel wagering in Nevada for which a license or approval has been granted by the Commission pursuant to chapter 464 of the Nevada Revised Statutes. The provisions of chapter 463 of the Nevada Revised Statutes and all other regulations of the Commission apply when not in conflict with this regulation.

(Adopted: 3/90. Amended: 4/91; 1/11.)

26A.020 Definitions. As used in this regulation:

1. "Affiliate" has the same meaning as defined in Regulation 15.482-3.
2. "Breakage" means:

(a) The rounding of a payout on a winning pari-mutuel wager, as determined by the track in accordance with the laws and regulations that are applicable to the jurisdiction in which the track operates;

(b) Those deficiencies arising from payouts made pursuant to Regulation 26A.040(6); or

(c) Those deficiencies arising from the payment of a guaranteed payout pursuant to Regulation 26A.040(7).

3. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
4. "Commission on wagers" ("takeout") means the amount retained and not returned to patrons by a pari-mutuel book from the total amount of off-track pari-mutuel wagers.
5. "Foreign track" means a track located outside of the United States.
6. "Gross revenue" means, for purposes of chapter 464 of the Nevada Revised Statutes, the amount of the commission on wagers received by a licensee, plus positive breakage and the dollar amount of winning tickets that remain unpaid pursuant to section 26A.040(12) of this regulation, less negative breakage and the amount paid to a track for the right to be part of an interstate or intrastate common pari-mutuel pool ("track fee"). In calculating the monthly state license fee imposed by NRS 463.370, a licensee shall not deduct from gross revenue any promotional allowances related to pari-mutuel wagering including, without limitation, prizes, payments, premiums, drawings, discounts, rebates, bonus payouts, benefits, or tickets that are redeemable for money or merchandise.
7. "Interstate common pari-mutuel pool" means a pari-mutuel pool consisting of the pari-mutuel wagers placed at a track, its intrastate betting locations, other jurisdictions and the off-track pari-mutuel wagers placed and accepted at pari-mutuel books.
8. "Intrastate common pari-mutuel pool" means a pari-mutuel wagering pool operated by a systems operator consisting solely of the wagers placed and accepted at two or more pari-mutuel books on races at tracks.

9. “Live audio visual signal” (“simulcast”) means the audio and visual transmission of a race, or series of races, as it occurs at a track.

10. “Manual merge” means the process used in the event of a systems or communications failure by which the systems operator transmits to the track through telephone, telecopy, cellular, or other means of communication, the pari-mutuel books wagering information and the process by which the track includes the off-track pari-mutuel wagers in the interstate common pari-mutuel pool in such event.

11. “Nonpari-mutuel race wager” means a wager other than one offered to be included in an interstate or intrastate common pari-mutuel pool.

12. “Off-track pari-mutuel system” means a computerized system or component of a system that is used to transmit wagering data:

(a) In an interstate common pari-mutuel system, to and from a track which offers interstate common pari-mutuel pools; or

(b) In an intrastate common pari-mutuel system, between the pari-mutuel books and a systems operator, and includes the totalizator equipment used to determine the winners of and payoffs on intrastate common pari-mutuel pools.

13. “Off-track pari-mutuel wager” means either:

(a) A wager placed by a patron and accepted by a pari-mutuel book on a race or races offered as part of an interstate common pari-mutuel pool whether or not the wager is actually included in the total amount of the interstate common pari-mutuel pool; or

(b) A wager placed by a patron and accepted by a pari-mutuel book on a race or races offered as part of an intrastate common pari-mutuel pool.

14. “Pari-mutuel book” means a race book that has received a license to accept off-track pari-mutuel wagers pursuant to the provisions of chapters 463 and 464 of the Nevada Revised Statutes and this regulation. The term “pari-mutuel book” shall include pari-mutuel only books, unless stated otherwise within this regulation.

15. “Pari-mutuel only book” means a race book that has received a license to accept off-track pari-mutuel wagers pursuant to the provisions of chapters 463 and 464 of the Nevada Revised Statutes and this regulation, but has elected not to accept nonpari-mutuel race wagers.

16. “Post time” means “post time” as that term is defined in Regulation 22.

17. “Source market fee” means a track fee paid for accepting wagering account wagers, in accordance with Regulation 26C, from a customer residing in the track’s defined market area.

18. “Systems operator” or “operator of a system” means a person engaged in providing the off-track pari-mutuel system or services directly related to the reconciliation of the interstate or intrastate common pari-mutuel pool and transfers of funds between the tracks and the pari-mutuel books, or among the pari-mutuel books.

19. “Track” means an out-of-state facility licensed to operate horse or other racing where pari-mutuel wagering on races is conducted, or a person licensed in another jurisdiction to conduct pari-mutuel wagering on such races. Where applicable, the term also includes a person or governmental agency from outside this state that operates a track, holds a track’s rights to off-track pari-mutuel wagering or shares in its revenues. The term also includes an association of tracks.

20. “Wagering data” means the information regarding results, actual payouts, and the amount of pari-mutuel and off-track pari-mutuel wagers accepted for each race or group of races in an interstate or intrastate common pari-mutuel pool.

21. “Wagering information” means the amount of off-track pari-mutuel wagers accepted for each race or group of races by a pari-mutuel book.

(Adopted: 3/90. Amended: 4/91; 10/21/99; 6/20/02; 1/27/11.)

26A.030 License required to accept off-track pari-mutuel wagers; applications.

1. A person shall not accept off-track pari-mutuel wagers unless it has received a license pursuant to chapters 463 and 464 of the Nevada Revised Statutes to accept such wagers. Licenses to accept off-track pari-mutuel wagers shall not be granted to anyone other than a nonrestricted licensee who is licensed to operate a race book.

2. Applications for a license to accept off-track pari-mutuel wagers must be made, processed, and determined using such forms as the Chair may require or approve. Each application must be accompanied by an internal control system prepared and submitted in accordance with Regulation 6.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.040 Conduct of off-track pari-mutuel wagering.

1. Off-track pari-mutuel wagering may be conducted only within a race book or any other area approved by the Chair.

2. A pari-mutuel book offering off-track pari-mutuel wagering must comply with the provisions of Regulation 22, when not in conflict with this regulation.

3. A pari-mutuel book shall not use the information received from the off-track pari-mutuel system to determine the winners of or payoffs on nonpari-mutuel race wagers.

4. A pari-mutuel book shall not use the information received from a live broadcast to determine the winners of or payoffs on off-track pari-mutuel wagers.

5. A pari-mutuel book may use the information received from a live audio visual signal to determine the winners of or payoffs on off-track pari-mutuel wagers in the event the systems operator notifies the pari-mutuel book that it is unable to relay that information to the pari-mutuel book through the off-track pari-mutuel system. A pari-mutuel book shall comply with the Regulation 6 minimum internal control standards when making such payoffs.

6. A pari-mutuel book shall pay winning interstate off-track pari-mutuel wagers in accordance with official results at the track, irrespective of whether the wagering information from the pari-mutuel book was included in the interstate common pari-mutuel pool.

7. A pari-mutuel book shall pay winnings, intrastate off-track pari-mutuel wagers in accordance with official results from the approved, off-track pari-mutuel system and shall return at least one dollar and five cents for each winning dollar wagered, and any other guaranteed payout.

8. The pari-mutuel books shall be jointly responsible for any deficiencies and shall share in any excesses resulting from the requirements of subsections 6 and 7. The terms of any such agreement must be approved pursuant to the provisions of section 26A.140 of this regulation.

9. A pari-mutuel book, other than a pari-mutuel only book, that has agreed to accept off-track pari-mutuel wagers may only accept nonpari-mutuel race wagers on types of bets not offered as part of the interstate or intrastate common pari-mutuel pool, and may accept nonpari-mutuel race wagers on types of bets offered as part of an interstate or intrastate common pari-mutuel pool in the event the off-track pari-mutuel system is not functioning.

10. A pari-mutuel book shall not pay a systems operator or a track any compensation for the right to be part of an interstate or intrastate common pari-mutuel pool unless the agreement setting forth the terms of the compensation has been approved pursuant to the provisions of section 26A.140 of this regulation.

11. A pari-mutuel book shall adopt, conspicuously display, and adhere to written house rules governing off-track pari-mutuel wagering transactions with patrons. Prior to adopting or amending such house rules, a pari-mutuel book shall submit such rules to the Chair for approval.

12. A pari-mutuel book shall allow patrons to cash an outstanding off-track pari-mutuel ticket for 120 days from the date of purchase or 30 days after the close of the racing meet whichever shall first occur. Tickets which are not redeemed within such time become valueless, unless the time period is otherwise extended by the licensee, and the sum of money represented by them shall accrue to the issuing licensee.

13. Pari-mutuel books may not accept intrastate pari-mutuel wagers placed by any book, affiliate of the pari-mutuel book, or a systems operator providing the intrastate common pari-mutuel system. Books or systems operators may not place wagers into an intrastate common pari-mutuel pool.

14. Each pari-mutuel book that accepts an intrastate pari-mutuel wager must visually display to patrons, through direct communications with the off-track pari-mutuel system conducting the intrastate pool, the current odds and minutes to post for each race or wagering proposition on which intrastate wagers are being accepted as well as the official results and payoffs. The odds and post information shall be displayed at least 10 minutes prior to the scheduled post time and shall be updated at least every 90 seconds prior to post time. An intrastate pari-mutuel pool shall not be approved unless the systems operator has the capability to deliver this visual information to the pari-mutuel books in a form acceptable to the Chair, and each pari-mutuel book must be capable of displaying the information in a form acceptable to the Chair, before being approved to participate in that intrastate pari-mutuel pool.

(Adopted: 3/90. Amended: 4/91; 10/21/99; 1/27/11.)

26A.050 [Reserved.]

26A.060 Approval to share in revenues; applications.

1. A pari-mutuel book shall not pay a share of the revenue from off-track pari-mutuel wagering to any person for the right to be part of an interstate or intrastate common pari-mutuel pool or for any services relating to the interstate or intrastate common pari-mutuel pool or off-track pari-mutuel system, unless the person sharing the revenue from the off-track pari-mutuel wagering has received approval from the Commission.

2. Applications for approval to be paid a share of the revenue from off-track pari-mutuel wagering must be made, processed, and determined using such forms as the Chair may require or approve.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.070 Criteria for approval to share in revenue. The Board and the Commission may consider the criteria of section 463.170 of the Nevada Revised Statutes in determining whether to approve an application by a person to receive a share of the revenue from off-track pari-mutuel wagering.

(Adopted: 3/90. Amended: 4/91.)

26A.080 Requirements imposed upon tracks approved to share in the revenue or otherwise receive compensation.

1. A track approved to share in the revenue or otherwise receive compensation from pari-mutuel books for the right to be part of an interstate common pari-mutuel pool or for permitting pari-mutuel books to conduct an intrastate pari-mutuel pool shall:

(a) For each racing meet for which it is offering an interstate common pari-mutuel pool or permitting pari-mutuel books to conduct an intrastate pari-mutuel pool, provide a live broadcast signal to a disseminator at a fee which is less than the amount the disseminator may charge pursuant to Regulation 20.030, which amount shall not exceed three percent of the total live broadcast handle;

(b) Offer all pari-mutuel books the right to be part of an interstate common pari-mutuel pool or intrastate pari-mutuel pool and charge the same percentage of the revenue from off-track pari-mutuel wagering to all pari-mutuel books. If charging a fixed daily fee amount, the track shall charge each pari-mutuel book its proportional share of the fixed amount based upon each pari-mutuel book's percentage of the total off-track pari-mutuel wagers.

(c) Comply with all applicable state and federal laws for all racing meets for which it is offering an interstate common pari-mutuel pool or permitting pari-mutuel books to conduct an intrastate pari-mutuel pool;

(d) Engage the services of the disseminator authorized to disseminate the live broadcast signal of a racing meet to provide racing information not part of wagering data, but which is the type of information provided to users and buyers, and to transmit the live audio visual signal of the racing meet to the pari-mutuel books and the systems operator. The live audio visual signal must meet the production requirements of Regulation 21 applicable to live broadcasts. Nothing in this section shall be deemed to require a pari-mutuel book to display a live audio visual signal in conjunction with an interstate or intrastate common pari-mutuel pool.

2. A track approved to share in the revenue from off-track pari-mutuel wagering shall maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed $10,000 without Commission approval, for post-approval investigative costs. A track shall remit the amount requested by the Board within 15 days of the request.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.090 Licensing of off-track pari-mutuel systems operator.

1. A pari-mutuel book shall not use an interstate or intrastate off-track pari-mutuel system unless the systems operator has been licensed by the Commission.

2. Applications for a license to serve as a systems operator must be made, processed, and determined using such forms as the Chair may require or approve. Each application must include an internal control system prepared and submitted in accordance with Regulation 6.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.100 Requirements imposed upon systems operators.

1. Each systems operator shall maintain an office in Nevada and designate a key employee located in the Nevada office to supervise and be responsible for the day-to-day operations of the off-track pari-mutuel system.

2. Each systems operator shall submit and comply with an internal control system and all amendments to such system as have been approved by the Chair pursuant to Regulation 6. Each systems operator shall, if required by the Chair, amend the written system to comply with any requirements consistent with Regulation 6 that the Chair deems appropriate.

3. Each systems operator shall prepare financial statements covering all financial activities of the systems operator for each business year and shall engage an independent accountant who shall audit the financial statements in accordance with generally accepted auditing standards, unless the Chair allows the systems operator upon written request to engage the independent accountant to review the financial statements in accordance with standards for accounting and review services.

4. Each systems operator shall submit to the Board two copies of its audited or reviewed financial statements not later than 120 days after the last day of the systems operator's business year.

5. If a systems operator changes its business year, the systems operator shall prepare and submit to the Board audited or reviewed financial statements covering the "stub" period from the end of the previous business year to the beginning of the new business year, not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the financial statements for the new business year.

6. Reports that directly relate to the independent accountant's review or audit of the systems operator's financial statements must be submitted within 120 days after the end of the systems operator's business year.

7. Each systems operator shall require the independent accountant engaged by the systems operator to audit or to review the systems operator's financial statements to submit to the systems operator two copies of a written report of its compliance with the internal control system approved by the Chair. Not later than 150 days after the end of the systems operator's business year, the systems operator shall submit two copies of the independent accountant's report or any other correspondence directly relating to the systems operator's system of internal control to the Board, accompanied by the systems operator's statement addressing each item of noncompliance noted by the independent accountant and describing the corrective measure taken.

8. The Chair may request additional information and documents from either the systems operator or the systems operator's independent accountant, through the systems operator, regarding the financial statements or the services performed by the independent accountant.

9. Each systems operator shall maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed $10,000 without Commission approval, for post-licensing investigative costs. A systems operator shall remit the amount requested by the Board within 15 days of the request.

(Adopted: 3/90. Amended: 4/91; 10/21/99; 1/27/11.)

26A.110 Approval of off-track pari-mutuel systems; applications. A pari-mutuel book shall not use an off-track pari-mutuel system unless the system has been approved pursuant to the provisions of Regulation 14 governing associated equipment.

(Adopted: 3/90. Amended: 4/91.)

26A.120 Minimum technical requirements for off-track pari-mutuel systems. An off-track pari-mutuel wagering system must include a fully redundant computer system and must:

1. For each race for which wagers are to be included in an interstate common pari-mutuel pool, receive, aggregate by pool and report to a track at regular intervals to be approved by the Chair, all off-track pari-mutuel wagering information received separately from the pari-mutuel books;

2. For each race for which wagers are to be included in an interstate common pari-mutuel pool receive and report to each pari-mutuel book at regular intervals to be approved by the Chair, all wagering data received from the track through the system;

3. For each race for which wagers are to be included in an intrastate common pari-mutuel pool, the system shall include totalizator equipment that shall aggregate by pool and report to the pari-mutuel books at regular intervals approved by the Chair, all pari-mutuel wagering information received separately from the pari-mutuel books;

4. After each race on which pari-mutuel wagering is conducted is declared official, receive and report to each pari-mutuel book the results and payoff prices reported by the track in an interstate common pari-mutuel pool, and the results reported by a licensed disseminator and payoff prices determined by the off-track pari-mutuel system in an intrastate common pari-mutuel pool. Nothing in this section shall be deemed

to require the systems operator or pari-mutuel book to display a live audio visual signal in conjunction with an interstate or intrastate common pari-mutuel pool; and

5. Provide all accounting and reconciliation reports required by the Chair.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.130 Operation of the off-track pari-mutuel system.

1. A systems operator operating an interstate common pari-mutuel pool shall immediately notify the pari-mutuel books in the event that it is unable to transmit wagering information to the track and shall cause the system to cease accepting off-track pari-mutuel wagers if it is unable to transmit the wagering information to the track either through the system or through a manual merge.

2. A systems operator operating an interstate common pari-mutuel pool may use the information received from a live audio visual signal furnished by a track to input information regarding winners of or payoffs on off-track pari-mutuel wagers in the event that communications between the track and the systems operator is disrupted.

3. A systems operator operating an intrastate common pari-mutuel pool shall immediately notify the pari-mutuel books in the event that it is unable to compile the information necessary to maintain an intrastate common pari-mutuel pool and shall cause the system to cease accepting intrastate pari-mutuel wagers in such an event.

4. A systems operator shall cause the system to cease accepting off-track pari-mutuel wagers from the pari-mutuel books at post time.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.140 Approval of agreements.

1. Except as provided in subsections 2 and 3, the terms and conditions of any agreement between the pari-mutuel books, any person representing the pari-mutuel books, systems operator, disseminator, track, and the holders of track rights agreements, or any combination thereof, relating in any way to the operation of an off-track pari-mutuel wagering system, an interstate or intrastate common pari-mutuel pool, or transmission of a live audio visual signal of races on which off-track pari-mutuel wagering will be conducted must be approved by the Commission upon a recommendation of the Board.

2. The Chair, after whatever investigation or review the Chair deems necessary, may approve the following agreements:

(a) Any agreement, or amendment to an agreement, involving the sharing of pari-mutuel revenue if the Commission has previously approved the person sharing in the revenue; or

(b) Any agreement, or amendment to an agreement, not involving the sharing of pari-mutuel revenue, whether or not the Commission has previously approved such an agreement.

3. Agreements among the pari-mutuel books as to the types of intrastate pari-mutuel wagers to be accepted for a particular race or races do not require approval by the Commission or the Chair.

4. An agreement between the pari-mutuel books and a track shall not be approved unless the Chair or Commission, as applicable, is satisfied that:

(a) The agreement specifies the amount of the commission on wagers and track fees, including source market fees if applicable;

(b) The agreement specifies the manner in which breakage is to be allocated;

(c) The agreement specifies the manner in which the parties will handle a system or communication failure and specifically requires the track to accept wagering information from the systems operator through a manual merge for a reasonable amount of time; or the agreement specifies that if the track is unable to accept wagering information through a manual merge, or the applicable regulatory agency having jurisdiction over the track or the laws of the jurisdiction in which the betting system is located does not permit manual merge as a means of transmitting wagering information, the requirement for manual merge set forth in subsection 26A.130(1) may be administratively waived by the Chair;

(d) The track has complied with all federal, state and local interstate pari-mutuel wagering laws and regulations that are applicable to the jurisdiction where the track operates;

(e) The track holds all necessary licenses in its home state or country to participate in the off-track pari-mutuel system and to provide the live audio visual signal;

(f) There are means for the Board and the Commission to obtain adequate access to information pertaining to the operation of the off-track pari-mutuel system, and the transmission of the live audio visual signal, and to investigate any associate of the track in such operation and transmission;

(g) There is assurance that the track has engaged the services of a disseminator, as required by section 26A.080(1)(d), and that the related live broadcast proposal has been approved by the Chair pursuant to Regulation 21.046;

(h) There is assurance that the operation of the off-track pari-mutuel system and the transmission of the live audio visual signal will be lawfully conducted after approval by the Commission or Chair, as applicable, and will not pose a threat to gaming control in Nevada;

(i) There is assurance that the track and its associates in the off-track pari-mutuel wagering system and live audio visual signal transmission will abide by the conditions and restrictions imposed upon approval;

(j) There is assurance that the right of Nevada to collect license fees from the pari-mutuel books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment; and

(k) There is assurance that the relationship of the track with any associate will not pose a threat to the interest of Nevada in regulating the gaming industry within the state.

5. An executed agreement between the pari-mutuel books and a track shall be submitted to the Chair for approval no later than 10 days before the racing meet begins. Additionally, for a foreign track, a draft agreement between the pari-mutuel books and the track and an executed letter of contractual intent between the pari-mutuel books and the track must be submitted to the Chair no later than 90 days before the racing meet begins.

6. An agreement between the pari-mutuel books and a systems operator relating to an interstate or an intrastate common pari-mutuel pool shall not be approved unless the Chair or Commission, as applicable, is satisfied that:

(a) The agreement specifies the amount of the common pari-mutuel pool commission on wagers;

(b) The agreement specifies the manner in which the common pari-mutuel pool breakage is to be allocated;

(c) The agreement specifies the manner in which the parties will handle a system or communication failure;

(d) There are means for the Board and the Commission to obtain adequate access to information pertaining to the operation of the off-track pari-mutuel system; and

(e) There is assurance that the right of Nevada to collect license fees from the pari-mutuel books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment.

(Adopted: 3/90. Amended: 4/91; 10/21/99; 8/21/08; 1/27/11.)

26A.150 Deduction of commission on wagers. The total percentage of off-track pari-mutuel wagers that is to be deducted as a commission on wagers must be:

1. For interstate common pari-mutuel pools, the same percentage as deducted by the track, unless a different percentage is otherwise approved by the Commission; and

2. For intrastate common pari-mutuel pools, a percentage not to exceed 25 percent.

(Adopted: 3/90. Amended: 4/91; 10/21/99.)

26A.160 Limits and conditions on approvals. The Commission may impose limits or place conditions upon any license or approval issued pursuant to this regulation.

(Adopted: 3/90. Amended: 4/91.)

26A.170 Record retention; access to premises. Each pari-mutuel book, each licensed systems operator, and each track which offers an interstate common pari-mutuel pool, shall:

1. Maintain and retain all records required by the Chair, for at least 5 years after they are made and shall provide them to the Chair upon the Chair's request; and

2. Allow the members of the Commission, the Board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and audit all papers, books, and records of the pari-mutuel book, track and systems operator, on the premises, or elsewhere as practicable.

(Adopted: 3/90. Amended: 4/91; 10/21/99; 1/27/11.)

26A.180 Grounds for disciplinary action. Violation of any applicable law or regulation by a pari-mutuel book, track, or system operator constitutes reasonable cause for disciplinary action.
(Adopted: 3/90. Amended: 4/91.)

26A.190 Authority to issue orders for racing meets. The Commission Chair shall issue such orders as the Commission Chair deems appropriate to further the process of off-track pari-mutuel wagering.
(Adopted: 3/90. Amended: 4/91; 10/21/99; 1/27/11.)

26A.200 Waivers. The Chair may waive one or more of the requirements of Regulation 26A if the Chair finds that such waiver is consistent with the public policy set forth in sections 463.0129 and 464.020 of the Nevada Revised Statutes.
(Adopted: 3/90. Amended: 4/91; 1/11.)

End – Regulation 26A

REGULATION 26B

OFF-TRACK PARI-MUTUEL SPORTS WAGERING AND OFF-TRACK PARI-MUTUEL OTHER EVENT WAGERING

26B.010 Scope.
26B.020 Definition.
26B.030 License required to accept off-track pari-mutuel sports wagers; applications.
26B.040 Conduct of off-track pari-mutuel sports wagering.
26B.050 Approval to share in revenues; application.
26B.060 Criteria for licensing and approval to share in revenue.
26B.070 Requirements imposed upon out-of-state pari-mutuel sports books approved to share in the revenue or otherwise receive compensation.
26B.080 Participation in common pari-mutuel pool.
26B.090 Licensing of off-track pari-mutuel sports systems operator.
26B.100 Requirements imposed upon systems operator.
26B.110 Approval of off-track pari-mutuel sports system.
26B.120 Minimum technical requirements for off-track pari-mutuel sports systems.
26B.130 Operation of the off-track pari-mutuel sports system.
26B.140 Approval of agreements.
26B.150 Deduction of commission on wagers.
26B.160 Limits and conditions on approvals.
26B.170 Record retention; monthly reports; access to premises.
26B.180 Grounds for disciplinary action.
26B.190 Waivers.
26B.200 Gross revenue computations.
26B.210 Effective date of regulation.

26B.010 Scope. This regulation governs and its applicability is limited to off-track pari-mutuel wagering on sporting events and other events for which a license or approval has been granted by the Commission pursuant to chapter 464 of the Nevada Revised Statutes. The provisions of chapter 463 of the Nevada Revised Statutes and all other regulations of the Commission apply when not in conflict with this regulation.

(Adopted: 3/93. Amended 6/17.)

26B.020 Definitions. As used in this regulation:

1. "Breakage" means the odd cents over a multiple of ten cents arising from the computation of odds and payoffs on off-track pari-mutuel sports wagers.
2. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
3. "Commission on wagers" means an amount retained and not returned to patrons by a pari-mutuel sports book from the aggregate amount of off-track pari-mutuel sports wagers.
4. "Common pari-mutuel pool" means a pari-mutuel wagering pool consisting of the off-track pari-mutuel sports wagers placed at two or more pari-mutuel sports books.
5. "Manual merge" means the process used in the event of a systems or communications failure by which participating pari-mutuel sports books transmit to the systems operator through telephone, telecopy, cellular or other means of communication, the sports books' wagering information, and the process by which the systems operator includes the off-track pari-mutuel sports wagers in the common pari-mutuel pool in such event.
6. "Off-track pari-mutuel sports system" means a computerized system or component of a system that is used to receive wagering information from and transmit pool data to a pari-mutuel sports book.
7. "Off-track pari-mutuel sports wager" means a pari-mutuel wager on a sporting event or other event offered as part of a common pari-mutuel pool, whether or not the wager is actually included in the common pari-mutuel pool.
8. "Other event" means any event other than a horse race, dog race, or athletic sporting event.
9. "Pari-mutuel sports book" means an establishment within this state that has been licensed to accept off-track pari-mutuel sports wagers pursuant to the provisions of chapters 463 and 464 of the Nevada Revised Statutes and this regulation, or an out-of-state facility approved to accept off-track pari-mutuel

sports wagers. Where applicable, the term also includes a person or governmental agency from outside this state that operates such a facility, and an association of such facilities.

10. “Pool data” means data regarding the results, payoffs, odds or payoff prices, and the aggregate amount of off-track pari-mutuel sports wagers accepted on each sporting event or other event by all pari-mutuel sports books.

11. “Post time” means five minutes before the scheduled start of a sporting event or other event or such other time as designated by the Chair.

12. “Sporting event” means an individual race, game, match or contest, and any group, series or part thereof. The term does not include horse or dog races.

13. “Systems operator” or “operator of a system” means a person engaged in providing the off-track pari-mutuel sports system or services directly related to the reconciliation of a common pari-mutuel pool and transfers of funds between the participating pari-mutuel sports books.

14. “Wagering information” means the amount of off-track pari-mutuel sports wagers accepted for each sporting event or other event by a single pari-mutuel sports book.

(Adopted: 3/93. Amended 6/17.)

26B.030 License required to accept off-track pari-mutuel sports wagers; application.

1. A person shall not accept off-track pari-mutuel sports wagers in Nevada unless the person has received a license pursuant to chapters 463 and 464 of the Nevada Revised Statutes to accept such wagers. A license to accept off-track pari-mutuel sports wagers shall only be granted to a nonrestricted operation licensed to accept wagers on sporting events or other events.

2. An application for a license to accept off-track pari-mutuel sports wagers must be submitted using such forms as the Chair approves. The application must be accompanied by an internal control system that complies with Regulation 6.

(Adopted: 3/93. Amended 6/17.)

26B.040 Conduct of off-track pari-mutuel sports wagering.

1. Off-track pari-mutuel sports wagering may be conducted only at a pari-mutuel sports book.

2. A pari-mutuel sports book shall comply with the provisions of Regulation 22 when not in conflict with this regulation.

3. A pari-mutuel sports book shall not accept off-track pari-mutuel sports wagers after post time. Off-track pari-mutuel sports wagers become final at the start of the sporting event or other event.

4. A pari-mutuel sports book shall conspicuously display, at periodic intervals to be determined by the Chair, both the aggregate amount of off-track pari-mutuel sports wagers accepted and the odds for each sporting event or other event on which off-track pari-mutuel sports wagering is being conducted.

5. A pari-mutuel sports book shall pay winning off-track pari-mutuel sports wagers in accordance with the pari-mutuel payoff on the off-track pari-mutuel sports wagers accepted on a sporting event or other event, irrespective of whether all wagering information from all pari-mutuel sports books actually was included in the common pari-mutuel pool.

6. A pari-mutuel sports book shall return at least one dollar and five cents for each winning dollar wagered.

7. The pari-mutuel sports books shall be jointly responsible for any deficiencies and shall share in any excesses resulting from the requirements of subsections 5 and 6 of this section.

8. A pari-mutuel sports book shall not pay any systems operator or any other pari-mutuel sports book any compensation for the right to be part of a common pari-mutuel pool unless the agreement setting forth the terms of the compensation has been approved pursuant to section 26B.140 of this regulation.

9. A pari-mutuel sports book shall adopt, conspicuously display, and adhere to written house rules governing off-track pari-mutuel sports wagering transactions with patrons. Prior to adopting or amending such house rules, a pari-mutuel sports book shall submit the rules to the Chair for the Chair’s approval.

10. A pari-mutuel sports book shall allow a patron to cash an outstanding off-track pari-mutuel sports wagering ticket for at least 30 days from the date the sporting event is concluded. A ticket which is not redeemed within such time becomes valueless, unless the time period is extended by the licensee, and the sum of money represented by the ticket shall then accrue to the issuing licensee.

(Adopted: 3/93. Amended 6/17.)

26B.050 Approval to share in revenues; application.

1. A pari-mutuel sports book shall not share the revenue from off-track pari-mutuel sports wagering with any person unless the person who is to share in the revenue has been licensed by or received approval from the Commission.

2. An application for approval to receive a share of the revenue from off-track pari-mutuel sports wagering must be submitted using such forms as the Chair approves.

(Adopted: 3/93.)

26B.060 Criteria for licensing and approval to share in revenue. The Board and the Commission may consider the criteria of NRS 463.170 in determining whether to recommend and grant an off-track pari-mutuel sports wagering license or recommend and approve an application by a person to receive a share of the revenue from off-track pari-mutuel sports wagering.

(Adopted: 3/93.)

26B.070 Requirements imposed upon out-of-state pari-mutuel sports books approved to share in the revenue or otherwise receive compensation.

1. An out-of-state pari-mutuel sports book approved to share in the revenue or otherwise receive compensation from pari-mutuel sports books within this state for the right to be part of a common pari-mutuel pool shall comply with all applicable state and federal laws regarding wagers on sporting events or other events for which it is offering a common pari-mutuel pool.

2. An out-of-state pari-mutuel sports book approved to share in the revenue from off-track pari-mutuel sports wagering shall maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed $10,000 without Commission approval, for post-approval investigative costs.

(Adopted: 3/93. Amended 6/17.)

26B.080 Participation in common pari-mutuel pool. All pari-mutuel sports books in Nevada must be offered the right to accept wagers in a common pari-mutuel pool at the same fee or rate.

(Adopted: 3/93.)

26B.090 Licensing of off-track pari-mutuel sports systems operator.

1. A pari-mutuel sports book shall not use an off-track pari-mutuel sports system unless the systems operator has been licensed by the Commission.

2. An application for a license to serve as a systems operator must be submitted using such forms as the Chair approves. The application must be accompanied by an internal control system that complies with Regulation 6.

(Adopted: 3/93.)

26B.100 Requirements imposed upon systems operator. As used in this section, the term “Chair” means the Chair or other member of the Board designated by the Chair.

1. Each systems operator shall maintain an office in Nevada and designate a key employee located in the Nevada office to supervise and be responsible for the day-to-day operations of the off-track pari-mutuel sports system.

2. Each systems operator shall comply with the internal control system and all amendments to such system as have been approved by the Chair pursuant to Regulation 6. Each systems operator shall, if required by the Chair, amend the written internal control system to comply with any requirements consistent with Regulation 6 that the Chair deems appropriate.

3. Each systems operator shall prepare financial statements covering all financial activities of the systems operator for each business year and shall engage an independent accountant licensed by the Nevada state board of accountancy to audit the financial statements in accordance with generally accepted auditing standards, unless the Chair allows the systems operator upon written request to engage the independent accountant to review the financial statements in accordance with standards established by the American Institute of Certified Public Accountants.

4. Each systems operator shall submit to the Board two copies of its audited or reviewed financial statements not later than 120 days after the last day of the system operator’s business year.

5. If a systems operator changes its business year, the systems operator shall prepare and submit to the Board audited or reviewed financial statements covering the “stub” period from the end of the previous business year to the beginning of the new business year, not later than 120 days after the end of the stub

period or incorporate the financial results of the stub period in the financial statements for the new business year.

6. Reports that directly relate to the independent accountant's review or audit of the systems operator's financial statements must be submitted within 120 days after the end of the systems operator's business year.

7. Each systems operator shall require the independent accountant engaged by the systems operator to audit or to review the systems operator's financial statements to submit to the systems operator two copies of a written report of its compliance with the internal control system approved by the Chair. Not later than 150 days after the end of the systems operator's business year, the systems operator shall submit a copy of the independent accountant's report or any other correspondence directly relating to the systems operator's system of internal control to the Board, accompanied by the systems operator's statement addressing each item of noncompliance noted by the independent accountant and describing the corrective measures taken.

8. The Chair may request additional information and documents from either the systems operator or the systems operator's independent accountant, through the systems operator, regarding the financial statements or the services performed by the independent accountant.

9. Each systems operator shall maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed $10,000 without Commission approval, for post-licensing investigative costs.

(Adopted: 3/93.)

26B.110 Approval of off-track pari-mutuel sports system. A pari-mutuel sports book shall not use an off-track pari-mutuel sports system unless the system has been approved pursuant to the provisions of Regulation 14 governing associated equipment.

(Adopted: 3/93.)

26B.120 Minimum technical requirements for off-track pari-mutuel sports systems. An off-track pari-mutuel sports system must include a fully redundant computer system and must:

1. Receive and aggregate by pool all off-track pari-mutuel sports wagering information received separately from each of the pari-mutuel sports books;

2. Receive and report to each pari-mutuel sports book at periodic intervals to be approved by the Chair all pool data compiled through the system;

3. After each sporting event or other event on which off-track pari-mutuel sports wagering is conducted, report to each pari-mutuel sports book the results and payoffs; and

4. Provide all accounting and reconciliation reports required by the Chair.

(Adopted: 3/93. Amended 6/17.)

26B.130 Operation of the off-track pari-mutuel sports system. A systems operator shall:

1. Immediately notify the pari-mutuel sports books in the event that it is unable to receive wagering information or transmit pool data, and shall cause the system to cease accepting off-track pari-mutuel sports wagers if it is unable to receive the wagering information or transmit the pool data.

2. Cause the system to cease accepting off-track pari-mutuel sports wagers from the pari-mutuel sports books at post time.

(Adopted: 3/93.)

26B.140 Approval of agreements.

1. The terms and conditions of any agreement between pari-mutuel sports books, or between pari-mutuel sports books and a systems operator relating in any way to the operation of an off-track pari-mutuel sports system, a common pari-mutuel pool or transmission of wagering information or pool data regarding sporting events or other events on which off-track pari-mutuel sports wagering will be conducted, must be approved by the Commission upon a recommendation of the Board, or by the Chair pursuant to subsection 2, after whatever investigation the Board or Chair deems necessary.

2. An agreement described in subsection 1 may be approved by the Chair if it is an extension, renewal or modification of an agreement previously approved by the Commission. Any material modification of a previously approved agreement, such as an increase in the amount of the commission on wagers, must also be approved by the Commission.

3. An agreement described in subsection 1 may not be approved unless the Commission or Chair is satisfied that:

(a) The agreement specifies the manner in which the line or proposition for each sporting event will be established;

(b) The agreement specifies the amount of the commission on wagers;

(c) The agreement specifies the manner in which breakage is to be allocated;

(d) The agreement specifies the manner in which the parties will handle a system or communication failure and specifically requires the systems operator to accept wagering information from the pari-mutuel sports books through a manual merge for a reasonable amount of time;

(e) The agreement specifies the manner in which the pari-mutuel sports books shall be responsible for any deficiencies and share in any excesses resulting from the requirements of subsections 26B.040(5) and (6) of this regulation.

(f) The agreement specifies the manner in which the parties will handle pool amounts that are not won by patrons.

(g) The systems operator and pari-mutuel sports books have complied with all laws applicable to off-track pari-mutuel sports wagering;

(h) The systems operator and pari-mutuel sports books hold all necessary licenses and approvals to participate in the off-track pari-mutuel system;

(i) There are means for the Board and the Commission to obtain adequate access to information pertaining to the operation of the off-track pari-mutuel sports system, and to investigate any associate of the systems operator and pari-mutuel sports books in such operation;

(j) There is assurance that the operation of the off-track pari-mutuel sports system will be lawfully conducted after approval by the Commission and will not pose a threat to gaming control in Nevada;

(k) There is assurance that the systems operator, pari-mutuel sports books and their associates in the off-track pari-mutuel sports system will abide by the conditions and restrictions imposed upon approval;

(l) There is assurance that the right of Nevada to collect license fees from the pari-mutuel sports books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment; and

(m) There is assurance that the relationships of the systems operator and pari-mutuel sports books with any associate will not pose a threat to the interest of Nevada in regulating the gaming industry.

(Adopted: 3/93. Amended 6/17.)

26B.150 Deduction of commission on wagers. Except as provided in an agreement approved under section 26B.140, the total percentage of off-track pari-mutuel sports wagers that is to be deducted as a commission on wagers by pari-mutuel sports books in Nevada must not exceed 25 percent.

(Adopted: 3/93.)

26B.160 Limits and conditions on approvals. The Commission may impose limits or place conditions upon any license or approval issued pursuant to this regulation.

(Adopted: 3/93.)

26B.170 Record retention; monthly reports; access to premises. Each pari-mutuel sports book and each systems operator which offers a common pari-mutuel pool, shall:

1. Maintain and retain all records required by the Chair for at least five years after they are made, and provide them to the Chair upon the Chair's request.

2. Allow the members of the Commission, the Board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and audit all papers, books and records of the pari-mutuel sports book or systems operator, on its premises or elsewhere as practicable; and

3. File with the Board all reports required by the Chair.

(Adopted: 3/93.)

26B.180 Grounds for disciplinary action. Violation of any applicable law or regulation by a pari-mutuel sports book or systems operator constitutes reasonable cause for disciplinary action.

(Adopted: 3/93.)

26B.190 Waivers. The Commission may waive one or more of the requirements of Regulation 26B if it finds that such waiver is consistent with the public policy set forth in NRS 463.0129 and 464.020.
(Adopted: 3/93.)

26B.200 Gross revenue computations.
1. For purposes of NRS 463.370, 464.045 and this regulation, "gross revenue" means the total commission on wagers, plus any pool amounts not won by patrons and retained by the pari-mutuel sports book, plus the face amount of unpaid winning tickets, plus breakage, less any rights fee paid by the pari-mutuel sports book, less any commission on wagers returned to a patron by the pari-mutuel sports book pursuant to section 26B.040(5) and (6) of this regulation.
2. As used in this section, "rights fee" means any compensation paid by a pari-mutuel sports book for the right to participate in a common pari-mutuel pool. The term does not include any amount paid to a systems operator, a gaming licensee, an association of gaming licensees or their affiliates.
(Adopted: 3/93.)

26B.210 Effective date of regulation. This regulation shall be effective upon passage.
(Adopted: 3/93. Amended: 4/20/95; 4/97. Effective: 4/23/97.)

End – Regulation 26B

REGULATION 26C

OFF-TRACK PARI-MUTUEL HORSE RACE ACCOUNT WAGERING

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26C.050 Reserve requirements.
26C.060 Recordation of wagers.
26C.070 Acceptance of wagers.
26C.071 Required submissions to the board. [Repealed: 6/30/07.]
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26C.005 Scope. This regulation and Regulation 26A govern all off-track pari-mutuel horse race account wagering in Nevada for which a license or approval has been granted by the Commission pursuant to chapter 464 of the Nevada Revised Statutes. The provisions of chapter 463 of the Nevada Revised Statutes and all other regulations of the Commission apply when not in conflict with this regulation.

(Adopted: 1/11.)

26C.010 Definitions. As used in this regulation:

1. "Account wagering system" means a system of wagering using telephone, computer or other method of wagering communication as approved by the Chair, whose components shall be located in this State. The components shall include, but not be limited to, the systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.

2. "Book" or "race book" means a pari-mutuel horse race book licensed and approved pursuant to chapters 463 and 464 of NRS and this regulation.

3. "Call center system" means a computerized system, or a component of such a system, that is used to receive and transmit pari-mutuel horse race wagering instructions from a patron to a person licensed to accept off-track pari-mutuel horse race wagers. The call center system is located within Nevada but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment.

4. "Central site book" means a book which, for the purpose of wagering communications, may allow other licensed affiliated books to establish wagering or credit accounts, accept deposits on accounts and return funds or close out accounts for the central site. Such other licensed books:

(a) Must be outstation or satellite books of the central site, as defined in this regulation, or must be affiliates of the central site, as defined in NRS 463.430(3)(b); and

(b) Must have on-line, real-time access to the appropriate functions of the central site's off-track pari-mutuel race system.

5. "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

6. "Communications technology" means the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on

wire, cable, radio, microwave, light, optics, or computer data networks. The Internet is a Communications technology only for the purposes of off-track pari-mutuel race wagering.

7. “Group I licensee” means a Group I licensee as that term is defined in Regulation 6.010.

8. “Group II licensee” means a Group II licensee as that term is defined in Regulation 6.010.

9. “Internet” means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

10. “Key employee” means an employee in any of the classes described in subsection 1 of Commission Regulation 3.100, other than an employee meeting only the description in paragraph (e) of that subsection.

11. “Messenger bettor” means a person who places a wager for the benefit of another for compensation.

12. “Operator of a call center” means a person who, as an agent of a licensed Nevada pari-mutuel race book, engages in the business of operating a call center system as a means of providing patron services to assist a patron located in a state or foreign jurisdiction where such wagering is legal, to convey pari-mutuel horse race wagering instructions to one or more licensed Nevada pari-mutuel race books. A Nevada pari-mutuel race book operating a call center on the premises of their gaming establishment or any affiliated licensed gaming establishment, with participation limited to affiliated licensed gaming establishments, is not an operator of a call center.

13. “Outstation book” means a book, other than a satellite book, that shares the off-track pari-mutuel race system and certain management or administrative functions of a book operated by an affiliated licensee, as defined in NRS 463.430(3)(b).

14. “Post time” means, unless an earlier time is required by regulation in the state where the race is run, the time 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 Chair.

15. “Satellite book” means a book that has been licensed pursuant to the provisions of NRS 463.245(3).

16. “Secure personal identification” means a secure personal identification as that term is defined in Regulation 5.225.

17. “Wagering account” means a wagering account as that term is defined in Regulation 5.225.

18. “Wagering communication” means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

19. “Wagering instructions” means the instructions given to an operator of a call center by a patron who maintains a wagering account at a book to effect a wagering communication to the book.

(Adopted: 9/05. Amended: 8/21/08; 12/20/12; 5/17.)

26C.020 License required; applications.

1. No person may operate or own any interest in a race book in Nevada unless that person holds a nonrestricted gaming license specifically permitting the person to do so.

2. Applications for a license to operate a race book must be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require.

3. Each application for approval made by a Group I licensee must be accompanied by an internal control system prepared and submitted in accordance with Regulation 6 and this regulation.

(Adopted: 9/05.)

26C.030 Finding of suitability required to operate a call center; applications.

1. A person shall not function as the operator of a call center unless the person has been found suitable pursuant to chapters 463 and 464 of the Nevada Revised Statutes.

2. Applications for a finding of suitability to function as the operator of a call center must be made, processed, and determined using such forms as the Chair may require or approve.

(Adopted: 9/05.)

26C.040 Registration of managers or supervisors.

1. Any individual who fulfills the function of race book manager or supervisor or who fulfills the function of a manager or supervisor for an operator of a call center must register with the Board. Such registration must be made on a form provided by the Chair and shall include the individual’s:

(a) Full legal name and any aliases, nicknames, maiden name and any other change, legal or otherwise;

(b) Social security number and current driver's license number;
(c) Date and place of birth;
(d) History of residence for the past 5 years;
(e) History of employment for the past 10 years;
(f) Complete history of arrests, detentions, or litigations including any which have been sealed or expunged by court order;
(g) Consent to a full licensing investigation, subject to the provisions of subsection 3, by the Board and Commission; and
(h) Such other information as required by the Chair.
2. Licensed key employees or key employees in applicant status are not required to register pursuant to this section.
3. Individuals required to register must file within 30 days of assuming such duties.
4. After reviewing the registration forms, the Chair may request that the individual file a completed application form. Individuals who object to the request for submission of a completed application form and commencement of a full licensing investigation by the Board may appeal the administrative decision to the full Board and Commission in a manner similar to that outlined in Regulations 4.185 through 4.195.
5. The requirements of this section do not apply to satellite books.
(Adopted: 9/05.)

26C.045 Employees of an operator of a call center. Any employee of an operator of a call center who fulfills the function of receiving and transmitting wagering instructions and any employee supervising this function is a gaming employee and subject to the provisions of NRS 463.335 and 463.337.
(Adopted: 9/05. Amended: 8/21/08.)

26C.050 Reserve requirements.
1. Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to Regulation 5.225(20)(b), each book shall comply with the following to calculate the minimum reserve requirements:
(a) Each book shall at all times maintain a reserve of not less than the greater of $25,000 or the sum of the following amounts:
(1) Amounts held by the book for the account of patrons;
(2) Amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and
(3) Amounts due the patron on wagers whose outcomes have been determined but that have not been posted to the patron's wagering account.
(b) Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of $25,000 or the amount the Chair projects will at least equal the sum of the amounts specified in subparagraphs (1), (2), and (3) of subsection 1(a) at the end of the first week of the book's operation. After the book begins operations, the book's reserve must comply with subsection 1.
2. The reserve described in subsection 1 may be combined as a single amount for a book and its satellite books.
3. The reserve described in subsection 1 may be combined as a single amount with the reserve described in NGC Regulation 22.040.
(Adopted: 9/05. Amended 5/17.)

26C.060 Recordation of wagers. Immediately upon accepting an account wager, the book shall create an electronic record of the terms of the wager in the off-track pari-mutuel race system.
(Adopted: 9/05.)

26C.070 Acceptance of wagers.
1. Books may not accept wagers unless made against credits made to a wagering account as provided for in Regulation 26C.190 or on credit extended in accordance with the provisions of chapter 463 of NRS and the regulations of the Commission.
2. A book shall accept wagers only on its licensed premises, and only at betting stations approved by the Chair or through an account wagering system that has been approved by the Chair.

3. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined.

4. No book or agent or employee of a book may accept a wager from a person who the book, agent, or employee knows or reasonably should know is a messenger bettor or is placing the wager in violation of state or federal law.

5. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as a wager only upon the occurrence of a specified, future contingency, unless an electronic record documenting the wager and contingency is immediately made in the off-track pari-mutuel race system.

6. For licensed Nevada pari-mutuel race books to accept off-track pari-mutuel horse race wagers on established wagering accounts for residents of Nevada and residents of any state or foreign jurisdiction as provided for in Regulation 26C.160(4), the book will perform procedures to provide reasonable assurance that the patron is located within the borders of a state or foreign jurisdiction in which pari-mutuel horse race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders prior to accepting a wagering communication. Reasonable assurance of patron location includes, but is not limited to, an inquiry process through electronic or voice-only means in which patrons affirm their physical location at the time of each wagering communication. A recording of the inquiry process with the patron shall be retained for a period of 60 days.

(Adopted: 9/05.)

26C.071 Required submissions to the board. [Repealed: 6/30/07.]

26C.072 Imposition of supplemental recordkeeping and reporting requirements. The Chair may require a book to comply with the identification, recordkeeping, and reporting requirements of Regulations 22.061 and 22.062 for inter-state pari-mutuel horse race account wagers. The Chair shall notify the book of the decision, in writing, and such decision shall be considered an administrative decision, and therefore reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195.

(Adopted: 9/05.)

26C.080 Payment of winning wagers. In the event the off-track pari-mutuel system is not functioning, a licensed race book shall determine the winners of or payouts on wagers on horse races in accordance with the provisions of Regulation 26A.040.

(Adopted: 9/05.)

26C.090 Off-track pari-mutuel race systems. Before beginning operations, each book shall install and thereafter maintain an off-track pari-mutuel race system meeting the specifications approved by the Chair.

(Adopted: 9/05.)

26C.100 Layoff bets. A book may place or accept wagers from another book if the accepting book does not have common control (as defined in Regulation 16.010(3)) with the placing book. A book that is permitted to place a layoff wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose its identity.

(Adopted: 9/05. Amended 5/17.)

26C.110 Prohibition against rescission of wagers. A book may not unilaterally rescind any wager without the prior written approval of the Chair.

(Adopted: 9/05.)

26C.120 Prohibited wagers. No wagers may be accepted or paid by any pari-mutuel race book on any event other than a horse race that is offered as part of a pari-mutuel pool.

(Adopted: 9/05.)

26C.130 Wagers; terms and conditions. No book shall:

1. Accept from a patron, directly or indirectly, less than the full face value of an off-track pari-mutuel wager;

2. Agree to refund or rebate to a patron any portion or percentage of the full face value of an off-track pari-mutuel wager; or

3. Increase the payoff of, or pay a bonus on, a winning off-track pari-mutuel wager.

The provisions of this section do not prohibit the granting of room, food, beverage or entertainment admission complimentaries.

(Adopted: 9/05.)

26C.140 Communications technology.

1. Before installing or permitting the installation of any communications technology on the premises of a book or a call center, the book or the call center shall notify the Chair in writing of the location and number or other identifier of each communications technology and shall obtain the written approval of the Chair for each communications technology. The Chair may condition the approval in any manner the Chair considers appropriate.

2. Before a book accepts any wagering communications, and before a call center accepts any wagering instructions, the book and the call center must obtain the written approval of the Chair to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. The book or the call center must obtain written permission from the Chair by March 1st of each calendar year to continue using the communications technology.

3. As a condition to the granting of the privilege of having communications technology upon the licensed premises, the book and the call center shall be deemed to have consented to the authority of the Chair to require the immediate removal of any communications technology from the licensed premises at any time without prior notice of hearing. After any such removal, the book or the call center may request a hearing before the Board as to whether or not circumstances may warrant the permanent revocation of the privilege of having communications technology upon the premises.

4. Upon the request of either the Board or Commission, a book or a call center shall provide a written consent for the Board or Commission to examine and copy the records of any telephone, telegraph, or other communications company or utility that pertain to the operation of the book or the call center.

5. A call center system is associated equipment requiring approval pursuant to Regulation 14.260.

6. A book receiving wagering instructions from a call center system shall comply with the requirements of Regulation 14.290 prior to the use of this system.

7. Nothing herein prohibits the use of the Internet for the purposes of establishing wagering accounts or transacting wagering account deposits and withdrawals.

(Adopted: 9/05. Amended: 8/21/08.)

26C.150 Use of an operator of a call center.

1. A licensed Nevada pari-mutuel race book shall not utilize an operator of a call center unless the operator of the call center has been found suitable by the Commission.

2. The call center system, or a component of such a system, will record patron instructions received and transmitted to a licensed Nevada pari-mutuel race book and the date/time instructions are received from a patron for:

(a) Pari-mutuel horse race wagers to be placed; and

(b) Any other pari-mutuel horse race wagering instructions as may be approved by the Chair.

3. The operator of a call center performs such patron services as:

(a) Receiving pari-mutuel horse race wagering instructions from a patron and performing procedures to provide reasonable assurance that the patron is located within the borders of a state or foreign jurisdiction in which pari-mutuel horse race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders prior to accepting a wagering communication. Reasonable assurance of patron location includes, but is not limited to, an inquiry process through electronic or voice-only means in which patrons affirm their physical location at the time of each wagering communication. A recording of the inquiry process with the patron shall be retained for a period of 60 days;

(b) Providing help desk responses to patrons and the general public concerning pari-mutuel horse race wagers at a licensed Nevada pari-mutuel race book; and

(c) Such other patron services as may be approved by the Chair.

4. In addition to the posting of the wager in the off-track pari-mutuel race system by the Nevada pari-mutuel race book, all wagering instructions shall be electronically recorded and retained for a period of 60

days. The method of recording the wagering instructions must be approved by the Chair. Such recordings must be made immediately available to any Board agent upon request.

5. The operator of a call center shall allow the members of the Commission, the Board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and examine all papers, books, and records, on the premises, or elsewhere as practicable.

6. The operator of a call center shall operate in compliance with all applicable provisions of this regulation.

7. The licensed Nevada pari-mutuel race book shall maintain responsibility for any operator of a call center, used by the book, to operate in compliance with all state and federal laws and regulations, as applicable.

8. Violation of any applicable law or regulation by an operator of a call center constitutes reasonable cause for disciplinary action.

(Adopted: 9/05. Amended: 8/21/08.)

26C.160 Wagering communications; establishing patron wagering accounts for pari-mutuel race wagering.

1. Each Group I licensee that accepts wagering communications shall establish and implement pursuant to Regulation 6 a system of internal control for such transactions, and comply with both its system of internal control and the Regulation 6.090 minimum internal control standards. Each Group II licensee that accepts wagering communications shall comply with the Regulation 6.100 internal control procedures.

2. Each book shall prepare a written description of its house rules and procedures for wagering communications, and shall make a copy available to each patron for whom a wagering account is established. Prior to adopting or amending such house rules, a book shall submit such rules to the Chair for approval.

3. A race book licensed to accept off-track pari-mutuel horse race wagers may establish wagering accounts for residents of Nevada and residents of any state or foreign jurisdiction in accordance with Regulation 5.225 and this regulation. Patrons having established a wagering account may place off-track pari-mutuel horse race wagers from within Nevada or from other states or foreign jurisdictions in which pari-mutuel horse race wagering is legal provided that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders. Before a race book accepts a wagering communication, or a call center accepts a wagering instruction, on an off-track pari-mutuel horse race, the following must occur:

(a) A race book must register the patron and create a wagering account for the patron in accordance with Regulation 5.225, except that a race book may confirm the patron's identity remotely if the wagering account is used solely to place off-track pari-mutuel horse race wagers.

(b) A race book shall confirm that the state or foreign jurisdiction in which the patron resides is a jurisdiction in which off-track pari-mutuel horse race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders, prior to the book accepting wagers on such accounts. The race book shall maintain a record of such confirmation.

(c) The race book must have the patron affirm that the patron has been informed and acknowledges that, with regard to off-track pari-mutuel horse race wagers, the book may accept such wagers from patrons only when the patron is located within Nevada or other states or foreign jurisdictions in which pari-mutuel horse race wagering is legal and such wagering on accounts located outside its borders is not otherwise restricted.

(d) Notwithstanding the requirements of subsection 5 of Regulation 5.225, for a business entity patron, the patron must provide an employee of the book, and the book must record and maintain, the information required pursuant to NRS Chapter 463.800 before the book registers and creates a wagering account for the patron. The employee must record such information. Unless a book has otherwise been granted approval by the Chair pursuant to subsection 6(a)(2) of Regulation 22.140, the information required pursuant to NRS 463.800 shall be provided by the patron to an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book;

4. In addition to the posting of the wager in the off-track pari-mutuel race system, all wagering communications shall be electronically recorded and retained for a period of 60 days. The method of recording the wager must be approved by the Chair. Such recordings must be made immediately available to any Board agent upon request.

5. All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts shall be retained by the book for no less than one year following the closure of the related wagering account.

6. A race book shall not allow the use of a wagering account established pursuant to this section for forms of wagering other than off-track pari-mutuel horse race wagering unless:

(a) The establishment and use of the wagering account otherwise meets all of the requirements of regulation 5.225; and

(b) Administrative approval has been granted by the Chair.

(Adopted: 9/05. Amended: 1/11; 11/15; 5/17.)

26C.170 Account wagering systems. Account wagering systems shall:

1. For systems that use other than voice-only wagering communications technology, provide for the patron's review and confirmation of all wagering information before the wagering communication is accepted by the book. The system shall create a record of the confirmation. This record of the confirmation of the wager shall be deemed to be the actual transaction of record, regardless of what wager was recorded by the system;

2. Prohibit wagers from being changed after the patron has reviewed and confirmed the wagering information, and the specific wagering communication transaction has been completed;

3. Prohibit the acceptance of wagers after post time;

4. Prohibit a book from accepting an account wager, or a series of account wagers, in an amount in excess of the available balance of the wagering account;

5. Prohibit a book from accepting out-of-state sports wagers and out-of-state nonpari-mutuel horse race wagers;

6. Post payment on winning account wagers as a credit to the patron's wagering account as soon as reasonably practicable after the event is declared official;

7. Maintain a completely separate wagering account for pari-mutuel horse race wagers. Wagering accounts for pari-mutuel sports wagers, nonpari-mutuel horse race wagers and nonpari-mutuel sports wagers may be commingled in a single separate wagering account;

8. Maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

9. For systems that use other than voice-only wagering communications technology, produce a printable record of the entire transaction as required by this section and shall not accept any wagering communication or transaction if the printable record system is inoperable.

(Adopted: 9/05.)

26C.180 Account wagering rules. [Repealed 5/18/17.]

26C.185 Business Entity Wagering. [Effective 9/1/17.]

1. A book shall notify the Board in writing of its intent to accept wagers from business entities which have met all of the applicable requirements found in NRS Chapter 463.

2. A book is prohibited from accepting wagers from a business entity unless all of the business entity's owners, directors, officers, managers, partners, holders of indebtedness, and anyone entitled to payments based on profits or revenues of the entity are fully disclosed. If the business entity is owned or controlled by one or more holding companies, each of the holding companies' owners, directors, officers, managers, partners, holders of indebtedness and everyone entitled to payments based on profits or revenues of the entity must be fully disclosed.

3. A book which elects to accept wagers from business entities must conduct due diligence on each business entity from which the book will accept wagers which, at a minimum, includes, but is not limited to:

(a) Requiring the business entity to affirm that it has met all of the applicable requirements found in NRS Chapter 463 and this section and that it is not established for the purpose of circumventing any applicable federal or state laws including, but not limited to, laws concerning illegal sports wagering, electronic communications, and money laundering;

(b) Ascertaining all equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals; and

(c) Ascertaining the natural person who is the source of funds for each contribution to the business entity.

➥ A book shall maintain records of the due diligence it performs on a business entity for no less than one year following the closure of the wagering account of the business entity or for no less than one year after rejection of a business entity wagering account application by the book.

4. A book shall not accept wagers from a business entity if:

(a) The business entity does not make the affirmation or disclosures required by subsections 2 or 3(a);

(b) The book is unable to verify the identity of all the equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals of the business entity; or

(c) The book is unable to verify the natural person who is the source of funds for each contribution to the business entity.

5. Upon receipt of updated information from a business entity, a book shall verify the updated information. If a book is unable to verify the updated information within 30 days of the book's receipt of the updated information from the business entity, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.

6. A book shall require a business entity from which the book accepts wagers to provide:

(a) For business entities from which the book accepts wagers aggregating more than $5,000,000 in a calendar year, an independent third-party verification concerning to whom the business entity made payments based on profits or revenues to ensure no payments were made to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive a copy of the independent third-party verification prior to April 1st of the year following the year in which the business entity placed wagers in excess of $5,000,000, the book shall suspend the wagering account and not allow further wagering activity on the wagering account or

(b) For business entities from which the book accepts wagers aggregating $5,000,000 or less within a calendar year, an affirmation stating the business entity did not make payments based on profits or revenues to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive such affirmation prior to April 1st of the year following any year in which the business entity placed wagers with the book, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.

7. A book shall report any violation or suspected violation of law or regulation related to business entity wagering to the Board immediately. Such reporting shall include, but is not limited to, any violation or suspected violation of relevant federal laws such as The Federal Wire Act 18 U.S.C. § 1084, the Illegal Gambling Business Act 18 U.S.C. § 1955, and Title 31 anti-money laundering laws.

8. A book may only accept wagering activity from a business entity, acting through one or more designated individuals, through a wagering account established by the business entity and may only deposit winnings into such wagering account. The book must use an account wagering system for such wagering activity. The requirement to use an account wagering system is effective on January 1, 2017.

9. A book shall not extend credit to a business entity.

10. A book shall report the suspension or closure of a business entity wagering account to the Board within 5 days of suspension or closure and shall include the reason for such suspension or closure in the report. A book shall report the reinstatement of a suspended business entity wagering account to the Board within 5 days of reinstatement and shall include the reasons the book reinstated the wagering account.

11. A book that accepts wagers from business entities shall adopt, conspicuously display at its premises, and adhere to house rules governing business entity wagering transactions.

12. A book that accepts wagers from business entities shall implement policies and procedures designed to ensure that business entities' wagering accounts are used only to place book wagers.

13. As used in this section, "holding company" means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization which, directly or indirectly:

(a) Owns, as defined in Regulation 15.482-6;

(b) Controls, as defined in Regulation 15.482-4; or

(c) Holds with power to vote

➥ any part of a business entity subject to this section. In addition to any other reasonable meaning of the words used, a holding company "indirectly" has, holds or owns any power, right or security if it does so

through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the business entity subject to this section.

(Adopted: 11/15; 5/17.)

26C.190 Wagering account transactions.

1. Except as otherwise provided herein, deposits, credits, and debits to wagering accounts shall be made in accordance with Regulation 5.225.

2. Business entity wagering account deposits and withdrawals may only be made by transfers to and from the bank or financial institution account maintained by the business entity. Business entity wagering account deposits and withdrawals may not be made in cash.

(Adopted: 9/05. Amended: 11/15; 5/17.)

26C.200 Gross revenue computations and layoff bets. The amounts of wagers placed by a book and the amounts received by the book as payments on such wagers shall not affect the computation of the book's gross gaming revenue.

(Adopted: 9/05)

26C.210 Assigned agent. The Chair may at any time require a book to allow an agent of the Board to be permanently present on the book's premises during all hours of operation, and to require the costs and expenses for such agent to be borne by the book in a manner deemed reasonable by the Chair. The agent shall have full and complete access to all books, records, and to any telephone conversations emanating from or received at the licensed premises.

(Adopted: 9/05.)

26C.220 Records and forms. Books shall create and maintain the records and reports required by this regulation in such manner and using such forms as the Chair may require or approve. The Chair may require books to create and maintain such other records and reports as are necessary or convenient for strict regulation of books. Except as otherwise provided in this regulation, books shall preserve the records required by this regulation for at least 5 years after they are made. The Board may at any time examine and copy the records of any book. Each book shall comply with all other applicable regulations of the Commission to the extent not in conflict with this regulation.

(Adopted: 9/05. Amended: 1/11.)

End – Regulation 26C

REGULATION 27

JAI ALAI

[Repealed: 5/17/2012.]

End – Regulation 27

REGULATION 28

LIST OF EXCLUDED PERSONS

28.010 List of exclusion and ejectment.
28.020 Definitions.
28.030 Entry of names.
28.040 Distribution and contents of the list.
28.050 [Reserved: 9/84.]
28.060 Notice of candidacy.
28.070 Hearing.
28.080 Petition to remove from the list.
28.090 Duty of licensee to exclude.

28.010 List of exclusion and ejectment.

1. Pursuant to NRS 463.151 through 463.155, the Commission hereby provides for the establishment of a list of persons who are to be excluded or ejected from licensed gaming establishments that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, other than slot machines only.

2. The criteria applied by the Board and Commission for inclusion of a person upon such list are those set forth in NRS 463.151(3), any one of which is sufficient for inclusion.

3. Evidence of notorious or unsavory reputation, as that term is used in NRS 463.151(3), may be established by identification of a person's criminal activities in published reports of various federal and state legislative and executive bodies that have inquired into various aspects of criminal activities including but not limited to the following:

(a) California Crime Commission;
(b) Chicago Crime Commission;
(c) McClellan Committee (Senate Subcommittee on Investigation);
(d) New York Waterfront Commission;
(e) Pennsylvania Crime Commission Report;
(f) Senate Permanent Subcommittee on Investigations;
(g) State of Colorado Organized Crime Strike Force;
(h) President's Commission on Organized Crime.

4. Evidence of notorious or unsavory reputation, as that term is used in NRS 463.151(3), may be established by identification of a person's criminal activities with respect to wagering on or attempting to influence the result of a collegiate sport or athletic event in a published report by:

(a) Any federal, state or local legislative, executive or judicial body or officer; or

(b) Any association of colleges and universities devoted to the regulation and promotion of intercollegiate athletics, including, but not limited to the National Collegiate Athletic Association.

(Adopted: 10/72. Amended: 4/78; 9/84; 1/01. Effective 2/7/01.)

28.020 Definitions. As used herein, the following terms shall have the following meanings:

1. "Candidate" means any person who the Board believes should be placed on the list.

2. "Excluded person" means any person who has been placed upon the list by the Board and who has failed to timely request a hearing as provided in NRS 463.153, or who remains on the list after a final determination by the Commission. The term shall be synonymous with "ejected person" or "listed person."

3. "List" means a list of names of persons who are required to be excluded or ejected from licensed gaming establishments that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, other than slot machines only. The term shall be synonymous with "exclusion list."

(Adopted: 10/72. Amended: 3/76; 4/78; 9/84.)

28.030 Entry of names. The Board may place on the list the name of any person who, by reason of any of the criteria set forth in NRS 463.151(3) is to be excluded or ejected from licensed gaming establishments that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, other than slot machines only, whenever such exclusion or ejectment is in the best interests of the State of Nevada or of licensed gaming, after the same has been determined as hereinafter provided:

1. Before a name is placed on the list, the Board shall first informally review the information and evidence in its possession and make a determination that there is sufficient reason to believe that any one of the criteria specified in NRS 463.151(3) is applicable to the candidate. At least two Board members shall concur in such decision at an investigative hearing, but no formal meeting of the Board shall be required to reach a decision.

2. Except as hereinafter provided, the operative effect of such list shall not occur as to any given individual until such time as that person whose name has been place upon the list has had notice and an opportunity for a hearing as provided for by this regulation, and until such time as the Commission's decision becomes final.

3. The filing of a petition for judicial review pursuant to NRS 463.315 does not stay the enforcement of any Board or Commission action placing an excluded person on the list. The Commission may grant a stay upon appropriate terms.

(Adopted: 10/72. Amended: 4/78; 9/84.)

28.040 Distribution and contents of the list.

1. The list shall be open to public inspection and shall be distributed to:

(a) Every licensed gaming establishment within the state that conducts pari-mutuel wagering or operates any game;

(b) Law enforcement agencies situated in the State of Nevada.

2. The following information and data shall be provided for each excluded person:

(a) The full name and all aliases the person is believed to have used;

(b) Description of the person's physical appearance, including height, weight, type of build, color of hair and eyes, and any other physical characteristics which may assist in the identification of the person;

(c) Date of birth;

(d) The effective date the person's name was placed on the list;

(e) A photograph and the date thereof.

3. The list shall contain the names of those persons now living who have been previously listed in that certain list promulgated on the 13th day of June, 1960, by the Commission. Such inclusion shall be made without the necessity of notice and hearing as provided for in sections 28.060 and 28.070 of these regulations.

(Adopted: 10/72. Amended: 3/76; 4/78; 9/84.)

28.050 [Reserved: 9/84.]

28.060 Notice of candidacy.

1. After the Board has determined an individual should be placed upon the list, notice of such determination shall be given to said person by:

(a) Personal service;

(b) Certified mail to the address of such person last known to the Board; or

(c) Publication once a day for 7 consecutive days in a newspaper of daily general circulation, one of which is published in Reno, Nevada, and the other published in Las Vegas, Nevada, and for 7 consecutive days in a newspaper of daily general circulation which is distributed in the community wherein the candidate was last known to reside.

2. All reasonable efforts shall be made to give such candidate actual notice of the proceedings, but the methods of notice are cumulative, and each may be utilized with, after, or independently of the above-stated or other methods of notice.

3. A notice shall be directed to the candidate by his or her full name and by any aliases known to the Board and shall state in essence as follows:

> TO: (Name of candidate)
>
> You are hereby notified that the Nevada Gaming Control Board deems you to be a person to be excluded from licensed gaming establishments within the State of Nevada that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, other than slot machines only, pursuant to Nevada Revised Statutes 463.151, et seq., for the reasons specified in NRS 463.151(3)----------(designate subsection or subsections as grounds). You are further advised that you may

request, within thirty (30) days from the date of service, a hearing before the Nevada gaming commission pursuant to NRS 463.153 and the regulations of the commission so as to show cause why your name shall be excluded from said list.

DATED this----------day of----------, 20-------.

Board Member

4. In the event notice by publication is made, the notice shall specify that the request for hearing may be made any time within 60 days after the last day of publication.

5. After a candidate has requested a hearing before the Commission, the candidate shall be entitled to receive, upon request, a bill of particulars specifying the grounds upon which a determination of exclusion was made. Such bill of particulars shall be furnished the candidate at least 20 days prior to the hearing before the Commission.

6. In the event a candidate does not request a hearing, the Board will file with the Commission the bill of particulars heretofore specified, and the Commission may make its decision thereon and any other information it may request from the Board.

(Adopted: 10/72. Amended: 4/78; 8/84.)

28.070 Hearing.

1. The procedures, rights, and remedies specified in chapter 463 for the conduct of proceedings before the Commission other than those in NRS 463.310, and in the applicable sections of Regulation 7 shall apply to any hearings provided to the candidate. As used throughout the above-mentioned sections of chapter 463 the following terms shall have the following meanings:

(a) "Respondent" shall mean "candidate";

(b) "Complaint" shall mean "notice of exclusion," or "bill of particulars";

(c) "Notice of defense" shall mean "request for hearing."

2. Written notice of the Commission's decisions shall be given to the candidate and to all licensed gaming establishments within the state that conduct pari-mutuel wagering or operate any game.

3. When the Commission determines a person should not be placed upon the list, or should be removed pursuant to the provisions of section 28.080, notice of the decision shall be made in the same manner as notice under section 28.060, and additionally in the case of removal proceedings under section 28.080, notice shall be given to all licensed gaming establishments within the state that conduct pari-mutuel wagering or operate any horse race book, sports pool or games, other than slot machines only.

(Adopted: 10/72. Amended: 4/78; 9/84.)

28.080 Petition to remove from the list.

1. Any person who, after a final determination by the Commission, has been placed upon the list may petition the Commission in writing and request that his or her name be removed from such list. The petition shall be verified and state with specificity the grounds believed by the petitioner to constitute good cause for removal of his or her name.

2. The Commission shall have 90 days in which to entertain such petition, after which time the Commission shall either set the petition for hearing or deny the petition. In the event the Commission elects to entertain the petition, a date for hearing shall be specified, and thereafter the procedures specified in section 28.070 above shall apply.

3. The record of evidence and testimony, if any, used by the Commission in making its original determination of exclusion may be considered by the Commission; provided, however, said record shall not be reopened except upon the express consent of the Commission. Unless otherwise allowed by the Commission, only evidence relevant as to the ground specified in the petition shall be heard; provided, however, the Commission may request additional investigation in this regard. The burden of showing good cause for removal shall at all times rest with the petitioner.

(Adopted: 10/72. Amended: 4/78; 9/84.)

28.090 Duty of licensee to exclude.

1. The area within a licensed gaming establishment that conducts pari-mutuel wagering or operates any horse race book, sports pool or games, other than slot machines only, from which an excluded person

is to be excluded is every portion of said gaming establishment including but not limited to the casino, rooms, theater, bar, pool, lounge, showroom and all other related facilities of said gaming establishment.

2. Whenever an excluded person enters or attempts to enter or is upon the premises of a licensed gaming establishment that conducts pari-mutuel wagering or operates any horse race book, sports pool or games, other than slot machines only, and is recognized by the licensee, its agents or employees, then the licensee and its agents or employees must do the following:

(a) Immediately notify the Board of the presence of the excluded person in any area of the gaming establishment;

(b) Request such excluded person to not enter or if on the premises to immediately leave;

(c) Notify the appropriate local law enforcement agency and the Board if such excluded person fails to comply with the request of the licensee, its agents or employees.

3. Failure to request such excluded person to leave or to prohibit entry of such person upon its premises in a timely fashion or failure to properly notify the Board of the presence of such excluded person is an unsuitable method of operation.

4. Catering to any excluded person, including the granting of complimentary room, food or beverage or the issuance of credit to any such person, by any licensed gaming establishment is an unsuitable method of operation.

(Adopted: 10/72. Amended: 4/78; 9/84.)

End – Regulation 28

REGULATION 29

SLOT MACHINE TAX AND LICENSE FEES

29.010 Authority and applicability.
29.020 Definition.
29.030 Single slot machine.
29.040 Multiple slot machines.
29.050 Counting of new or altered slot machines.
29.060 Responsible person available for count.
29.070 Penalty for willful evasion.
29.080 Violation of statute or regulation.
29.090 Effective date.

29.010 Authority and applicability. Pursuant to NRS 463.372, the Commission hereby provides for the regulation of the counting of slot machines for the purpose of administering license fees and the annual tax.

(Adopted: 7/80.)

29.020 Definition. "Slot machine" means any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, or merchandise, tokens or anything of value whatsoever, whether the payoff is made automatically from the machine or in any other manner whatsoever.

(Adopted: 7/80.)

29.030 Single slot machine. Tax and license fees shall be paid on one slot machine when:

1. Only one person has the opportunity to insert one or more coins, currency, tokens or similar object into a single receptacle; and

2. That person has the opportunity to receive cash, premiums, merchandise, tokens or anything of value whatsoever based upon a single means of determining such win or based upon multiple payout lines within a single display unit.

(Adopted: 7/80.)

29.040 Multiple slot machines.

1. Tax and license fees shall be paid on more than one machine and shall be assessed on the number of means determining such win or winnings when:

(a) The slot machine affords one person the opportunity to insert one or more coins into a single receptacle or a multiple number of receptacles; and

(b) That person has the opportunity to receive cash, premiums, merchandise, tokens or anything of value whatsoever based upon multiple means of determining such win or winnings.

2. Tax and license fees shall be paid on more than one machine and shall be assessed per player positions when:

(a) The slot machine affords more than one person the opportunity to play; and

(b) Affords each person the opportunity to win independently of and separate from any other person.

(Adopted: 7/80.)

29.050 Counting of new or altered slot machines. At the time a slot machine is licensed, pursuant to Regulation 14 and NRS 463.650–670 inclusive, the Commission, upon recommendation of the Board, will determine how the device will be counted for the purpose of administering license fees and the annual tax.

(Adopted: 7/80.)

29.060 Responsible person available for count.

1. Whenever a slot machine is available for play by the public, there must be present on the premises a responsible person to assist an agent of the Board in counting and certifying the number of slot machines exposed to play.

2. Each licensee shall authorize this responsible person to verify and sign the Board table and slot count form.

3. Not having a responsible person available on the premises to assist in the counting of slot machines is an unsuitable method of operation and the count conducted at the time by the agent of the Board will be presumed to be an accurate and correct tally of machines exposed for play for the purpose of administering license fees and the annual tax.

4. This regulation does not abrogate the requirement of Regulation 5.011(11).

(Adopted: 7/80.)

29.070 Penalty for willful evasion. Any licensee who willfully fails to report, pay or truthfully account for the tax shall be liable to a penalty in the amount of the tax evaded or not paid, which will be assessed and collected in the same manner as other charges, taxes, licenses, and penalties under NRS 463.

(Adopted: 7/80.)

29.080 Violation of statute or regulation. Violation of any provision of this regulation or statute shall constitute an unsuitable method of operation subjecting the license holder to disciplinary action.

(Adopted: 7/80.)

29.090 Effective date. Regulation 29 shall become effective on July 1, 1980.

(Adopted: 7/80.)

End – Regulation 29

REGULATION 30

HORSE RACING

GENERAL PROVISIONS

30.010 General authority.
30.020 Member, employee prohibitions.
30.030 Scope.

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30.058 “Association” defined.
30.059 “Association grounds” defined.
30.060 “Authorized agent” defined.
30.061 “Betting interest” defined.
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30.063 “Bleeder list” defined.
30.064 “Board” defined.
30.065 “Board of stewards” defined.
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30.067 “Breeder” defined.
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30.071 “Claiming race” defined.
30.072 “Commission” defined.
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30.108 "Nomination" defined.
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30.123 "Payoff" defined.
30.124 "Person" defined.
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30.133 "Protest" defined.
30.134 "Purse" defined.
30.135 "Purse race" defined.
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30.903 Notice of evidentiary hearing before board of stewards.
30.904 Evidentiary hearings before board of stewards; burden of proof.
30.905 Recording of evidentiary hearings; administer oaths; subpoena witnesses.
30.906 Evidentiary hearing procedures.
30.907 Order of presentation; evidentiary hearing.
30.908 Failure to appear; evidentiary hearing.
30.909 Decision; board of stewards.
30.910 Discipline; board of stewards.
30.911 Appeals: Nevada Gaming Control Board; grounds for appeal.
30.912 Appeals: Nevada Gaming Control Board; time for filing notice of appeal.
30.913 Appeals: Nevada Gaming Control Board; transmit record.
30.914 Appeals: hearing procedure; notice of decision.
30.915 Appeals: Nevada Gaming Commission; time for filing; Commission decision; judicial review.

EFFECTIVE DATE

30.950 Effective date.

GENERAL PROVISIONS

30.010 General authority.

1. The Commission and the Board pursuant to Nevada Revised Statutes (NRS) Chapter 466 are charged with implementing, administering and enforcing state laws and regulations related to racing. It is the intent of the Board and Commission that racing regulations be interpreted in the best interests of the public and horse racing.

2. The Board and Commission shall regulate each race meet and the persons who participate in each race meeting.

3. Pursuant to the authority granted in NRS Chapter 466, the Board and Commission may delegate all powers and duties necessary to fully implement the purposes of the statute and these regulations.

30.020 Member, employee prohibitions. Members, employees, and contractors of the Board and Commission shall not:

1. Own a financial interest in a racing association;
2. Accept remuneration from a racing association;
3. Be an owner, lessor or lessee of a horse that is entered in a race in Nevada; or
4. Accept or be entitled to a part of the purse or purse supplement to be paid on a horse in a Nevada race.

30.030 Scope.

1. The laws of Nevada and these regulations supersede the conditions of a race or the regulations of a race meet.

2. Every person participating in, and every patron of, a licensed race meet shall:

(a) Abide by the laws of Nevada and these regulations; and

(b) Accept the decision of the board of stewards on all questions to which its authority extends, subject to all applicable rights of appeal.

3. All owners and trainers of horses and their stable employees are subject to the laws of Nevada and these regulations immediately upon their application to the Board for a racing license, or upon their acceptance and occupancy of association approved stabling accommodations, or upon making entry to run on an association's track. Owners, trainers and stable employees must abide by the laws of Nevada and these regulations, and accept the decision of the board of stewards on all questions to which its authority extends, subject to any rights of appeal as provided herein.

DEFINITIONS

30.050 Construction. As used in these regulations, unless the context otherwise requires, the words and terms defined in sections 30.051 to 30.175, inclusive, have the meanings ascribed therein.

30.051 "Added money" defined. "Added money" is the amount added into a stakes by the association, or by sponsors, Nevada-bred programs or other funds added to those monies gathered by nomination, entry, sustaining and other fees coming from the horsemen.

30.052 "Age" defined. "Age" means a horse's age determined from the first day of January of the year in which the horse was foaled.

30.053 "Also eligible" defined. "Also eligible" pertains to:

1. A number of eligible horses, properly entered, which are not drawn for inclusion in a race, but which become eligible according to preference or lot if an entry is scratched prior to the scratch time deadline; or

2. The next preferred non-qualifier for the finals or consolation from a set of elimination trials which will become eligible in the event a finalist is scratched by the board of stewards or is otherwise eligible if written race conditions permit.

30.054 "Allowance race" defined. "Allowance race" is an overnight race for which eligibility and weight to be carried is determined according to specified conditions which include age, sex, earnings and number of wins.

30.055 "Appaloosa" defined. "Appaloosa" means a horse possessing acceptable pedigree, color, and markings and registered by the Appaloosa Horse Club.

30.056 "Apprentice jockey" defined. "Apprentice jockey" means a thoroughbred race rider who has ridden less than one year from the date of his or her fifth winner or has less than 45 winners since having been first licensed in any race jurisdiction, and otherwise meets the requirements and qualifications for a license as a jockey.

30.057 "Arrears" defined. "Arrears" means all monies owed by a licensee, including subscriptions, jockey fees, forfeitures, and any default incident to these regulations.

30.058 "Association" defined. "Association" means any person or persons, association, corporation or business entity, including state fair associations, agricultural societies, county fair and recreation boards, and other associations to which state or county aid is given, that conducts racing at an official meet.

30.059 "Association grounds" defined. "Association grounds" is all real property utilized by the association in the conduct of its race meeting, including the race track, grandstand, concession stands, office, barns, stable areas, employee housing facilities and parking lots.

30.060 "Authorized agent" defined. "Authorized agent" is a person licensed by the Board and appointed by a written instrument, signed and acknowledged before a notary public by the owner in whose behalf the agent will act.

30.061 "Betting interest" defined. "Betting interest" is one or more horses in a pari-mutuel contest which are identified by a single program number for wagering purposes.

30.062 "Bleeder" defined. "Bleeder" means a horse which is observed to be bleeding from one or both of its nostrils or found to be bleeding internally within an hour after a race or workout by the state veterinarian or the board of stewards or a horse certified as a bleeder by another racing regulatory agency.

30.063 "Bleeder list" defined. "Bleeder list" means a tabulation of all bleeders which will be maintained by the Board or its designee.

30.064 "Board" defined. "Board" means the Nevada Gaming Control Board or its designees.

30.065 "Board of stewards" defined. "Board of stewards" means the body comprised of at least one steward who is employed by the Board and which may also have one or more stewards who are designated by an association to supervise each race meet.

30.066 "Breakage" defined. "Breakage" is the net pool minus payoff.

30.067 "Breeder" defined. "Breeder" means the owner of a horse's dam at time of foaling.

30.068 "Carryover" defined. "Carryover" is non-distributed pool monies which are retained and added to a corresponding pool in accordance with these regulations.

30.069 "Chair" defined. "Chair" means the Chair and Executive Director of the Board.

30.070 "Chemist" defined. "Chemist" means any official who is a chemist and employed by the Board.

30.071 "Claiming race" defined. "Claiming race" is a race in which any horse starting may be claimed in conformance with these regulations.

30.072 "Commission" defined. "Commission" means the Nevada Gaming Commission.

30.073 "Conditions" defined. "Conditions" are qualifications which determine a horse's eligibility to be entered in a race.

30.074 "Coupled entry" defined. "Coupled entry" means two or more horses that:

1. Are entered in a race:
2. Appear on the program as a single betting interest; and
3. Are owned in whole or in part by the same owner or are trained by a trainer who owns an interest in any of the other horses in the race.

30.075 "Day" defined. "Day" means a calendar day.

30.076 "Dead heat" defined. "Dead heat" is the finish of a race in which the noses of two or more horses reach the finish line at the same time.

30.077 "Declaration" defined. "Declaration" means the withdrawal of an entered horse from a race before the closing of entries.

30.078 "Entry" defined. "Entry" is:

1. A horse made eligible to run in a race; or

2. Two or more horses, entered in the same race, which have common ties of ownership, lease or training.

30.079 "Equipment" defined "Equipment" means any tack used on or attached to a horse or rider while racing.

30.080 "Exhibition race" defined. "Exhibition race" is a race on which no wagering is permitted.

30.081 "Expired ticket" defined. "Expired ticket" is an outstanding ticket which was not presented for redemption within the required time period for which it was issued.

30.082 "Financial interest" defined. "Financial interest" is an interest that could result in directly or indirectly receiving a pecuniary gain or sustaining a pecuniary loss as a result of ownership or interest in a horse or business entity, or as a result of salary, gratuity or other compensation or remuneration from any person. The lessee and lessor of a horse have financial interest.

30.083 "Flat race" defined. "Flat race" is a race in which horses mounted by jockeys run over a course on which no jumps or other obstacles are placed.

30.084 "Free handicap" defined. "Free handicap" means a handicap which requires no entrance fee.

30.085 "Foreign substance" defined. "Foreign substance" means any substance except those which exist naturally at normal physiological concentrations in a horse which has received no medication.

30.086 "Forfeit" defined. "Forfeit" means money due because of an error, fault, neglect of duty, breach of contract or penalty.

30.087 "Furosemide" defined. "Furosemide" means 4-chloro-N(2-furylmethyl)-5-sulfamoylanthranilic acid.

30.088 "Handicap" defined. "Handicap" means a race in which the weights to be carried by the horses competing in the race have been adjusted by a handicapper or board of handicappers for the purpose of equalizing the chances of winning for all horses entered.

30.089 "Highweight handicap" defined. "Highweight handicap" means a handicap in which the weight assigned to the top horse in that handicap is not less than 140 pounds.

30.090 "Horse" defined. "Horse" means any equine, including a mule.

30.091 "Hypodermic injection" defined. "Hypodermic injection" means any injection, into or under the skin or mucosa, including an intradermal injection, subcutaneous injection, submucosal injection, intramuscular injection, intravenous injection, intra-arterial injection, intra-articular injection, intrabursal injection, and an intraocular (intraconjuctival) injection.

30.092 "In-Foal" defined. "In-Foal" means a pregnant mare.

30.093 "Inquiry" defined. "Inquiry" is an investigation by the board of stewards of potential interference in a contest prior to declaring the result of said contest official.

30.094 "Jockey" defined. "Jockey" is a professional rider licensed to ride in races.

30.096 "Licensed veterinarian" defined. "Licensed veterinarian" means a person who is validly and currently licensed by the Nevada state board of veterinary medical examiners to practice veterinary medicine in this state and who is licensed by the Board and authorized to practice veterinary medicine at a Nevada race track.

30.0965 "Licensee" defined. "Licensee" means any association licensed by the Commission to conduct racing or any person licensed as a participant or official by the Board in accordance with these regulations.

30.097 "Maiden" defined. "Maiden" means a horse that has not, at the time of entry, won a race on the flat in a state or country where racing is covered by the Daily Racing Form or any other publication that is approved by the state steward. A maiden which has been disqualified after finishing first is still a maiden.

30.098 "Maiden race" defined. "Maiden race" is a contest restricted to nonwinners.

30.099 "Manual merge" defined. "Manual merge" means the process used in the event of a systems or communication failure by which wagering information is included in the pari-mutuel pool by transmission to the track through telephone, telecopy, cellular, or other means of communication.

30.100 "Match race" defined. "Match race" is a race between two horses under conditions agreed to by their owners.

30.102 "Minus pool" defined. "Minus pool" occurs when the amount of money to be distributed on winning wagers is in excess of the amount of money comprised in the net pool.

30.103 "Mixed race" defined. "Mixed race" means a race between horses of different breeds.

30.104 "Mule" defined. "Mule" means the offspring of a male donkey and a mare.

30.105 "Mutuel field" defined. "Mutuel field" is two or more contestants in a contest that are treated as a single betting interest for pari-mutuel wagering purposes because the number of betting interests exceeds the number that can be handled individually by the pari-mutuel system.

30.106 "Net pool" defined. "Net pool" is the amount of gross ticket sales less refundable wagers and statutory commissions.

30.107 "Nevada-bred horse" defined. "Nevada-bred horse" means a foal born in Nevada.

30.108 "Nomination" defined. "Nomination" is the naming of a horse to a certain race or series of races generally accompanied by payment of a prescribed fee.

30.109 "Nominator" defined. "Nominator" means the person in whose name a horse is entered for a race.

30.110 "Objection" defined. "Objection" is:

1. A written complaint made to the board of stewards concerning a horse entered in a race and filed no later than two hours prior to the scheduled post time of the first race on the day in which the questioned horse is entered; or
2. A verbal claim of foul in a race lodged by the horse's jockey, trainer, owner or the owner's authorized agent before the race is declared official.

30.111 "Official order of finish" defined. "Official order of finish" is the order of finish of the horses in a contest as declared official by the board of stewards.

30.113 "Official time" defined. "Official time" is the elapsed time from the moment the first horse crosses the starting point until the first horse crosses the finish line or in quarter horse or mule racing from the time the gate opens until the first horse crosses the finish line.

30.114 "Off time" defined. "Off time" is the time of day at which, on the signal of the official starter, the doors of the starting gate are opened, officially dispatching the horses in each contest.

30.115 "Optional claiming race" defined. "Optional claiming race" means a contest restricted to horses entered to be claimed for a stated claiming price and to those which have started previously for that claiming price or less. In the case of horses entered to be claimed in such a race, the race shall be considered, for the purpose of these regulations, a claiming race.

In the case of horses not entered to be claimed, the race shall be considered an allowance race.

30.116 "Outstanding ticket" defined. "Outstanding ticket" is a winning or refundable pari-mutuel ticket which was not cashed during the performance for which it was issued.

30.117 "Overnight race" defined. "Overnight race" means a race for which entries close 72 hours or less before the time set for the first race of the day on which the race is to be run.

30.118 "Owner" defined. "Owner" means the owner, part owner or lessee of a horse. An interest in only the earnings of a horse does not constitute ownership. A husband and wife are presumed to be in joint ownership of a horse.

30.119 "Owner's handicap" defined. "Owner's handicap" means a race in which the owner fixes the weight of the owner's horse to carry at the time of entry.

30.120 "Paddock" defined. "Paddock" is an enclosed area in which horses scheduled to compete in a contest are assembled, saddled and mounted prior to racing.

30.121 "Pari-mutuel system" defined. "Pari-mutuel system" is the computerized system and all software (including the totalizator, account betting system and off-site betting equipment) that is used to record bets and transmit wagering data.

30.122 "Pari-mutuel wagering" defined. "Pari-mutuel wagering" means a system of placing wagers on a horse race whereby the wager is placed at a window and equipment is used to pay a person's winnings in the precise amount of money wagered by persons who did not win, after deducting taxes owed and commissions charged by the race track.

30.123 "Payoff" defined. "Payoff" is the amount of money payable to winning wagers.

30.124 "Person" defined. "Person" is any individual, partnership, corporation or other association or entity.

30.125 "Place" defined. "Place" means to finish second in a race. In wagering, to finish first or second in a race.

30.126 "Post position" defined. "Post position" is the pre-assigned position from which a horse will leave the starting gate.

30.127 "Posterior digital neurectomy" defined. "Posterior digital neurectomy" means the surgical resection of the medial and/or lateral posterior digital nerve resulting in a desensitization of the posterior l/3 of the hoof below the surgical site, commonly known as "heel nerving."

30.128 "Post time" defined. "Post time" means the time set for the arrival of the horses at the starting line of the race.

30.130 "Profit" defined. "Profit" is the net pool after deduction of the amount bet on the winners.

30.131 "Profit split" defined. "Profit split" is a division of profit among separate winning betting interests or winning betting combinations resulting in two or more payoff prices.

30.132 "Program" defined. "Program" is the published listing of all contests and contestants for a specific performance.

30.133 "Protest" defined. "Protest" is a written objection charging that a horse is ineligible to race, alleging improper entry procedures, or citing any act of an owner, trainer, jockey, or official prohibited by rules.

30.134 "Purse" defined. "Purse" is the total cash amount for which a race is contested.

30.135 "Purse race" defined. "Purse race" means a race for money or any other prize to which the owners of the horses do not contribute an entry fee of $50 or more.

30.136 "Quarter horse" defined. "Quarter horse" means a horse possessing acceptable pedigree, color, and markings and registered by the American Quarter Horse Association.

30.137 "Quarter horse racing" defined. "Quarter horse racing" means the form of horse racing where each participating horse is a Quarter Horse registered with the American Quarter Horse Association or any successor organization, mounted by a jockey, and engaged in a race on the flat.

30.138 "Race" defined. "Race" means a running contest between horses for a purse, prize, sweepstakes or award which takes place on a licensed racetrack and in the presence of a board of stewards.

30.140 "Race meet" defined. "Race meet" means a series of races during the period for which an association has been granted a license by the Commission to conduct racing.

30.141 "Recognized meet" defined. "Recognized meet" means a race meet held under the jurisdiction of the Board and Commission.

30.142 "Restricted area" defined. "Restricted area" is an enclosed portion of the association grounds to which access is limited to persons whose occupation or participation requires access.

30.143 "Result" defined. "Result" is that part of the official order of finish used to determine the pari-mutuel payoff of pools for each individual contest.

30.144 "Scratch" defined. "Scratch" is the act of withdrawing an entered horse from a contest after the closing of entries.

30.145 "Scratch time" defined. "Scratch time" is the deadline set by the association for withdrawal of entries from a scheduled performance.

30.147 "Security stall" defined. "Security stall" means the stall assigned by the Board to a horse on the bleeder list.

30.148 "Show" defined. "Show" means third place.

30.149 "Single price pool" defined. "Single price pool" is an equal distribution of profit to winning betting interests or winning betting combinations through a single payoff price.

30.150 "Stable name" defined. "Stable name" is a name used other than the actual legal name of an owner or lessee and registered with the Board.

30.151 "Stakes race" defined. "Stakes race" means a contest in which nomination, entry and/or starting fees contribute to the purse.

30.153 "Starter allowance race" defined. "Starter allowance race" means a race in which a horse establishes its eligibility for the conditions of the race.

30.154 "Starter's schooling list" defined. "Starter's schooling list" means a list of horses compiled by the starter that, due to lack of experience or previous behavior in the starting gate, are required to load, stand and break from the starting gate in a manner satisfactory to the starter or the state steward, before they will be accepted as entries.

30.155 "State steward" defined. "State steward" means a steward who is employed by the Board to supervise each race or race meet conducted in accordance with these regulations.

30.156 "State veterinarian" defined. "State veterinarian" means a veterinarian employed and licensed by the Board.

30.157 "Subscription" defined. "Subscription" means the act of nominating a horse to a stakes race.

30.158 "Systems operator" defined. "Systems Operator" means a person engaged in providing the pari-mutuel system or services related to the reconciliation of the common pari-mutuel pool and the transfers of funds.

30.159 "Takeout" defined. "Takeout" is the total amount of money, excluding breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

30.160 "Test level" defined. "Test level" means the concentration of a foreign substance found in a test sample.

30.161 "Test sample" defined. "Test sample" means any bodily substance including, but not limited to, blood or urine taken from a horse under the supervision of the state veterinarian and in such a manner as prescribed by the Board for the purpose of analysis.

30.162 "Thoroughbred" defined. "Thoroughbred" means a horse which has satisfied the rules and requirements set forth in the American Stud Principal Rules and Requirements Book and is registered in the American Stud Book or in a foreign stud book recognized by the Jockey Club and the International Stud Book Committee.

30.163 "Thoroughbred racing" defined. "Thoroughbred racing" means the form of horse racing in which each participating horse is a thoroughbred horse registered with the Jockey Club or any successor organization, mounted by a jockey, and engaged in races on the flat.

30.164 "Totalizator" defined. "Totalizator" is the system used for recording, calculating, and disseminating information about ticket sales, wagers, odds and payoff prices to patrons at a pari-mutuel wagering facility.

30.165 "Trial race" defined. "Trial race" is part of a series of contests in which horses participate for the purpose of determining eligibility for a subsequent contest.

30.166 "Turn down shoe" defined. "Turn down shoe" is a shoe which has the inside and outside branch bent downward at a 90 degree angle at the heel of the horse's foot.

30.167 "Walkover" defined. "Walkover" is a race in which only one horse starts or in which all the starters are owned by the same interest.

30.168 "Weight for age" defined. "Weight for age" is a race in which a fixed scale is used to assign the weight to be carried by individual horses according to age, sex, distance of the race, and season of the year.

30.169 "Weigh in" defined. "Weigh in" means the act of weighing the jockey after the race.

30.170 "Weigh out" defined. "Weigh out" means the act of weighing the jockey prior to the race.

30.171 "Win" defined. "Win" means first place.

30.172 "Winner" defined. "Winner" is the horse whose nose reaches the finish line first or is placed first through disqualification of other horses by the board of stewards.

30.173 "Winner of a certain sum" defined. "Winner of a certain sum" means the winner of a single race with that value to the winner unless otherwise expressed in the conditions.

30.174 "Winnings" defined. "Winnings", as used for race eligibility, include money received up to the time appointed for the start, and apply to all races in any country, and embrace walking over or receiving a forfeit. It does not include second and third money or the value of any prize that is not money or paid in money. Winnings during the year are calculated from the previous first of January.

30.175 "Year" defined. "Year" is a calendar year, commencing on the 1st day of January and concluding on the 31st day of December.

RACING ASSOCIATIONS

30.190 License to conduct racing. Every association, except state fair associations, agricultural societies, county fair and recreation boards, and other associations to which state or county aid is given, must be licensed by the Commission in accordance with NRS chapter 466 and these regulations to conduct racing.

30.200 Association, officers, directors, officials to abide by law. An association, its officers, directors, officials, and employees shall abide by and enforce the laws of Nevada and the regulations and decisions of the Commission, Board, and board of stewards.

30.201 Right of entry of Commission members or Board employees to grounds of association; association to provide certain accommodations for Board and Commission.

1. Members of the Commission, Board and their designees have the right of entry to all parts of the association grounds.
2. The Commission, Board, or their designee will visit and inspect the various race meets.
3. An association shall provide adequate stands for officials to have a clear view of the racetrack.
4. Commission and Board vehicles must have access to the restricted parking area of all tracks licensed or approved in Nevada.
5. When requested, an association shall make adequate office space and office equipment available for use by the stewards and members of the Commission, Board or their designees.

30.202 Limitations on times and number of races.

1. An association may conduct horse racing only between the hours of 12 noon and 12 midnight unless otherwise specifically authorized by the Board or its designee.
2. The number of races per day at all tracks subject to the approval of the Board may be not less than six nor more than 12.

30.203 Association to file bond. At least 60 days before opening a race meet, each association licensed to conduct a race meet on a track in Nevada, except a nonprofit organization or agricultural association, shall file with the Board a bond signed by a surety company licensed to do business in this state in the form and of the sum required by the Board which states that the association will pay to the state all money due it pursuant to the provisions of these regulations.

30.204 Evidence of liability insurance.

1. Approval of a race meet by the Commission does not establish the Board or Commission as the insurer or guarantor of the safety or physical condition of the association's facilities or purse of any race.
2. An association shall agree to indemnify, save and hold harmless the Board and Commission from any liability, if any, arising from unsafe conditions of association grounds and default in payment of purses.
3. An association shall provide the Board with a certificate of liability insurance in an amount approved by the Board.
4. An association shall provide accident insurance to cover jockeys.

30.205 Associations to file statement of conditions, of stakes, purses or awards and of rules. Each association shall file with the Board at least 60 days before a race meet a statement setting forth:

1. The conditions of the races it proposes to hold;
2. The stakes, purse or awards; and
3. The rules governing the race meet.

30.206 Employees of association.

1. All employees hired by associations in connection with horse racing are under the jurisdiction of the Board. Associations are responsible to the Board for the integrity and conduct of their employees.
2. Any change in an association's list of employees must be promptly reported in writing to the Board.
3. As used in this section, "employee" includes any volunteer.
4. All association employees and volunteers must be licensed or approved by the Board. The employment or harboring of any unlicensed or unapproved person on racetrack grounds is prohibited.

30.207 Facilities for patrons and licensees.

1. An association shall ensure that the public areas of the association grounds are designed and maintained for the comfort and safety of the patrons and licensees and are accessible to all persons with disabilities as required by federal law.
2. An association shall provide and maintain adequate restroom facilities for the patrons and licensees.
3. An association shall provide an adequate supply of free drinking water.
4. An association shall maintain all facilities on association grounds to ensure the safety and cleanliness of the facilities at all times.
5. An association shall provide separate sanitary facilities, including a dressing area, shower and toilet for the use of male and female jockeys. The facilities must be conveniently located on the grounds and be secured from the public.

30.208 Posting of fire regulations and information concerning reporting of fires. An association must post the fire regulations which are applicable to its grounds along with the location of the nearest fire alarm box, the telephone number of the fire department or other pertinent instructions as to the method for reporting a fire in the area. The notices must be posted in the stable area no more than 100 feet apart or as approved by the local fire authority. Posted fire regulations must, at a minimum, prohibit:

1. Smoking in stalls, feed rooms or under shed rows;
2. Burning open fires or oil and gas lamps in the stable area;
3. Leaving unattended any electrical appliance that is plugged into an electrical outlet;
4. Permitting horses to come within reach of electrical outlets or cords;
5. Storing flammable materials such as cleaning fluids or solvents in the stable area; or
6. Locking a stall which is occupied by a horse.

30.209 Ambulances; notification of receiving hospital.

1. An association shall furnish and maintain a human ambulance. It shall also furnish and maintain a horse ambulance or other vehicle approved by the state steward for the transportation of horses each day that its track is open for racing. Both ambulances must be equipped and ready for immediate duty as required by the Board.
2. If it is necessary to take an injured or incapacitated person to a hospital, the association sponsoring the meet is responsible for notifying the receiving hospital that the patient is en route to prevent any delay in the patient being admitted for medical care. The notification must be made no later than the time at which the ambulance departs from the track.

3. When the track is open for racing, each association shall have a properly equipped and manned medical emergency vehicle on the association grounds. If the ambulance is being used to transport an individual, the association may not conduct a race until the ambulance is replaced.

30.210 Maintenance of racetracks.

1. The surface of a racetrack, including the cushion, subsurface and base, must be designed, constructed and maintained to provide for the safety of the jockeys and horses.
2. Distances to be run shall be measured from the starting line at a distance three feet out from the inside rail.
3. An association shall provide adequate equipment and personnel to maintain the track surface in a safe training and racing condition.
4. Racetracks shall have inside and outside rails, including gap rails designed, constructed and maintained to provide for the safety of jockeys and horses.
5. All rails must be constructed of materials designed to withstand the impact of a horse running at a gallop.
6. During racing hours, an association shall provide at least one operable padded starting gate, which has been approved by the Board.
7. The width of a track may vary according to the number of horses starting in a field, but a minimum of 20 feet must be allocated for the first two horses with an additional five feet for each other starter.

30.211 Protective facilities and services. An association shall provide adequate protective facilities and services to prevent tampering with horses or any other corrupt practices at a race meet. The Board may at any time require licensees to expand their protective services. The extent of protective services to be furnished at tracks will be determined on an individual basis by the Board.

30.212 Security on grounds; exclusion of public from paddock.

1. An association must police the association grounds at all times in a manner which precludes the admission of any person in and around the stables except those having bona fide business or who are licensed by the Board, such as jockeys, stable attendants, owners or employees of the association.
2. Racing associations must exclude from the paddock, in the interest of public safety, all persons who have no immediate business with the horses entered, except members of the Commission, Board, their assigned representatives and those having special permission from the Board.

30.213 Credentials and passes.

1. The Board may establish a system or method of issuing credentials or passes to restrict access to certain areas or to ensure that all participants at a race meet are licensed as required by these regulations.
2. An association shall prevent access to and shall remove or cause to be removed from restricted areas any person who is unlicensed or who has not been issued a visitor's pass or other identifying credential by the Board or its agents or whose presence in such restricted area is unauthorized.

30.214 Installation of system of communication within betting enclosure; limitations on use of telephones and telegraph during race.

1. A system of electrical, mechanical, manual or visual communication must not be installed within the betting enclosure of any licensee until the system has been approved by the Board.
2. The act of transmitting race results for wagering purposes by any person not approved by the Board is prohibited.

30.215 Transmitting results of races. No association may knowingly transmit or allow the result of any race to be transmitted by any system of electrical, manual or visual communication from the enclosure of its track until 15 minutes after the race is declared official, with the exception of the final race of the program, without approval of the Board. An association may allow radio or television broadcasts of racing programs upon the approval of the Board.

30.216 Special races and preferences for Nevada-bred horses. To encourage the breeding of valuable thoroughbred horses, quarter horses, Appaloosa horses, Arabian horses, paint horses, stock horses and mules in Nevada, at least one race each day at each race meet must be limited to Nevada-bred

horses. If there is an insufficient number of Nevada-bred horses available to fill the race, the race may be opened to all horses with preference given to Nevada-bred horses. The racing secretary shall alternate among the seven registries so that an equal number of Nevada-bred races are offered in the course of the race meet for all breeds. Proof that horses entered in the races were bred in Nevada rests with the owner's certificate of registration.

30.217 Certain exclusive concessions prohibited. An owner or stable participating in a race meet may purchase feed and supplies on the open market. An association shall not grant exclusive concessions which interfere with this privilege.

OFFICIALS OF RACE MEETS

30.220 Officials required for race meets.

1. Officials of a race meet include a racing secretary, the board of stewards, placing judges, patrol judges, a paddock judge, starters, mutuel managers, horseman's bookkeepers, horse identifier, clerk of scales, jockey room custodian, timer, a state veterinarian, a test barn veterinarian, and a racing association veterinarian. To avoid undue hardship, the Board may authorize associations to have officials act in a dual capacity. A steward may act only as a placing judge or timer in addition to the steward's regular duties.

2. Proper supervision of racing in accordance with these regulations must be maintained at all times by the association.

3. The Board may require additional officials to be present at a race meet and will notify the association if any additional officials are required.

4. To qualify as a racing official, the appointee shall be:

(a) Of good character and reputation;

(b) Familiar with the duties of the respective position and with the racing rules and regulations;

(c) Mentally and physically able to perform the duties of the job; and

(d) In good standing and not under suspension or ineligible in any racing jurisdiction.

5. The Board, in its sole discretion, may determine the eligibility of a racing official and, in its sole discretion, may approve or disapprove any such official for licensing.

6. While serving in an official capacity, racing officials and their assistants shall not:

(a) Sell or solicit horse insurance on any horse racing at the meeting;

(b) Be licensed in any other capacity without the permission of the Board;

(c) Wager on the outcome of any race under the jurisdiction of the Board; or

(d) Consume or be under the influence of alcohol or any prohibited substances while performing official duties.

7. Racing officials and their assistants shall report immediately to the state steward every observed violation of these regulations and of the laws of this state governing racing.

8. Complaints against officials shall be reported as follows:

(a) Complaints against any steward shall be made in writing to the Board and signed by the complainant.

(b) Any complaint against a racing official other than a steward shall be made to the state steward in writing and signed by the complainant. All such complaints shall be reported to the Board by the state steward, together with a report of the action taken or the recommendation of the board of stewards.

9. Racing officials may be held responsible by the board of stewards or the Board for the actions of their assistants.

10. Where an emergency vacancy exists among racing officials, the state steward or the association, with the state steward's approval, shall fill the vacancy immediately. Such appointment shall be reported to the Board and shall be effective until the vacancy is filled in accordance with these regulations.

30.221 State steward responsibilities; powers; duties.

1. The state steward is responsible to the Board for the conduct of all race meets in accordance with NRS Chapter 466 and these regulations.

2. The state steward:

(a) In the absence of the board of stewards, may act as the board of stewards at a race meet of 10 days or less to decide a matter arising from a previous race meet.

(b) Shall make a report to the Board of any action of the board of stewards, or a licensee.

3. The state steward shall maintain minutes and records of all proceedings before the board of stewards. The minutes must contain a record of all votes, the actions taken, the penalties imposed, and the reasons for any decision of the board of stewards. The state steward shall deliver the minutes to the Board.

30.222 Board of stewards: authority; jurisdiction.

1. During a race meet, the board of stewards has general supervision and authority over owners, trainers, jockeys, grooms and all other persons who are required to be licensed. The Board may discipline any person who is subject to its authority for a violation of any provision of these regulations.

2. Any problem which arises and is not covered by these regulations must be solved by the board of stewards of the race meet in conformity with justice and in the interest of racing.

3. All entries and declarations must be under the supervision of the board of stewards.

4. The jurisdiction of the board of stewards begins 30 days before the first day of a race meet and extends up to and including 30 days after the conclusion of the race meet. In a matter pertaining to racing, an order of the Board supersedes an order of an officer of the association.

5. The board of stewards or an investigator approved by the Board may enter, search and control any personal property, part of the racetrack or any other place used for racing, including, but not limited to, the tack room, a vehicle or any enclosure used by a licensee. By applying for licensure or approval, a licensee or association consents to an entry or search conducted pursuant to this subsection.

30.223 Board of stewards: posted hours; regular sessions.

1. On each entry, scratch and racing day at least one steward must be on duty at regularly posted hours including, without limitation, scratch time and when races are drawn.

2. The full board of stewards shall sit in regular session on race day to exercise the authority and perform the duties imposed on it.

30.224 Board of stewards: presence in stand required during race; substitutions.

1. There must be three stewards acting as the board of stewards in the stand when a race is being run.

2. In an emergency, two stewards may appoint a substitute steward during the race meet subject to the confirmation of the Board. This appointment is effective only for one day.

3. If the stewards are unable to reach an agreement, they shall request the Board to appoint a substitute.

4. The appointment of any substitute for a steward must be reported immediately to the Board.

5. If none of the stewards are present at race time, the Board will appoint three qualified persons to act as the board of stewards pro tem.

30.225 Board of stewards: arrival of horses at starting gate at post time; excusing of injured horses.

1. The board of stewards shall ensure that horses arrive at the starting gate as near to post time as possible. An exception will be made in case of an accident to a horse or jockey or equipment failure.

2. If a horse has an accident before post time, the board of stewards may excuse the horse.

30.226 Board of stewards: protests, complaints and fouls; replacement of trainers and jockeys; reports of and rulings on infractions.

1. The board of stewards shall:

(a) Investigate promptly and render a decision in every protest and complaint which is properly made to the board of stewards.

(b) Report in writing to the Board any action taken on a complaint.

(c) Take notice of any questionable conduct whether or not there is a complaint about the conduct.

2. The board of stewards may determine the extent of a disqualification in the case of a foul. The board of stewards may place the offending horse behind any horse interfered with, or the board of stewards may place it last.

3. The board of stewards may:

(a) Place any horse in the temporary charge of a trainer who is selected by the board of stewards.

(b) Select and substitute a jockey on any horse for any reasonable cause.

4. The board of stewards shall file with the Board:

(a) Before the close of the succeeding racing day, a signed report of all infractions of the rules observed by the board of stewards.

(b) All rulings on infractions as soon as the rulings are made.

30.227 State veterinarian: responsibilities; duties. The state veterinarian shall:

1. Be employed by the Board;
2. Be a veterinarian licensed to practice in this state pursuant to NRS Chapter 638;
3. Supervise the taking of all specimens for testing according to procedures approved by the Board;
4. Provide proper safeguards in the handling of all laboratory specimens to prevent tampering, confusion or contamination;
5. Be responsible for the conduct of horses and their attendants in the receiving and detention barn.
6. Supervise other practicing licensed veterinarians on the association grounds.
7. Recommend discipline for any licensed veterinarian who fails to comply with these regulations or accepted veterinary practices.
8. Report to the Board the names of all horses humanely destroyed or which otherwise expire at the race meet and the reasons therefore;
9. Be available to the racing secretary and/or board of stewards prior to scratch time each racing day at a time designated by the board of stewards, to inspect any horses and report on their condition as may be requested by the board of stewards;
10. Refuse employment or payment, directly or indirectly, from any horse owner or trainer while performing his or her duties as the state veterinarian;
11. Maintain a list of all horses which are determined to be unfit to compete in a race due to physical distress, unsoundness, infirmity or medical condition; and
12. Remove a horse from the veterinarian's list when the horse has satisfactorily recovered the capability of performing in a race.

30.228 State veterinarian: examination of entries; report to board of stewards. The state veterinarian may examine each horse when it is first entered to race at the race meet. The state veterinarian shall report to the board of stewards any horse which, in his or her expert medical opinion, is not of satisfactory age or condition for the type of racing to be conducted at the race meet. The board of stewards must declare any horse so reported as ineligible to be entered or started at the meet until the state veterinarian certifies the horse to be in sound condition.

30.229 State veterinarian: presence in paddock and on race course; duties before race. The state veterinarian:

1. Must be present in the paddock during the saddling and on the race course during the parade;
2. Shall examine every horse entered in a race;
3. Shall report to the board of stewards any horse which is incapable of physically exerting its best effort to win; and
4. Shall recommend to the board of stewards that any horse reported pursuant to subsection 3 be scratched.

30.230 State veterinarian: duties at finish of race; power to treat or destroy injured horses.

1. The state veterinarian shall, at the finish of a race, examine any horse which appeared to be in physical distress during the race. The state veterinarian shall report the horse to the board of stewards and give the board of stewards his or her expert medical opinion as to the cause of the distress.
2. The state veterinarian may treat any horse in the event of an emergency, accident or injury. The state veterinarian may, with the implied or actual consent of the owner or trainer, humanely destroy any horse which, in his or her opinion, is so seriously injured that it is in the best interest of the horse to do so. Every horse owner and trainer impliedly consents to this provision by participating in a race in Nevada, but this implied consent arises only if the owner or trainer is not present at the time of the injury.

30.231 Racing secretary: duties. The racing secretary shall be responsible for the programming of races during the race meeting, compiling and publishing condition books, assigning weights for handicap races, and shall receive all entries, subscriptions, declarations and scratches.

30.232 Racing secretary: compile official daily program. The racing secretary shall compile and ensure the publication of the official daily program, ensuring the accuracy therein of the following information:

1. Sequence of races to be run and post time for the first race;
2. Purse, conditions and distance for each race, and current track record for such distance;
3. The name of licensed owners of each horse, indicated as leased, if applicable, and description of racing colors to be carried;
4. The name of the trainer and the name of the jockey named for each horse together with the weight to be carried;
5. The post position and saddle cloth number or designation for each horse if there is a variance with the saddle cloth designation;
6. Identification of each horse by name, color, sex, age, sire and dam; and
7. Such other information as may be requested by the association or the Board.

30.233 Racing secretary: inspection of licenses and other documents; assignment of stables.

1. The racing secretary may inspect any trainer's or jockey's license, partnership papers, papers relating to a contract between a jockey and the jockey's employer, papers relating to the appointment of authorized agents and papers relating to adoption of colors or a stable name.
2. The racing secretary or designated association official shall be responsible for receiving, inspecting and safeguarding the foal and health certificates and other documents of eligibility for all horses competing at the track or stabled on the association grounds.
3. The racing secretary or designated association official shall assign to stall applicants the stabling which he or she deems proper to be occupied by horses in preparation for racing. The racing secretary or designated association official shall decide all conflicting claims of stable space.

30.234 Racing secretary: conditions, listing of horses, posting of entries, nominations and declarations.

1. The racing secretary shall establish the conditions and eligibility for entering races and cause them to be published to owners, trainers, the state steward and the Board and be posted in the racing secretary's office. For the purpose of establishing conditions, winnings shall be considered to include all monies and prizes won up to the time of the start of a race.
2. The racing secretary shall examine all entry blanks and declarations to verify information as set forth therein and select the horses to start and the also eligible horses.

30.235 Racing secretary: collection, disposition, and record keeping of money.

1. The racing secretary or the racing secretary's designee:

(a) Shall receive all stakes, forfeits, entrance money, fees (including jockey's fees), purchase money in claiming races, and all other money that can properly come into his or her possession as agent for the association.

(b) Must pay all money collected when due to the persons entitled to receive the money.

2. The racing secretary shall be caretaker of the permanent records of all stakes and shall verify that all entrance monies due are paid prior to entry for races conducted at the meeting.

30.238 Patrol judges: general requirements.

1. The Board may require a race meet to use at least one patrol judge who is responsible for observing the race and reporting information concerning the race to the board of stewards. Infractions observed by a patrol judge must be reported immediately to the board of stewards.
2. The Board will approve the patrol judge.
3. The stations of the patrol judge must be designated by the board of stewards.
4. The association shall:

(a) Provide communications between the patrol judge and the board of stewards.

(b) Appoint one or more patrol judges whose duties are to view each race from the vantage point to which the board of stewards has assigned them.

5. In addition to immediately reporting infractions, the patrol judge shall report his or her general observations of each race in writing to the board of stewards before 9:00 a.m. the following workday.

30.239 Paddock judge: duties and responsibilities. The paddock judge shall:

1. Supervise the assembly of horses in the paddock no later than fifteen (15) minutes before the scheduled post time for each race;

2. Maintain a written record of all equipment, inspect all equipment of each horse saddled and report any change thereof to the board of stewards;

3. Prohibit any change of equipment without the approval of the board of stewards;

4. Ensure that the saddling of all horses is orderly, open to public view, free from public interference, and that horses are mounted at the same time, and leave the paddock for the post in proper sequence;

5. Supervise paddock schooling of all horses approved for such by the board of stewards;

6. Report to the board of stewards any observed cruelty to a horse;

7. Ensure that only properly authorized persons are permitted in the paddock;

8. Report to the board of stewards any unusual or illegal activities;

9. Maintain a list of horses which shall not be entered in a race because of poor or inconsistent behavior in the paddock that endangers the health or safety of other participants in racing.

(a) At the end of each race day, the paddock judge shall provide a copy of the list to the board of stewards.

(b) To be removed from the paddock judge's list, a horse must be schooled in the paddock and demonstrate to the satisfaction of the paddock judge and the board of stewards that the horse is capable of performing safely in the paddock.

30.240 Starter: duties; start of race; recommendation of disciplinary action.

1. The starter shall have complete jurisdiction over the starting gate, the starting of horses and the authority to give orders not in conflict with the rules as may be required to ensure all participants an equal opportunity to a fair start.

(a) If a horse cannot be led or backed into position after reasonable attempts have been made to do so, the state steward, upon the recommendation of the starter, shall order the horse scratched from the race. The start must not be delayed because of a bad-mannered horse.

(b) If a horse is locked in the gate, the starter shall immediately notify the board of stewards which shall immediately notify the manager of the mutuels. The starter and the board of stewards shall determine which horse is prevented from starting in the race through failure of gates to open.

(c) With permission from the board of stewards, a race may be started with or without a gate. There is no start until the flag has been dropped. The horses must not be recalled after the flag has been dropped.

2. The starter shall assess the ability of each person applying for a jockey's license in breaking from the starting gate and working a horse in the company of other horses, and shall make said assessment known to the board of stewards.

3. The starter shall load horses into the gate in any order deemed necessary to ensure a safe and fair start.

4. The starter may recommend to the board of stewards that it institute disciplinary action against a jockey or other person because of his or her conduct at the starting gate.

30.241 Starter: appointment of assistants; prohibited conduct.

1. The starter shall:

(a) Appoint and supervise an assistant starter, who has demonstrated to have been adequately trained to safely handle horses in the starting gate, for each horse starting in a race; and

(b) Assign the starting gate stall positions to assistant starters and notify the assistant starters of their respective stall positions no more than 10 minutes before post time for the race.

2. The starter, upon the request of an owner, trainer or jockey to not assign an assistant starter to a horse, shall use his or her best judgment as to the assignment and report to the board of stewards if he or she does not assign an assistant starter to a horse.

3. The starter or an assistant starter shall not:

(a) Impede the start of a race;

(b) Apply a whip or other device, with the exception of steward-approved twitches, to assist in loading a horse into the starting gate;

(c) Slap, boot or otherwise dispatch a horse from the starting gate;

(d) Strike or use abusive language to a jockey; or

(e) Accept or solicit any gratuity or payment other than his or her regular salary, directly or indirectly, for services in starting a race.

30.243 Duties of timer; approval of apparatus for electric timing.

1. The timer shall:

(a) Occupy the timer's stand or other appropriate place during the running of a race;

(b) Record and report to the state steward the time of each race for posting; and

(c) At the close of each day of racing, file a written report with the racing secretary which includes the time and fractional time of each race of the day.

2. If electric timing is used, the apparatus must be of a type approved by the Board.

30.244 Clerk of the scales: duties.

1. The clerk of the scales:

(a) Is in charge of the scales furnished by the association for the purpose of ensuring that riders carry the correct assigned weight.

(b) Shall verify the correct weight of each jockey at the time of weighing out and weighing in and report any discrepancies to the board of stewards immediately;

(c) Shall promptly report to the board of stewards any infraction of the rules with respect to weight, weighing, riding equipment or conduct.

2. At the time of weighing out, the clerk of the scales shall record all overweights and ensure that these are announced publicly or posted in a conspicuous place before the first race of the day and before the running of each race.

3. The clerk of the scales shall weigh in all jockeys after each race and notify the board of stewards. If the weights are correct, the board of stewards may then declare the race "official."

4. The records of the clerk of the scales shall be submitted to the state steward.

30.245 Custodian of the jockey room: requirement; duties.

1. Each association shall provide a custodian of the jockey room.

2. The custodian:

(a) Must be in attendance at all times the jockeys are in the room;

(b) Shall regulate the conduct of jockeys;

(c) Shall ensure that good order is maintained;

(d) Shall ensure all jockeys are in the correct colors before leaving the jockey room to prepare for mounting their horses;

(e) Shall keep a daily program displayed in plain view for the jockeys so they may have ready access to mounts that may become available;

(f) Shall keep unauthorized persons out of the jockey room;

(g) Shall report to the board of stewards any unusual occurrences or rule infractions; and

(h) Shall ensure that all jockeys who have accepted mounts do not associate with patrons, ingest any medication other than that approved by the board of stewards or drink any alcoholic beverage before or during a race.

30.246 Horse identifier: duties. The horse identifier shall:

1. Ensure the safekeeping of registration certificates and racing permits for horses stabled or racing on association grounds;

2. Inspect documents of ownership, eligibility, registration or breeding necessary to ensure the proper identification of each horse scheduled to compete at a race meet;

3. Examine every horse in the paddock for sex, color, markings and lip tattoo, for comparison with its registration certificate to verify the horse's identity;

4. Supervise the tattooing or branding for identification of any horse located on association grounds; and

5. Report to the board of stewards any horse not properly identified or whose registration certificate is not in conformity with these regulations.

30.247 Horsemen's bookkeeper: duties.

1. Each association shall designate someone to serve as horsemen's bookkeeper. The horsemen's bookkeeper shall maintain the records, accounts, and all other functions associated with the horsemen's account.

2. The records shall:

(a) Include the name, mailing address, social security number or federal tax identification number, and the state or country of residence of each horse owner, trainer or jockey participating at the race meeting who has funds due or on deposit in the horsemen's account;

(b) Include a file of all required statements of partnerships, syndicates, corporations, assignments of interest, lease agreements and registrations of authorized agents;

(c) Be kept separate and apart from the records of the association; and

(d) Be subject to inspection by the Board at any time.

3. All monies and funds associated with the horsemen's account shall be separately accounted for in the records of the association.

4. The horsemen's bookkeeper shall be bonded.

5. The horsemen's bookkeeper shall receive, maintain and disburse the purses of each race and all stakes, entrance money, jockey fees, purchase money in claiming races, along with all applicable taxes and other monies that properly come into his or her possession in accordance with the requirements of the Board.

6. The fact that purse money has been distributed prior to the issuance of a laboratory report shall not be deemed a finding that no chemical substance has been administered, in violation of these regulations, to the horse earning such purse money.

RACE MEET LICENSING OR APPROVAL

30.250 Allocation of race dates. The Commission, on recommendation of the Board, shall allocate race dates to each association in accordance with NRS Chapter 466 and these regulations. An association shall apply to the Board and Commission as soon as practicable each year for race dates to be conducted in that calendar year.

30.251 Application for association to operate a race track.

1. Each application by an association to operate a race track in Nevada will be handled on an individual basis by the Board and Commission.

2. The scope of the association's operation and plant facilities will determine the Board and Commission's requirements for:

(a) Proof of financial stability;

(b) Names of officers;

(c) Medical and veterinary facilities;

(d) Lodging facilities; and

(e) Protective facilities.

30.253 License or approval to conduct race meet: application.

1. An application to the Board for a license or approval to conduct a race meet during the next succeeding season of racing must be signed by an executive officer of the association and filed with the Board.

2. The date requested for the race meet must be specified by the association.

30.254 Race date requests. The application for racing dates does not commit the Board and Commission to the granting of a license to conduct a race meet on the dates requested.

30.255 License or approval to conduct race meet: considerations for issuance.

1. The Board may refuse to recommend, and the Commission may refuse to grant, a license or approval to conduct a race meet if the refusal appears to be in the best interest of legitimate racing and the public.

2. During its review of an application, the Board and Commission shall consider:

(a) The opportunity for the sport to develop properly;

(b) The avoidance of competition with established racetracks in Nevada;
(c) The extent of community support for the promotion and continuance of the racetracks;
(d) The character and reputation of the persons identified with the race meet;
(e) The general conditions and safety of the association's facilities; and
(f) The results of any investigation conducted by the Board.

30.256 License or approval to conduct race meet: condition of acceptance; enforcement of regulations.

1. Every license or approval to hold a race meet is granted upon the condition that the recipient accept, observe, and enforce state laws and regulations pertaining to racing.
2. Every officer, director, official and employee of a licensee shall observe and enforce NRS Chapter 466 and these regulations.

30.257 License or approval to conduct race meet: transfer; assignment; validity. A license or approval to conduct a race meet must not be transferred or assigned in any manner without the prior consent of the Board and Commission. A license or approval is not valid for any racing days other than those stipulated.

30.258 Licensees or associations to submit list of officials before certain race meets; approval of substitutions; approval of officials for certain race meets.

1. Sixty days before the first day of a race meet of more than 10 days, the licensee or association shall submit in writing to the Board the names and participant licensing applications for all proposed officials. No official may act until he or she is licensed by the Board. At the track, a representative of the Board will receive requests for substitutions on the form provided by the Board.
2. At a race meet of 10 days or less, an employee of the Board will approve officials for licensing.

PARTICIPANT LICENSING

30.270 Licenses required.

1. A person shall not act in an official capacity, be employed by a race track, or participate in pari-mutuel racing under the jurisdiction of the Commission and Board without a valid license issued by the Board. License categories shall include the following:

(a) Racing participants and personnel (including owner, authorized agent, trainer, assistant trainer, jockey, apprentice jockey, jockey agent, exercise rider, pony rider, veterinarian, veterinary assistant, horseshoer and stable employees);

(b) Racing officials (including steward, racing secretary, state veterinarian, starter, horsemen's bookkeeper, timer/clocker, clerk of scales, jockey room custodian, paddock judge, patrol judge, race announcer, and horse identifier) whether the position is paid or volunteer;

(c) Persons employed by the association, or employed by a person or entity contracting with or approved by the association or Board to provide a service or commodity, which requires their presence in a restricted area, or which requires their presence anywhere on association grounds while pari-mutuel wagering is being conducted; and

2. Persons required to be licensed shall submit a completed application on forms furnished by the Board and accompanied by the required fee. A photo may be taken by the Board for the license.
3. License applicants may be required to furnish the Board with a set(s) of fingerprints, some form of photo identification such as driver's license, and may be required to be refingerprinted or rephotographed periodically as determined by the Board.
4. Applicants for a license may be required to submit evidence of financial responsibility and shall maintain financial responsibility during the period for which the license is issued.
5. Each nonpaid employee of the association shall have a license issued but need not pay an individual fee. Each paid employee, contractor of an association and employee of a contractor shall pay the individual license fee prescribed by the Commission.
6. All tip sheet publishers and vendors must be licensed by the Board.
7. The Board or its designee may issue a temporary license, or otherwise limit, condition or restrict any license required by chapter 466 of NRS or this regulation for any cause deemed reasonable.

30.271 Grounds for refusal, denial, suspension, revocation, or conditioning of license.

1. The Board or its designee may refuse to issue a license to an applicant or may suspend or revoke a license issued, or may order disciplinary measures, if the applicant:

(a) Has been convicted of a felony;

(b) Has been convicted of violating any law regarding gambling or a controlled substance;

(c) Has pending criminal charges;

(d) Is unqualified to perform the duties required of the applicant;

(e) Has failed to disclose or states falsely any information required in the application;

(f) Has been found in violation of NRS Chapter 466 or these regulations governing racing in this state or in violation of laws governing racing in other jurisdictions;

(g) Has racing disciplinary charges pending in this state or other jurisdictions;

(h) Has been or is currently excluded from association grounds by a recognized racing jurisdiction;

(i) Has had a license denied, suspended or revoked by any racing jurisdiction;

(j) Is a person whose conduct or reputation may adversely reflect on the honesty and integrity of horse racing or interfere with the orderly conduct of a race meet or associates with a person of disreputable character or person who is in violation of these regulations;

(k) Demonstrates financial irresponsibility by accumulating unpaid obligations, defaulting in obligations or issuing drafts or checks that are dishonored or payment refused;

(l) Is ineligible for employment pursuant to federal or state law because of age or immigration status;

(m) Has violated any of the alcohol or substance abuse provisions set forth in these regulations or state or federal laws; or

(n) Fails to comply with any disciplinary action imposed by the board of stewards.

2. A license suspension or revocation shall be reported in writing, along with the grounds, to the applicant and the Association of Racing Commissioners International, Inc., through which other racing jurisdictions shall be advised.

30.272 Licensing: age requirement.

1. Association employees or applicants for licensing shall be a minimum of 16 years of age unless otherwise specified in these regulations. An applicant may be required to submit a certified copy of his or her birth certificate.

2. No person under 18 years of age may be licensed as an owner unless the person has been properly endorsed by his or her parent or guardian who assumes complete responsibility and liability for the person's acts.

30.273 Duration of license.

1. Licenses are valid for two calendar years and shall expire on the 31st day of December in the second year after issue.

2. A license is valid only under the condition that the licensee remains eligible to hold such license.

3. During the period for which a license has been issued, the licensee shall report to the Board changes in information provided on the license applications as to current legal name, marital status, permanent address, criminal convictions, license suspensions of 10 days or more or license revocations or fines of $500 or more in other jurisdictions.

30.274 Consent to investigation. The filing of an application for license shall authorize the Board to investigate criminal and employment records, to engage in interviews to determine applicant's character and qualifications and to verify information provided by the applicant.

30.275 Fingerprinting and licensing reciprocity. The Board may license persons holding valid permanent licenses issued by Association of Racing Commissioners International, Inc., member racing jurisdictions in North America. The licensee must be in good standing, have cleared a Federal Bureau of Investigation or Royal Canadian Mounted Police fingerprint check within the previous 36 months, file an application and/or affidavit as may be required by the Board, and pay the required applicable fees prior to participating in racing.

30.276 Licensing: employer responsibility.

1. Every association shall report the discharge of any licensed employee in writing to the Board or its designee, including the person's name, occupation and reason for the discharge.
2. The license application of an employee shall be signed by the employer.
3. Licensed employers shall carry workers' compensation insurance covering their employees as required by statute.

30.277 Concession operators. The association is responsible for the selection of suitable concession operators and shall provide the Board written notification disclosing the identity of concession operators that have been selected.

30.278 Conflict of interest.
1. The Board or its designee shall refuse, deny, suspend or revoke the license of a person whose spouse holds a license and which the board of stewards finds to be a conflict of interest.
2. A commissioner, Board member, Board employee or racing official shall not be an owner of an entrant horse and shall not accept breeder awards at a race meet where they have jurisdiction.
3. A racing official who is an owner of either the sire or dam of a horse entered to race shall not act as an official with respect to that race.
4. A person who is licensed as an owner or trainer, or has any financial interest in a horse registered for racing at a race meet in this jurisdiction shall not, without the approval of the state steward, be employed or licensed at that race meet as a jockey, apprentice jockey, jockey agent, racing official, assistant starter, practicing veterinarian, veterinary assistant, racetrack director, officer or managing employee, track maintenance supervisor or employee, jockey room custodian, valet, outrider, racetrack security employee, horseshoer, photo finish operator, horsemen's bookkeeper, racing chemist or testing laboratory employee.

30.279 License presentation; visitor's passes.
1. A person shall display an appropriate license at all times to enter a restricted area.
2. A license may only be used by the person to whom it is issued.
3. The Board may authorize unlicensed persons temporary access to restricted areas. Such persons shall be identified and their purpose and credentials verified and approved in writing by the Board. Such person shall display a visitor's pass which may only be used by the person to whom it is issued.

30.280 Knowledge of the law. A licensee shall be deemed to have knowledge of NRS Chapter 466 and these regulations, and by acceptance of the license, agrees to abide by the provisions of NRS Chapter 466 and these regulations.

OWNERS, TRAINERS, JOCKEYS, AGENTS AND OTHER LICENSEES

30.290 Licensing requirements for owners.
1. Each person who has a five percent or more ownership or beneficial interest in a horse entered at that race meet is required to be licensed by the Board.
2. An applicant for an owner's license shall own a horse which is eligible to race, registered with the racing secretary and under the care of a trainer licensed by the Board. An owner shall notify the state steward of a change of trainers. The new trainer is required to register the name of the horse on his or her stable list. A horse shall not be transferred to a new trainer after entry.
3. A horse owner of any age may apply for an owner's license under other provisions of these regulations.
4. If the Board or its designee has reason to doubt the financial responsibility of an applicant for an owner's license, the applicant may be required to complete a verified financial statement.
5. Each licensed owner is responsible for disclosure to the Board or its designee of the true and entire ownership of each of the owner's horses registered with the racing secretary. Any change in ownership or trainer of a horse registered with the racing secretary shall be approved by the board of stewards. Each owner shall comply with all licensing requirements.
6. The Board or its designee may refuse, deny, suspend or revoke an owner's license for the spouse or member of the immediate family or household of a person ineligible to be licensed as an owner, unless there is a showing to the satisfaction of the Board that participation in racing will not permit a person to

serve as a substitute for an ineligible person. The transfer of a horse to circumvent the intent of a Board rule or ruling is prohibited.

30.291 Licensing requirements for multiple owners.

1. If the legal owner of any horse is a partnership, corporation, syndicate or other association or entity, each shareholder or partner holding five percent or more interest shall be licensed.

2. Each partnership, corporation, syndicate or other association or entity which includes an owner with less than a five percent ownership or beneficial interest shall file with the Board a list of such owners, their proportionate interest, and an affidavit which attests that, to the best of their knowledge, every owner, regardless of their ownership or beneficial interest, is not presently ineligible for licensing or suspended in any racing jurisdiction.

3. To obtain an owner's license, an owner with less than a five percent ownership or beneficial interest in a horse shall establish a bona fide need for the license to the satisfaction of the Board.

4. Application for joint ownership shall include a designation of a managing owner and a business address. Receipt of any correspondence, notice or order at such address shall constitute official notice to all persons involved in the ownership of such horse.

5. The written appointment of a managing owner or authorized agent shall be filed with the Board.

6. The partners are jointly and severally liable for all stakes and obligations.

7. Owners shall ensure that the terms of any sale with contingencies, a lease or other arrangement, must be signed by all parties or their authorized agents and be filed at the office of the racing secretary before any horse which is joint property, sold with contingencies or leased may start in a race.

8. A statement of a partnership, concerning a sale with contingencies, a lease or other arrangement, must include the name of the person to whom the winnings are payable, the name of the person in whose name the horse will run, and the name of the person who has the power of entry or declaration of forfeit.

30.292 Owners: prohibited acts.

1. An owner shall not:

(a) Employ a jockey for the purpose of preventing the jockey from riding in a race.

(b) Accept a bribe, gift or gratuity in any form which might influence or tend to influence the result of any race.

(c) Engage in any illegal or unauthorized action that may affect in any way the outcome of the race after the owner's horse has been entered in a race.

2. An owner shall only be allowed to wager on his or her horse or entries to win or finish first in combination with other horses.

30.293 Stable name registration. Licensed owners and lessees may adopt a stable name subject to the approval of the Board.

1. The applicant shall identify all persons using the stable name. Changes shall be reported immediately to the Board.

2. All persons with an interest in, or operating under, a stable name, whether incorporated or not, are liable for all entry fees and penalties against the stable.

3. A person who has registered a stable name may cancel it upon written notice to the Board.

4. A stable name may be changed by registering a new stable name and paying the required fee.

5. A stable name which has been previously registered by any other person shall not be approved by the Board.

6. A stable name shall be clearly distinguishable from other registered stable names and shall not be misleading or unbecoming to the sport.

7. The stable name and the name of the owner shall be published in the program. If the stable name consists of more than one person, the program shall list the name of the managing owner along with the phrase "et al."

8. All persons using a stable name shall comply with all rules regarding licensing of owners. If any owner operating under a stable name is suspended or refused a license, the board of stewards must exclude all horses in the stable from racing.

30.294 Racing colors.

1. Owners or trainers may provide racing colors which must be described annually on the owner's application. Racing colors shall be registered with the racing secretary. The board of stewards may authorize a temporary substitution of racing colors when necessary.

2. Racing colors may be subject to the approval of the Board except at racetracks where colors are furnished by the association. If standard colors are used, the colors must be furnished by an association, maintained in good repair, and be neat in appearance.

3. The racing colors to be worn by each jockey in a race shall be described in the program, and any change shall be announced to the public prior to the commencement of the race.

4. A jockey who uses colors which are not his or her own is subject to disciplinary action.

30.295 Licensing requirements for trainers. An applicant for a license as trainer or assistant trainer shall:

1. Be qualified, as determined by the board of stewards or other Board designee, by reason of experience, background and knowledge of racing and be at least 18 years of age. A trainer's license from another jurisdiction, having been issued within a prior period as determined by the Board, may be accepted as evidence of experience and qualifications. Evidence of qualifications may require passing one or more of the following:

(a) A written examination;

(b) An interview or oral examination; and

(c) A demonstration of practical skills in a "barn test."

2. Applicants not previously licensed as a trainer shall be required to pass a written or oral examination, demonstrate practical skills and submit at least two written statements as to the character and qualifications of the applicant.

3. A trainer shall submit to testing for drugs and alcohol upon the request of the board of stewards. The refusal of a trainer to submit for such testing is grounds for revocation of the trainer's license.

30.296 Trainer responsibility.

1. The trainer is responsible for the condition of horses entered in an official workout or race and is responsible for the presence of any prohibited drug, medication or other substance, including permitted medication in excess of the maximum allowable level, in such horses, regardless of the acts of third parties. A positive test for a prohibited drug, medication or substance, including permitted medication in excess of the maximum allowable level, as reported by a Board-approved laboratory, is a violation of this regulation.

2. A trainer shall prevent the administration of any drug or medication or other prohibited substance that may cause a violation of these regulations.

3. A trainer whose horse has been claimed remains responsible for the race in which the horse is claimed.

30.297 Other responsibilities of trainer. A trainer is responsible for:

1. The condition and contents of stalls, tack rooms, feed rooms, sleeping rooms and other areas which have been assigned to the trainer by the association;

2. Maintaining the assigned stable area in a clean, neat and sanitary condition at all times;

3. Ensuring that fire prevention rules are strictly observed in the assigned stable area;

4. Providing a list to the Board of the trainer's employees on association grounds and any other area under the jurisdiction of the Board. The list shall include each employee's name, occupation, social security number and occupational license number. The Board shall be notified by the trainer, in writing, within 24 hours of any change;

5. The proper identity, custody, care, health, condition and safety of horses in his or her charge;

6. Disclosure of the true and entire ownership of each horse in his or her care, custody or control. Any change in ownership shall be reported immediately to the board of stewards and recorded by the racing secretary;

7. Training all horses which are owned wholly or in part by him or her and which are participating at the race meeting;

8. Registering with the racing secretary the name, age, sex, and breeding of each horse in his or her charge within 24 hours of the horse's arrival on association grounds and the name and address of each owner;

9. Ensuring that, at the time of arrival at a licensed racetrack, each horse in his or her care is accompanied by a valid health certificate which shall be filed with the racing secretary;

10. Having each horse in his or her care that is racing, or is stabled on association grounds, tested for Equine Infectious Anemia (EIA) in accordance with state law and for filing evidence of such test results with the racing secretary;

11. Using the services of those veterinarians licensed by the Board to attend horses that are on association grounds;

12. Immediately reporting the alteration of the sex of a horse in his or her care to the horse identifier and the racing secretary, whose office shall note such alteration on the certificate of registration;

13. Promptly reporting to the racing secretary and the state veterinarian any horse on which a posterior digital neurectomy (heel nerving) has been performed and ensuring that such fact is designated on its certificate of registration;

14. Promptly reporting to the state steward, state veterinarian and racing secretary the serious illness of any horse in his or her charge;

15. Promptly reporting the death of any horse in his or her care on association grounds to the state steward and the state veterinarian;

16. Maintaining a copy of the medication record and status of all horses in his or her care;

17. Immediately reporting to the state steward and the state veterinarian if he or she knows, or has cause to believe, that a horse in his or her custody, care or control has received any prohibited drugs or medication;

18. Representing an owner in making entries and scratches and in all other matters pertaining to racing;

19. Horses entered as to eligibility and weight or other allowances claimed;

20. Ensuring the fitness of a horse to perform creditably at the distance entered;

21. Ensuring that his or her horses are properly shod, bandaged and equipped;

22. Presenting his or her horse in the paddock at the time appointed;

23. Personally attending to his or her horses in the paddock and supervising the saddling thereof, unless excused by the board of stewards;

24. Instructing the jockey to give the jockey's best effort during a race and that each horse shall be ridden to win;

25. Attending the collection of a urine or blood sample from the horse in his or her charge or delegating a licensed employee or the owner of the horse to do so;

26. Notifying horse owners upon the revocation or suspension of his or her trainer's license. Upon application by the owner, the board of stewards may approve the transfer of such horses to the care of another licensed trainer, and upon such approved transfer, such horses may be entered to race; and

27. Providing the racing secretary with the name of the jockey at time of entry and not later than scratch time.

30.298 Restrictions on wagering trainer. A trainer shall only be allowed to wager on his or her horse or entries to win or finish first in combination with other horses.

30.299 Trainers: prohibited acts. A trainer shall not:

1. Have in his or her charge or under his or her supervision any horse owned in whole or part by a person who is suspended by a regulatory authority recognized by the Board.

2. Accept any bribe, gift or gratuity, in any form, which might influence or tend to influence the result of a race.

3. Move or permit any horse in his or her care to be moved from the grounds of an association without notifying the racing secretary or designee in writing.

4. Employ a jockey for the purpose of preventing the jockey from riding in any race.

30.300 Assistant trainers.

1. Upon the demonstration of a valid need, a trainer may employ an assistant trainer as approved by the board of stewards. The assistant trainer shall be licensed prior to acting in such capacity on behalf of the trainer.

2. Qualifications for obtaining an assistant trainer's license shall be as prescribed for a trainer unless otherwise allowed by the state steward.

3. An assistant trainer may substitute for and shall assume the same duties, responsibilities and restrictions as imposed on the licensed trainer. In which case, the trainer shall be jointly responsible for the assistant trainer's compliance with the rules governing racing.

30.301 Substitute trainers.

1. A trainer absent for more than two days from his or her responsibility as a licensed trainer, or on a day in which the trainer has a horse in a race, shall obtain another licensed trainer to substitute.
2. A substitute trainer shall accept responsibility for the horses in writing and be approved by the state steward.
3. A substitute trainer and the absent trainer shall be jointly responsible as absolute insurers of the condition of their horses entered in an official workout or race pursuant to these regulations.

30.302 Owners' authorized agents.

1. Licenses required.

(a) An authorized agent shall obtain a license from the Board.

(b) Application for a license shall be filed for each owner represented.

(c) A written instrument signed by the owner shall accompany the application and shall clearly set forth specific language that delegates the powers of the authorized agent. The owner's signature on the written instrument shall be acknowledged before a notary public.

(d) If the written instrument is a power of attorney it shall be filed with the Board and attached to the regular application form.

(e) Any changes by the owner in the authorized agent's appointment or powers must be in writing, acknowledged before a notary public and filed with the Board. If an agent's appointment is revoked by an owner, the agent's license for that owner automatically expires.

2. Powers and duties.

(a) A licensed authorized agent may perform on behalf of the licensed owner all acts related to racing, as specified in the agency appointment, that could be performed by the owner if the owner were present.

(b) Any document executed on behalf of an owner must clearly identify the authorized agent and the owner.

(c) When an authorized agent enters a claim for the account of an owner, the name of the licensed owner for whom the claim is being made and the name of the authorized agent shall appear on the claim slip or card.

(d) Authorized agents are responsible for disclosure of the true and entire ownership of each horse for which they have authority. Any change in ownership shall be reported immediately to the Board of stewards and recorded by the racing secretary.

30.303 Licensing requirements for jockeys.

1. All jockeys must be licensed by the Board. No person under 16 years of age shall be licensed as a jockey.
2. A jockey may be required to pass a physical examination given within the previous 12 months by a licensed physician affirming fitness to participate as a jockey. The board of stewards may require that any jockey be re-examined and may refuse to allow any jockey to ride pending completion of such examination. If a physical examination indicates a pregnancy, an independent physician's certificate is required stating that the jockey is in a fit condition to ride.
3. A jockey shall submit to testing for drugs and alcohol upon the request of the board of stewards. The refusal of a jockey to submit for such testing is grounds for revocation of the jockey's license.
4. A jockey shall not compete against any horse which the jockey either owns or trains.
5. The state steward may permit a jockey to ride pending action on the jockey's application for licensure.

30.304 Jockey responsibility.

1. A jockey shall give a best effort during a race, and each horse shall be ridden to win.
2. A jockey shall have no more than one valet-attendant.
3. A jockey shall not use spurs or steels.

4. No person other than the licensed contract employer or a licensed jockey agent, may make riding engagements for a rider, except that a jockey not represented by a jockey agent may make his or her own riding engagements.

5. A jockey shall have no more than one jockey agent.

6. No revocation of a jockey agent's authority is effective until the jockey notifies the state steward in writing of the revocation of the jockey agent's authority.

7. A jockey shall faithfully fulfill all engagements unless he or she is excused by the board of stewards in an emergency. An excuse may also be given by a physician or nurse with the approval of the Board.

30.305 Jockeys: suspensions.

1. A jockey who is under suspension by the board of stewards, Board, or Commission must not participate in any race or race meet in Nevada.

2. A jockey under suspension in any other state or jurisdiction may be permitted to participate in a race or race meet in Nevada during the suspension at the discretion of the board or stewards.

3. The suspension of a jockey for an offense not involving fraud may begin after the ruling at the discretion of the state stewards.

4. After receiving approval from the state steward, a jockey who is suspended may be permitted to exercise or gallop horses and to lodge on the grounds of the association.

30.306 Jockeys: riding fees.

1. A jockey's riding fees for a race meet must be:

(a) Set by the association; and

(b) Posted in the racing office and in the jockeys' room.

2. If any owner or trainer engages two or more jockeys for the same race, he or she shall pay the losing fee to each engaged jockey who does not ride in the race and the proper fee to the jockey who does ride.

3. A jockey's fee is considered to have been earned when the jockey is weighed out by the clerk of the scales. The fee is not considered earned if the jockey refuses to ride or gets off his or her mount of his or her own free will when there is no injury to the horse or rider. Any problem that is not covered by this subsection must be decided by the board of stewards.

4. A fee to a jockey in a race must be paid in the absence of a special agreement.

30.307 Jockey betting. A jockey shall only be allowed to wager on a race in which he or she is riding. A jockey shall only be allowed to wager if:

1. The owner or trainer of the horse which the jockey is riding makes the wager for the jockey;

2. The jockey only wagers on his or her own mount to win or finish first in combination with other horses in multiple type wagers; and

3. Records of such wagers are kept and available for presentation upon request by the board of stewards.

30.308 Jockey's spouse. A jockey shall not compete in any race against a horse which is owned or trained by the jockey's spouse.

30.309 Foreign jockeys. Upon making an application for a license in this jurisdiction, a jockey from a foreign country shall declare that he or she is a holder of a valid license in his or her country and currently not under suspension. To facilitate this process, the jockey shall present a declaration sheet in a language recognized in this jurisdiction to the Board.

30.310 Jockeys: costumes; helmets.

1. A jockey shall wear the colors of the owner or trainer of the horse the jockey is riding or the colors approved by the Board or association. Any changes in colors or numbers must be announced to the public over the public address system.

2. A jockey must be dressed in a clean costume consisting of a cap and jacket of silk or waterproof material, breeches and top boots.

3. A jockey shall wear a fastened protective helmet approved by the Jockeys' Guild when mounted. The weight of the protective helmet must not be included in the jockey's weight.

4. Use of a safety vest is required and shall not be included in the jockey's weight.

30.311 Apprentice jockeys.

1. The conditions of an apprentice jockey license do not apply to quarter horse racing. A jockey's performances in quarter horse racing do not apply to the conditions of an apprentice jockey license.

2. License applications.

(a) An application for a license as an apprentice jockey must be accompanied by:

(1) An original and a notarized or photostatic copy of the agreement with the contract employer or an apprentice certificate; and

(2) A birth certificate or satisfactory evidence of the date of birth showing the applicant is 16 years of age or older.

(b) The board of stewards may permit an apprentice jockey to ride pending action on his or her application.

3. Apprentice jockey certificates.

(a) An applicant with an approved apprentice certificate may be licensed as an apprentice jockey and must abide by all regulations for jockeys, unless those regulations are in conflict with specific regulations applicable to apprentice jockeys.

(b) An apprentice jockey certificate may be obtained from the state steward on a form provided by the Board in lieu of an apprentice contract. A person shall not receive more than one apprentice jockey certificate. In case of emergencies, a copy of the original may be obtained from the Board where it was issued.

4. Length of apprenticeship.

(a) An apprentice jockey shall ride with a five pound weight allowance beginning with the jockey's first mount and for one full year from the date of the jockey's fifth winning mount or until the jockey has ridden 45 winners, whichever comes first.

(b) At the Board's discretion, it may extend the time during which an apprentice weight allowance may be claimed in cases of physical disablement or other extenuating circumstances.

5. Considerations for eligibility.

(a) Thoroughbred races in the United States, Canada or Mexico which have been reported in the Daily Racing Form or other similar official publication must be considered in determining eligibility for a license as an apprentice jockey.

(b) Any person who has ridden as a licensed jockey at any recognized meet in the United States or other country has the burden of establishing that granting him or her an apprentice jockey license is in the best interest of thoroughbred racing in this state.

6. Apprentice jockey contracts.

(a) A copy of a contract for an apprentice jockey to ride in a Nevada race meet must be filed with the Board.

(b) The transfer of an apprentice contract must be approved by the state steward and filed with the Board.

(c) An owner or trainer must be in control of a stable or horse which would warrant the employment of an apprentice jockey before entering into a contract with an apprentice jockey.

30.312 Jockey agents.

1. Eligibility. An applicant for a license as a jockey agent shall:

(a) Provide a written contract to the state steward which proves that the applicant is authorized to act as agent with at least one jockey who has been licensed by the Board; and

(b) Be qualified, as determined by the state steward or other Board designee, by reason of experience, background and knowledge. A jockey agent's license from another jurisdiction may be accepted as evidence of experience and qualifications. Evidence of qualifications may require passing one or both of the following:

(1) A written examination or

(2) An interview or oral examination.

(c) Applicants not previously licensed as a jockey agent may be required to pass a written or oral examination.

30.313 Jockey agents: limit on contracts. A jockey agent may not serve as agent for more than one jockey and one apprentice jockey unless otherwise permitted by the state steward or Board designee.

30.314 Jockey agent: responsibilities.

1. A jockey agent shall not make or assist in making engagements for a jockey other than those the agent is licensed to represent.
2. A jockey agent shall file written proof of all agencies and changes of agencies with the board of stewards.
3. A jockey agent shall notify the state steward, in writing, prior to withdrawing from representation of a jockey and shall submit to the state steward a list of any unfulfilled engagements made for the jockey.
4. All persons permitted to make riding engagements shall maintain current and accurate records of all engagements made, such records being subject to examination by the board of stewards at any time.

30.315 Jockey agents: prohibited acts. An agent for a jockey:

1. Shall not give anyone any information or advice pertaining to a race or engage in the practice commonly known as “touting” for the purpose of influencing or tending to influence anyone in the making of a wager on the result of any race.
2. Shall not enter the saddling enclosure during racing hours.
3. Shall not have access to the jockey quarters at any time.
4. Shall not be allowed on the track proper at the conclusion of any race.
5. Shall not communicate with any jockey during racing hours without permission from the board of stewards.

30.316 Jockey agent: rival claims.

1. All rival claims for the services of a rider must be reported to the state steward.
2. The board of stewards shall resolve all rival claims.

30.317 Safety helmets required when exercising horse.

1. All owners and trainers, when exercising horses, and all jockeys, exercise boys/girls, outriders, pony boys/girls when performing these duties shall wear an approved safety helmet properly fastened.
2. A trainer shall require each jockey and each exercise boy/girl to wear a helmet approved by the jockeys’ guild and ensure that the helmet is properly fastened whenever exercising a horse.

30.318 Licensing requirements for horseshoers. An applicant for a license as horseshoer shall:

1. Be at least 18 years of age;
2. Be qualified, as determined by the state steward by reason of experience, background and knowledge of horseshoeing. A horseshoer’s license from another jurisdiction, having been issued within a prior period as determined by the Board, may be accepted as evidence of experience and qualifications. Evidence of qualifications may require passing one or more of the following:
   (a) A written examination;
   (b) An interview or oral examination; and
   (c) A demonstration of practical skills in horseshoeing.
3. Applicants not previously licensed as a horseshoer may be required to pass a written or oral examination, demonstrate practical skills and submit at least two written letters of reference concerning the character and qualifications of the applicant.
4. A horseshoer shall submit to testing for drugs and alcohol upon the request of the board of stewards. The refusal of a horseshoer to submit for such testing is grounds for revocation of the horseshoer’s license.

30.319 Licensing requirements for practicing veterinarians.

1. Eligibility. An applicant for a license as a practicing veterinarian shall be qualified and licensed to practice veterinary medicine. Evidence of qualifications require the following:
   (a) Submission of a copy of the applicant’s current state license; and
   (b) The recommendation of the state veterinarian.
2. Responsibility.

(a) All practicing veterinarians administering drugs, medications or other substances shall be responsible for ensuring that the drugs, medications or other substances and the veterinary treatment of horses are administered in accordance with these regulations.

(b) A veterinarian who treats a horse within the association grounds shall report to the state veterinarian, on a form prescribed by the Board, the following information:

(1) The date of treatment;
(2) The name of the horse treated;
(3) The name of the trainer of the horse;
(4) The medication administered; and
(5) Any other information requested by the state veterinarian.

(c) Medication reports are confidential and their contents must not be disclosed except in a proceeding before the board of stewards or the Board or Commission, or in exercise of the Board's jurisdiction.

3. Restrictions on wagering. A practicing veterinarian, licensed by the Board, shall not wager on the outcome of any race at the racetrack facility at which he or she is practicing.

4. A practicing veterinarian shall submit to testing for drugs and alcohol upon the request of the board of stewards. The refusal of a practicing veterinarian to submit for such testing is grounds for revocation of the veterinarian's license.

CLAIMING RACES

30.330 General provisions.

1. A person entering a horse in a claiming race warrants that the title to said horse is free and clear of any existing claim or lien, unless before entering such horse, the written consent of the holder of the claim or lien has been filed with the state steward and the racing secretary and its entry approved by the board of stewards. A transfer of ownership arising from a recognized claiming race will terminate any existing prior lease for that horse.

2. A filly or mare that has been bred is ineligible to enter into a claiming race unless a licensed veterinarian's certificate dated at least 25 days after the last breeding of that mare is on file with the racing secretary's office stating that the mare or filly is not in foal. However, an in-foal filly or mare shall be eligible to enter into a claiming race if the following conditions are fulfilled:

(a) Full disclosure of such fact is on file with the racing secretary and such information is posted in the racing secretary's office;

(b) The stallion service certificate has been deposited with the racing secretary's office (although all information contained on such certificate shall remain confidential);

(c) All payments due for the service in question and for any live progeny resulting from that service are paid in full; and

(d) The release of the stallion service certificate to the successful claimant at the time of claim is guaranteed.

3. The board of stewards may set aside and order rescission of a claim for any horse from a claiming race upon a showing that any party to the claim committed a prohibited action, with respect to the making of the claim, or that the owner of the horse at the time of entry in the claiming race failed to comply with any requirement of these regulations regarding claiming races. Should the board of stewards order a rescission of a claim, they may also, in their discretion, make a further order for the costs of maintenance and care of the horse as they may deem appropriate.

30.331 Claiming of horses.

1. Any horse starting in a claiming race is subject to be claimed for its entered price by any:

(a) Licensed owner;
(b) A licensed racing interest; or
(c) An agent authorized to act for a licensed owner or racing interest.

2. Every horse claimed shall race for the account of the original owner, but title to the horse shall be transferred to the claimant at the time the field has been dispatched from the starting gate and the horse becomes a starter. The claimant is owner of the horse regardless of whether the horse is alive or dead, sound or unsound, or injured during the race or after it.

30.332 Racing interests in claiming races.

1. "Racing interest" in claiming races means any individual owner, partnership of owners, corporations or any registered stable. The term does not include a lessee which participates as an owning entity or the nominator of a race horse.

2. A licensed owner may participate in more than one racing interest.

3. If a racing interest is comprised of more than one licensed owner, all owners constituting the racing interest are jointly and severally liable for any action of the racing interest.

30.333 Procedure for claiming.

1. To make a valid claim for a horse, an eligible person shall:

(a) Provide certification that they have on deposit with the horsemen's bookkeeper an amount equal to the amount of the claim, plus all transfer fees and applicable taxes;

(b) Complete and sign a written claim on a form furnished by the association and approved by the Board;

(c) Identify the horse to be claimed by the spelling of its name on the certificate of registration or as spelled on the official program and designate the claiming price and the race number.

(d) Place the completed claim form inside a sealed envelope furnished by the association and approved by the Board.

(e) Have the time of day that the claim is entered recorded on the envelope.

(f) Have the envelope deposited in the claim box no later than l0 minutes prior to post time of the race for which the claim is entered.

2. After a claim has been deposited in the claim box, it is irrevocable and shall not be withdrawn from the claim box.

3. The board of stewards shall open and examine the claims after the horses have entered the racetrack and are on the way to post.

4. Race officials and employees of the association shall not provide any information as to the filing of claims until after the race has been run, except as is necessary for the processing of the claim.

5. If more than one claim is filed on a horse, the successful claim shall be determined by lot conducted by the board of stewards or their designee.

6. Notwithstanding any designation of sex or age appearing in the racing program or in any racing publication, the claimant of a horse shall be solely responsible for the determination of the sex or age of any horse claimed.

30.334 Prohibitions.

1. A person shall not claim a horse in which the person has a financial or beneficial interest as an owner or trainer.

2. A person shall not cause another person to claim a horse for the purpose of obtaining or retaining an undisclosed financial or beneficial interest in the horse.

3. A person shall not enter into an agreement to claim or not to claim or prevent another person from obtaining a horse in a claiming race.

4. A person shall not claim a horse, or enter into any agreement to have a horse claimed, on behalf of an ineligible or undisclosed person.

5. A person shall not attempt by intimidation to prevent anyone from running or claiming a horse in a claiming race.

6. A person shall not make any agreement with any other person or racing interest for the protection of one another's horses in a claiming race.

7. A person shall not claim a horse without providing the name of a licensed trainer, or person eligible to be a licensed trainer, who will assume the care and responsibility for any horse claimed.

30.335 Transfer of claimed horses.

1. Upon successful claim, the state steward shall issue, upon forms approved by the Board, an authorization of transfer of the horse from the original owner to the claimant. Copies of the transfer authorization shall be forwarded to and maintained by the board of stewards and the racing secretary. Upon notification by the board of stewards, the horsemen's bookkeeper shall immediately debit the claimant's account for the claiming price, applicable taxes and transfer fees. No claimed horse shall be delivered by the original owner to the successful claimant until authorized by the board of stewards.

2. A person shall not refuse to deliver a properly claimed horse and all registration and ownership documents to the successful claimant.

3. Transfer of possession of a claimed horse shall take place immediately after the race has been run. If the horse is required to be taken to the detention barn for post-race testing, the successful claimant or the claimant's representative shall maintain physical custody of the claimed horse. However, the original trainer or the trainer's representative shall accompany the horse, observe the testing procedure and sign the test sample tag.

4. When a horse is claimed out of a claiming race, the horse's engagements are transferred, with the horse, to the claimant.

5. A claimed horse shall not remain in the same stable or under the control or management of its former owner.

6. Ownership interest in any horse claimed from a race shall not be resold or transferred back to the original owner for 30 days after such horse was claimed, except by claim from a subsequent race.

7. No horse which has been claimed out of a claiming race in which said horse was declared the official winner shall be eligible to start in any other claiming race for a period of 30 days, exclusive of the day it was claimed, for less than 25 percent more than the amount of which it was claimed. A horse which has been claimed out of a claiming race in which said horse was not declared the official winner may be eligible to start for any price desired by the claimant. No horse which has been claimed out of a claiming race shall be eligible to race at any other race meeting in this state or elsewhere until the close of the meeting where it was claimed unless its removal from the grounds of such meeting is approved by the board of stewards for good cause or is required by the association where it was claimed.

ENTRIES AND NOMINATIONS

30.340 Entering. No horse shall be qualified to start unless it has been and continues to be entered and eligible to start.

30.341 Statement of identification of horse. If entered for the first time, a horse must be identified by a statement of its name, color, sex and age and the name of its sire and dam as registered. The statement must be repeated in every entry until the name of the horse and its description have been published in the official program, list of entries of the association, or other publication designated by the Board. Only a horse's name and age are required for any entry made after the publication of the horse's description.

30.342 Registration of certain horses and mules.

1. Registration requirements:

(a) A thoroughbred must not enter or start in any race unless it has been registered at the registry office of the Jockey Club of New York;

(b) A quarter horse must not enter or start in any race unless it is registered with the American Quarter Horse Association of Amarillo, Texas;

(c) An Appaloosa horse must not enter or start unless it is registered with the Appaloosa Horse Club of Moscow, Idaho;

(d) A mule must not enter or start unless it is registered with the American Mule Association of Ventura, California or their designated representative.

2. The state steward may waive the requirements of subsection 1 if the horse is otherwise properly identified.

3. At the time a race starts, a certificate of registration from the Jockey Club, American Quarter Horse Association, Appaloosa Horse Club or American Mule Association for any horse in the race must be on file in the office of the racing secretary.

30.343 Change of name of horse.

1. If the name of a horse is changed, its new name and former name must be published in the official program for the first three starts after the change. No change of name is acceptable unless the change is first granted by the Jockey Club, the American Quarter Horse Association, the Appaloosa Horse Club or other registry in which the horse is registered.

2. If this section is violated, the horse involved will be designated a “ringer,” and it and all persons connected with the violation must be ruled off the track and the matter referred to the Board and Commission.

30.344 Name of jockey to be furnished. If it is possible for a trainer to do so, the trainer shall, upon making an entry, furnish the name of the jockey who will ride the trainer’s horse. If the trainer cannot do so, the trainer shall furnish the name not later than scratch time. If no jockey has been named by that hour, the board of stewards shall name the best available jockey.

30.345 Filing of statement of ownership of horse; notice of change of ownership. Information concerning the ownership of a horse, except the trainer’s percentage of the winnings, must be filed with the racing secretary before the horse may start. If any change in ownership occurs during the race meet, notice of the change must be filed immediately with the racing secretary.

30.346 Requirements for entries and declarations.

1. The racing secretary shall receive entries and declarations for all races.
2. An entry or declaration must be in writing and be signed by the trainer of the horse or the trainer’s agent.
3. Each association shall provide blank forms on which entries and declarations may be made. All entry blanks must be approved by the Board.
4. An entry may be made by telephone or telegraph if approved by the state steward. Each entry made by telephone or telegraph must be signed by the trainer of the horse or the trainer’s authorized agent before the horse may start in any race.
5. A person, other than the trainer, who signs an entry form for the trainer is jointly and severally liable with the trainer for the accuracy of and authority for the entry.
6. The person making an entry shall clearly designate the horse so entered.
7. No alteration may be made in any entry or subscription after the closing of entries, but an error may be corrected with permission of the state steward.
8. No horse may be entered in more than one race (with the exception of stakes races) to be run on the same day on which pari-mutuel wagering is conducted. Mules may be entered to run twice in one day.
9. Any permitted medication or approved change of equipment must be declared at time of entry.

30.347 Limitation as to spouses. No entry in any race shall be accepted for a horse owned wholly or in part by, or trained by, a person whose husband or wife is under license suspension at time of such entry; except that, if the license of a jockey has been suspended for a routine riding offense, the board of stewards may waive this rule.

30.348 Coupled entries.

1. Two or more horses which are entered in a race shall be joined as a mutuel entry and single betting interest if they are owned or leased in whole or in part by the same owner or are trained by a trainer who owns or leases an interest in any of the other horses in the race, except that entries may be uncoupled with the approval of the state steward.
2. When a husband and wife hold individual licenses as owner or trainer, their entries must be coupled as a single entry, except that entries may be uncoupled with the approval of the state steward.
3. Under no circumstances may more than one horse of a coupled entry start to the exclusion of a single entry, except in races where horses must qualify to enter through trials or handicaps where conditions state high weights preferred. When making a coupled entry, a preference for one of the horses must be made.

30.349 Refusal of entry. The entries of any person or the transfer of any entry may be refused by the racing secretary without notice for reasons deemed to be in the best interest of racing.

30.350 Nominations.

1. Any nominator to a stakes race may transfer or declare such nomination prior to closing.

2. The nominator is liable for the entrance money or stake. Joint nominations and entries may be made by any one of joint owners of a horse, and each such owner shall be jointly and severally liable for all payments due.

3. A horse may not start a race unless its stake or entrance money due has been paid.

4. Death of a horse, or a mistake in its entry when such horse is eligible, does not release the nominator or transferee from liability for all stakes fees due. No fees paid in connection with a nomination to a stakes race that is run shall be refunded, except as otherwise stated in the conditions of a stakes race.

5. Death of a nominator to a stakes race shall not render void any subscription, entry or right of entry.

6. When a horse is sold privately or at public auction or claimed, subscriptions and stakes engagements shall be transferred automatically to its new owner; except when the horse is transferred to a person whose license is suspended or who is otherwise unqualified to race or enter the horse, then such nomination shall be void as of the date of such transfer.

7. All stakes fees paid toward a stakes race shall be allocated to the winner unless otherwise provided by the conditions for the race. If a stakes race is not run for any reason, all such nomination fees paid shall be refunded. Administrative expenses which have been incurred may be deducted, subject to the review of the Board.

30.351 Closings.

1. Entries for purse races and nominations to stakes races shall close at the time designated by the association in previously published conditions for such races. No entry, nomination or declaration shall be accepted after such closing time; except in the event of an emergency or if an overnight race fails to fill, the racing secretary may, with the approval of the state steward, extend such closing time.

2. Except as otherwise provided in the conditions for a stakes race, the deadline for accepting nominations and declarations is midnight of the day of closing, provided they are received in time for compliance with every other condition of the race.

3. Entries which have closed must be compiled without delay by the racing secretary and conspicuously posted.

30.352 Cancellation, postponement or change of race.

1. The Board or the association reserves the right to cancel, postpone or change a race for any reason which it deems good and sufficient.

2. Public notice must be given at the earliest possible time after a published race is declared off.

3. If either of the horses entered in a match, or if the owner of a horse entered in a match dies before the match, the match is void.

30.353 Number of starters in a race.

1. The maximum number of starters in any race shall be limited to the number of starting positions afforded by the association starting gate and its extensions.

2. The number of starters may be further limited by the number of horses which, in the opinion of the state steward, can be afforded a safe, fair and equal start. No more than eight (8) horses may enter any one race on a half-mile track in Nevada.

3. The race is limited to the number of starters as specified on posted conditions.

30.354 Split or divided races.

1. In the event a race is cancelled or declared off, the association may split any overnight race for which post positions have not been drawn.

2. Where an overnight race is split, forming two or more separate races, the racing secretary shall give notice of not less than 15 minutes before such races are closed to grant time for making additional entries to such split races.

30.355 Also-eligible lists.

1. If the number of entries for a race exceeds the number of horses permitted to start, the racing secretary may create and post an also-eligible list.

2. If any horse is scratched from a race for which an also-eligible list was created, a replacement horse shall be drawn from the also-eligible list into the race in order of preference. If none is preferred, a horse shall be drawn into the race from the also-eligible list by lot.

3. Any owner or trainer of a horse on the also-eligible list who does not wish to start the horse in such race shall so notify the racing secretary prior to scratch time for the race, thereby forfeiting any preference to which the horse may have been entitled.

4. Exceptions to also-eligible lists:

(a) There must be no more than four horses selected as also-eligibles when only one division of a stake race is to be run. Horses cannot be advanced after the regular advertised scratch time.

(b) When two or more divisions of the same stake are to be run, there must not be an also-eligible list in any of the two or more divisions.

30.356 Preferred list. The racing secretary shall maintain a list of entered horses eliminated from starting by a surplus of entries, and these horses shall constitute a preferred list and have preference. The manner in which the preferred list shall be maintained and all rules governing such list shall be the responsibility of the racing secretary.

1. After the name of a horse has appeared in the entries and the horse has had an opportunity to start, the horse must not be given consideration for entry on the following race day if its entry would cause the race to be overfilled unless the entry is for a stake race.

2. A copy of the preferred list must be posted each afternoon. Any claim of error must be made to the racing secretary before entries are taken for the following race day.

3. If a horse is entered on the preferred list, a claim of preference must be made at the time of entry and the claim must be noted on the entry. Otherwise, the preference is lost. A claim of error must not be considered by the board of stewards if the person making the claim has signed an entry which is not noted in compliance with this subsection.

4. Unless otherwise specified in the conditions of the race, if more than the specified number of entries are received in a stakes race, the following conditions will be in effect:

(a) Winners of a sweepstakes have first preference, winners have second preference, maidens who have placed in a stake have third preference, other maidens have fourth preference and horses that have never started have fifth preference.

(b) An owner entering two or more maidens must declare his or her preference for the draw for a post position in the gate.

(c) A horse drawing outside the gate must have its entry fee refunded.

30.357 Declarations and scratches.

1. Declarations and scratches are irrevocable.

2. Declarations.

(a) The declaration of a horse before closing shall be made by the owner, trainer or their licensed designee in writing to the racing secretary before the time prescribed by the association.

(b) If a horse is not named through the entry box at the specified time of closing, it is automatically out of any stake race.

(c) If the miscarriage of any declaration by mail or otherwise is alleged, satisfactory proof of the miscarriage must be produced by the complaint or the declaration must not be accepted.

3. Scratches.

(a) The scratch of a horse after closing shall be made in writing to the racing secretary by the owner, trainer or their licensed designee, with permission from the state stewards. Scratches must be made by the designated scratch time.

(b) A horse may be scratched from a stakes race for any reason at any time up until one hour prior to post time for that race.

(c) No horse may be scratched from an overnight race without approval of the state steward.

(d) In overnight races, horses that are physically disabled or sick shall be permitted to be scratched first. After horses with physical excuses have been scratched, any trainer who has entered a horse may scratch the horse from the race before scratch time until only eight interests remain in a race. If there are more requests to withdraw than are available, permission to withdraw must be decided by lot. In races involving the daily double or an exotic race, an entry must not be withdrawn without permission from the state stewards if the withdrawal would reduce the starting field to less than the number designated by the racing secretary. The Board may excuse any other entry upon the receipt of a veterinarian's certificate of unfitness, a change of track conditions since the time of entry or the receipt of other evidence which in the opinion of the Board justifies a scratch request.

(e) Entry of any horse which has been scratched, or excused from starting by the board of stewards, because of a physical disability or sickness shall not be accepted until the horse has been removed from the veterinarian's list by the state veterinarian.

STAKES RACES

30.360 Overnight race not to be deemed stakes race. No overnight race, regardless of its condition, may be deemed a stakes race.

30.361 Applications for nominations; effect of sale or death of entry; selection of weight; purses added by track.

1. All forms to be used for applications for a nomination to a stakes race must be submitted to the Board for approval. All regulations adopted by the Board and Commission supersede a condition of the race.
2. If a nominee is sold, the entry goes with the foal and fees may be kept up by the buyer. There are no refunds. If a nominee dies, the entry fees remain in the race.
3. Weight or the method of selection of weight must be listed on the nomination application.
4. Purses added by the track must be on the nomination application.

30.362 Deposit of fees for nomination and entry; lists of horses remaining eligible after payments; purses; awards to breeders.

1. All nomination and entry fees must be deposited in a horseman's account in a financial institution approved by the Board.
2. A list of all horses remaining eligible after each payment must be maintained by the association.
3. All accrued interest must be added to the stakes.
4. No deductions may be withheld from the purse unless so stated on the nomination application.
5. All money and interest must be deposited with the horseman's bookkeeper before the day of entry.
6. Breeders' awards must be paid from purse money of the association.

30.363 Selection of horses by trial to participate in divisions.

1. Quarter horses must be selected from the trials to participate in one or more of the divisions based on the American Quarter Horse guidelines. Thoroughbreds must be selected by order of finish.
2. If a mechanical failure occurs in the electric timer on any time trial, finalists from the remaining heats must be selected by official hand timing, with stop watches operated by the person designated by the state steward.
3. If, in the opinion of the board of stewards, a track change such as rain, fast drying track or a mechanical failure occurs between trials, the finalists may be selected in order of finish.
4. If a horse is disqualified in the trials, it must be given the time of the horse it is immediately placed behind plus one-hundredth of a second.
5. The decision of the board of stewards in all matters is final and entries are accepted only on the condition that the person nominating or starting a horse in the trials or stake agrees to abide by the decision of the board of stewards.

30.364 Placement of horses in divisions.

1. The first division must be selected from the horses with the best order of finish.
2. If a tie exists, the horses involved must draw lots to determine which will participate in the finals.
3. If a second, third, or other divisions are to be run, the horses involved in the tie and the next best order of finish must determine the horses which will participate in the second, third or other divisions.

30.365 Coupling and uncoupling of entries for wagering.

1. The uncoupling of separately owned horses trained by the same trainer is permitted for the purpose of pari-mutuel wagering.
2. Horses belonging in whole or in part to the same owner must be coupled as an entry in the wagering, except entries may be uncoupled with the approval of the state steward.
3. If part of an entry is disqualified, it may disqualify all of the entry.

30.366 Assistant starter required for each horse. In all stake races and trials, there must be at least one assistant starter for each horse.

30.367 Refund of wagered money when starting gate fails to open. If a starting gate fails to open and the money wagered on that horse is refunded to the public, unless the horse is part of an entry or field, the horse must be declared a nonstarter and no liability may be incurred beyond refund of the nomination and starting fees.

30.368 Distribution of purse when horses are scratched.

1. If one horse is scratched, the owner must receive last place purse money in the particular division for which the owner's horse is qualified.
2. If more than one horse is scratched out of the same division, then that money must be added together and divided equally among those scratching out of that division.

30.369 Walkovers. In stakes events, unless otherwise specified in the condition, the entry which appears for a race which is a walkover may walk over the course and be declared the winner and is entitled to the winning percentage of the purse.

30.370 Weights.

1. Allowances.

(a) Weight allowance must be claimed at time of entry and shall not be waived after the posting of entries except by consent of the board of stewards.

(b) A horse shall start with only the allowance of weight to which it is entitled at time of starting, regardless of its allowance at time of entry.

(c) Horses not entitled to the first weight allowance in a race shall not be entitled to any subsequent allowance specified in the conditions.

(d) Claim of weight allowance to which a horse is not entitled shall not disqualify it unless protest is made in writing and lodged with the board of stewards at least one hour before post time for that race.

(e) A horse shall not be given a weight allowance for failure to finish second or lower in any race.

(f) No horse shall receive an allowance of weight nor be relieved of extra weight for having been beaten in one or more races, but this rule shall not prohibit maiden allowances or allowances to horses that have not won a race within a specified period or a race of a specified value.

(g) Except in handicap, quarter horse races and races which expressly provide otherwise, two-year-old fillies shall be allowed three pounds, and fillies and mares, three-years-old and upward, shall be allowed five pounds before September l and three pounds thereafter in races where competing against male horses.

2. Penalties.

(a) Weight penalties are obligatory.

(b) Horses incurring weight penalties for a race shall not be entitled to any weight allowance for that race.

(c) No horse shall incur a weight penalty or be barred from any race for having been placed second or lower in any race.

3. Weight Conversions. For the purpose of determining weight assignments and/or allowances for imported horses, the following weight conversions shall be used:

(a) 1 kilogram=2¼ pounds

(b) 1 Stone=14 pounds

4. Quarter horses are required by the American Quarter Horse Association to carry at least 116 pounds.
5. The appropriate registry must be consulted for weight scales for mixed breeds or any breeds other than quarter horses or thoroughbreds.

30.371 Thoroughbred scale of weights. The weights required in the latest edition of "The American Racing Manual" shall be carried by thoroughbreds when not otherwise specified in the conditions of the race.

1. In races of intermediate lengths, the weights for the shorter distance are carried.

2. In thoroughbred races exclusively for three-year-olds or four-year-olds, the weight is 126 pounds, and in races exclusively for two-year-olds, it is 122 pounds.

3. In all races except in handicaps and races where the conditions expressly state to the contrary, the scale of weights is less, by the following: for two-year-old fillies, three pounds; for fillies and mares, three-years-old and upward, five pounds before September 1, and three pounds thereafter.

4. In all overnight races except handicaps, not more than six pounds may be deducted from the scale of weights for age, except for allowances, but in no case shall the total allowances of any type reduce the lowest weight below 101 pounds, except that this minimum weight need not apply to two-year-olds or three-year-olds when racing with older horses.

5. The handicapper or Board of handicappers shall append to the weight for every handicap the day and hour at which winners are liable for a penalty. An alteration must not be made after the publication of weight except in the case of an omission through an error in the name or weight of a horse which is entered. The omission must be corrected by the handicapper.

6. In all handicaps which close more than 72 hours prior to the race, the top weight shall not be less than 122 pounds, except that in handicaps for fillies and mares, the top weight shall not be less than 126 pounds less the sex allowance at the time the race is run; and scale weights for fillies and mares or three-year-olds may be used for open handicaps as minimum top weight in place of 126 pounds.

7. In all overnight handicaps and in all claiming handicaps, the top weight shall not be less than 122 pounds.

8. In all overnight races for two-year-olds, for three-year-olds or for four-year-olds and upward the minimum weight shall be 112 pounds, subject to sex and apprentice allowances. This rule shall not apply to handicaps.

30.372 Workouts.

1. Requirements.

(a) A horse shall not start unless it has participated in an official race or has an approved timed workout satisfactory to the board of stewards. The workout must have occurred at a pari-mutuel or Board recognized facility within the previous 30 days.

(b) A horse which has not started for a period of 60 days or more shall be ineligible to race until it has completed a timed workout. The association may impose more stringent workout requirements.

2. Identification.

(a) Unless otherwise prescribed by the board of stewards or the Board, the official lip tattoo must have been affixed to a horse's upper lip prior to its participation in an official timed workout.

(b) The trainer or exercise rider shall bring each horse scheduled for an official workout to be identified by the state steward or the state steward's designee immediately prior to the workout.

(c) A horse shall be properly identified by comparing its lip tattoo to its registration papers immediately prior to participating in an official timed workout.

(d) The owner, trainer or rider shall be required to identify the distance the horse is to be worked and the point on the track where the workout will start.

3. Information regarding a horse's approved timed workout(s) shall be furnished to the public prior to the start of the race for which the horse has been entered.

4. A horse shall not be taken onto the track for training or a workout except during hours designated by the association.

30.373 Horses ineligible. A horse is ineligible to start in a race when:

1. It is not stabled on the grounds of the association or present by the time published in the condition book.

2. Its breed registration certificate is not on file with the racing secretary or horse identifier unless the racing secretary has submitted the certificate to the appropriate breed registry for correction;

3. It is not fully identified and tattooed on the inside of the upper lip;

4. It has been fraudulently entered or raced in any jurisdiction under a different name, with an altered registration certificate or altered lip tattoo;

5. It is wholly or partially owned by a disqualified person or is under the direct or indirect training or management of a disqualified person;

6. It is wholly or partially owned by the spouse of a disqualified person or is under the direct or indirect management of the spouse of a disqualified person. In such cases it is presumed that the disqualified

person and spouse constitute a single financial entity with respect to the horse, a presumption which may be rebutted;

7. The stakes or entrance money for the horse has not been paid in accordance with the conditions of the race;

8. The losing jockey mount fee is not on deposit with the horsemen's bookkeeper;

9. Its name appears on the starter's schooling list, board of stewards' list or veterinarian's list;

10. It is a first time starter and has not been approved to start by the starter;

11. It is owned in whole or in part by an undisclosed person or interest;

12. It lacks sufficient official published workouts or race past performances;

13. It has been entered in a stakes race and has subsequently been transferred with its engagements, unless the racing secretary has been notified of such prior to the start;

14. It is subject to a lien which has not been approved by the board of stewards and filed with the horsemen's bookkeeper;

15. It is subject to a lease not filed with the board of stewards;

16. It is not in sound racing condition;

17. It has had a surgical neurectomy performed on a heel nerve, which has not been approved by the state veterinarian;

18. It has had a trachea tube to artificially assist breathing;

19. It has been blocked with alcohol or otherwise drugged or surgically denerved to desensitize the nerves above the ankle;

20. It has impaired eyesight in both eyes;

21. It is barred or suspended in any recognized jurisdiction;

22. It does not meet the eligibility conditions of the race;

23. Its owner or lessor is in arrears for any stakes fees, except with approval of the racing secretary;

24. Its owner(s), lessor(s) and/or trainer have not completed the licensing procedures required by the Board and Commission;

25. It is by an unknown sire or out of an unknown mare; or

26. There is no current negative test certificate for Equine Infectious Anemia attached to its breed registration certificate.

30.374 Running of the race.

1. All equipment must be of a racing design, in a clean and serviceable condition and approved by the board of stewards.

(a) No whip shall weigh more than one pound nor exceed 31 inches in length, including the popper.

(b) No bridle shall exceed two pounds.

(c) A horse's tongue may be tied down with clean bandages, gauze or tongue strap.

(d) No licensee may add blinkers to a horse's equipment or discontinue their use without the prior approval of the board of stewards.

(e) A whip or blinkers or both may be used on a two-year-old or other first time starter if the horse has been schooled.

(f) No licensee may change any equipment used on a horse in its last race in this jurisdiction without approval of a steward.

(g) A change in equipment must be announced or posted for public information.

(h) From the time the horses enter the track, any equipment change must be made by the starter.

2. Racing numbers.

(a) Each horse shall carry a conspicuous saddle cloth and head number corresponding to the official number given that horse on the official program.

(b) In the case of a coupled entry that includes more than one horse, each horse in the entry shall carry the same number, with a different distinguishing letter following the number. For example, two horses in the same entry shall appear in the official program as 1 and 1A.

(c) Each horse in the mutuel field shall carry a separate number or may carry the same number with a distinguishing letter following the number.

30.375 Jockey requirements.

1. Jockeys shall report to the jockeys' quarters at the time designated by the association. Jockeys shall report their engagements and any overweight to the clerk of scales. Jockeys shall not leave the

jockeys' quarters, except to ride in scheduled races, until all of their riding engagements of the day have been fulfilled except as approved by the board of stewards.

2. A jockey who has not fulfilled all riding engagements, who desires to leave the jockeys' quarters, must first receive the permission of the board of stewards.

3. While in the jockeys' quarters, jockeys shall have no contact or communication with any person outside the jockeys' quarters other than Board personnel and officials, an owner or trainer for whom the jockey is riding or a representative of the regular news media, except with the permission of the board of stewards. Any communication permitted by the board of stewards may be conducted only in the presence of a person designated by the board of stewards.

4. Jockeys shall be weighed out for their respective mounts by the clerk of scales not more than 30 minutes before post time for each race.

5. A jockey's weight shall include his or her clothing, boots, saddle and its attachments and any other equipment except the whip, bridle, bit or reins, safety helmet, safety vest, blinkers, goggles and number cloth. A safety vest shall weigh no more than two pounds and shall be designed to provide shock absorbing protection to the upper body and meet the latest standards established by the Association of Racing Commissioners International, Inc.

6. Seven pounds is the limit of overweight any horse is permitted to carry unless otherwise approved by the state steward.

7. If a jockey intends to carry overweight, the jockey shall declare the amount of overweight at the time of weighing out. If the jockey is in doubt as to his or her proper weight, the jockey may declare the weight he or she will carry.

8. If a jockey intends to carry overweight which exceeds the weight which his or her horse is to carry by more than two pounds, and the trainer consents, the jockey shall declare the amount of overweight to the clerk of the scales at least 45 minutes before the time appointed for the race. The clerk shall see that the overweight is stated on the notice Board immediately. A failure on the part of the jockey to comply with this subsection must be reported to the board of stewards.

9. Once jockeys have fulfilled their riding engagements for the day and have left the jockeys' quarters, they shall not be re-admitted to the jockeys' quarters until after the entire racing program for that day has been completed, except with permission of the board of stewards.

PRIOR TO POST AND POST TO FINISH

30.381 Display of post time. The post time must be shown on a clock device which is provided for that purpose and prominently displayed and clearly readable from the grandstand at a reasonable time before the race.

30.382 Schooling of horses; approval of certain entries by starter.

1. Horses must be schooled under the supervision of a steward, the starter or his or her assistants. The state steward shall designate the horses to be placed on the schooling list. A copy of the schooling list must be posted in the office of the racing secretary.

2. The starter must approve all entries of two-year-olds or first time starters before they are allowed to start.

30.383 Placing a horse in paddock; saddling. A horse must be:

1. In the paddock at least 20 minutes before post time.

2. No horse may enter or start unless it is in the care of and saddled by a licensed trainer. The horse must be saddled in the paddock.

30.384 Selection of horses for the field. When the total number of horses competing in a race exceeds the numbered capacity of the tote, the field horses must be selected by the handicapper or the racing secretary.

30.385 Paddock to post.

1. Each horse shall carry the full weight assigned for that race from the paddock to the starting post, and shall parade past the board of stewards' stand, unless excused by the board of stewards. The post

parade shall not exceed 12 minutes, unless otherwise ordered by the board of stewards. It shall be the duty of the board of stewards to ensure that the horses arrive at the starting gate as near to post time as possible.

2. After the horses enter the track, no jockey may dismount nor entrust his or her horse to the care of an attendant unless an accident occurred to the jockey, the horse or the equipment, and the starter has given prior consent. In case of an accident to a jockey, horse, or equipment or during any other delay, the board of stewards or starter may permit the jockeys to dismount and their horses may be attended by others. After the horses enter the track, only the jockey, an assistant starter, the state veterinarian, the racing veterinarian or an outrider or pony rider may touch the horse before the start of the race.

3. If a jockey is seriously injured on the way to the post, the horse shall be returned to the paddock and a replacement jockey obtained.

4. After passing the board of stewards' stand in parade, the horses may break formation and proceed to the post in any manner unless otherwise directed by the board of stewards. Once at the post, the horses shall be started without unnecessary delay.

5. Horses shall arrive at the starting post in post position order.

6. The horse must carry its assigned weight from paddock to post and from post to finish.

7. No person shall willfully delay the arrival of a horse at the post.

8. The starter shall load horses into the starting gate in any order deemed necessary to ensure a safe and fair start. Only the jockey, the racing veterinarian, the starter or an assistant starter shall handle a horse.

30.386 Post to finish.

1. The start.

(a) The starter is responsible for assuring that each participant receives a fair start.

(b) If any regularly carded horse has been excused from a race, all horses must be moved up in the order of post positions unless the association has specifically stated otherwise in its book on stakes and conditions.

(c) When the starter dispatches the field, if any door at the front of the starting gate stalls does not open properly due to a mechanical failure or malfunction or if any action by any starting personnel directly cause a horse to receive an unfair start, the board of stewards may declare such a horse a non-starter.

(d) If a horse, not scratched prior to the start, is not in the starting gate stall when the field is dispatched by the starter and is thereby left, the horse shall be declared a non-starter by the board of stewards.

(e) Should an accident or malfunction of the starting gate, or other unforeseeable event compromise the fairness of the race or the safety of race participants, the board of stewards may declare individual horses to be non-starters, exclude individual horses from one or more pari-mutuel pools or declare a "no contest" and refund all wagers except as otherwise provided in the rules involving multi-race wagers.

2. Interference, jostling or striking.

(a) A jockey shall not ride carelessly or willfully so as to permit his or her mount to interfere with, impede or intimidate any other horse in the race.

(b) A jockey shall not carelessly or willfully jostle, strike or touch another jockey or another jockey's horse or equipment.

(c) A jockey shall not unnecessarily cause his or her horse to shorten its stride so as to give the appearance of having suffered a foul.

3. Maintaining a straight course.

(a) When the way is clear in a race, a horse may be ridden to any part of the course, but if any horse swerves, or is ridden to either side, so as to interfere with, impede or intimidate any other horse, it is a foul.

(b) In a straightaway race, every horse must maintain position as nearly as possible in the lane in which it starts.

(c) An offending horse may be disqualified if, in the opinion of the board of stewards, a foul altered the finish of the race, regardless of whether the foul was accidental, willful or the result of careless riding.

(d) If the board of stewards determines a foul was intentional, or due to careless riding, they may fine or suspend the guilty jockey.

4. Disqualification.

(a) When the board of stewards determines that a horse shall be disqualified for interference, they may place the offending horse behind such horses as in their judgment it interfered with, or they may place it last.

(b) If a horse is disqualified in accordance with these regulations, any horse or horses with which it is coupled as an entry may also be disqualified.

(c) When a horse is disqualified for interference in a time trial race, it shall receive the time of the horse it is placed behind plus one-hundredth of a second penalty or more exact measurement if photo finish equipment permits, and shall be eligible to qualify for the finals or consolations of the race on the basis of the assigned time.

(d) The board of stewards may determine that a horse shall be unplaced for the purpose of purse distribution and time trial qualification.

(e) In determining the extent of disqualification, the board of stewards in their discretion may:

(1) Declare null and void a track record set or equaled by a disqualified horse, or any horses coupled with it as an entry;

(2) Affirm the order of finish and suspend a jockey if, in the board of stewards' opinion, the foul riding did not affect the order of finish; or

(3) Disqualify the offending horse and not suspend a jockey if in the board of stewards' opinion the interference to another horse in a race was not the result of an intentional foul or careless riding on the part of a jockey.

5. Use of whips.

(a) Although the use of a whip is not required, any jockey who uses a whip during a race shall do so only in a manner consistent with exerting his or her best efforts to win.

(b) In all races where a jockey will ride without a whip, an announcement of such fact shall be made over the public address system.

(c) No electrical or mechanical device or other expedient designed to increase or retard the speed of a horse, other than the ordinary whip approved by the Jockeys' Guild, shall be possessed by anyone, or applied by anyone to the horse at any time on the grounds of the association during the meeting, whether in a race or otherwise.

(d) Whips shall not be used on two-year-old horses before April 1 of each year.

(e) Prohibited use of the whip:

(1) Indiscriminate use;

(2) On the head, flanks or on any other part of the horse's body other than the shoulders or hind quarters;

(3) During the post parade except when necessary to control the horse;

(4) Excessively or brutally causing welts or breaks in the skin;

(5) When the horse is clearly out of the race or has obtained its maximum placing; or

(6) Persistently even though the horse is showing no response under the whip.

6. If a horse leaves the racecourse during a race, it shall be disqualified.

7. All horses shall be ridden out in every race. A jockey shall not ease up or coast to the finish, without adequate cause, even if the horse has no apparent chance to win prize money.

8. Returning after the finish.

(a) After a race has been run, the jockey shall ride promptly to the area designated by the board of stewards and dismount. After obtaining permission from the judges, the jockey shall report to the clerk of scales to be weighed in. Jockeys shall weigh in with all pieces of equipment with which they weighed out.

(b) If a jockey is prevented from riding to the finish line because of an accident or illness to the jockey or the horse, the jockey may walk or be transported to the scales, or may be excused from weighing in by the board of stewards.

9. No person shall assist a jockey with unsaddling except with permission of the board of stewards and no one shall place a covering over a horse before it is unsaddled.

10. Weighing in:

(a) No person may assist a jockey in removing the equipment from his or her horse that is to be included in the jockey weight, except by permission of the board of stewards.

(b) When weighing in, each jockey shall carry all the pieces of equipment with which he or she weighed out to the scale. After the weighing in, the jockey may hand it to his or her attendant.

(c) A jockey shall weigh in at the same weight at which he or she weighed out, and if under that weight by more than two pounds, his or her mount shall be disqualified.

(d) In the event of such disqualification, all monies wagered on the horse shall be refunded unless the race has been declared official.

(e) If any jockey weighs in at more than two pounds over the proper or declared weight, the jockey shall be fined or suspended or ruled off by the board of stewards, having due regard for any excess weight

caused by rain or mud. The case shall be reported to the board of stewards for such action as it may deem proper.

11. Dead heats.

(a) When a race results in a dead heat, the dead heat shall not be run off, owners shall divide any purse or prizes except where division would conflict with the conditions of the races.

(b) When two horses run a dead heat for first place, all purses or prizes to which first and second horses would have been entitled shall be divided equally between them. This applies in dividing all purses or prizes whatever the number of horses running a dead heat and whatever places for which the dead heat is run.

(c) In a dead heat for first place, each horse involved shall be deemed a winner and liable to penalty for the amount it shall receive.

(d) When a dead heat is run for second place and an objection is made to the winner of the race, and sustained, the horses which ran a dead heat shall be deemed to have run a dead heat for first place.

(e) If the dividing owners cannot agree as to which of them is to have a cup or other prize which cannot be divided, the question shall be determined by lot by the board of stewards.

(f) On a dead heat for a match, the match is off.

30.387 Order of finish; photo finish and video cameras.

1. The board of stewards shall determine which horse wins and assign the remaining places in the race. In determining the places of horses at the finish of a race, the board of stewards shall consider only the respective noses of the horses.

2. A photo finish and video camera, approved by the Board, must be installed on all tracks as an aid to the board of stewards. The cameras are merely an aid and the decision of the board of stewards is final. The finish line must appear in the photos of the finish of each race. The photograph of each photo finish must be posted in at least one conspicuous place as soon as possible after each race.

3. The association shall keep on file for the duration of the race meet film of each race for reference or reproduction upon request of the Board. If a finish is contested, the association shall retain the film until a resolution is determined.

4. Nothing in these regulations, prevents the board of stewards from correcting an error before the display of the sign “official.” If the “official” sign is displayed in error, the pools and the purses must be calculated for both the error and for the correct results and the association shall make up any losses.

5. The tapes from video cameras must be kept for 30 days after the race meet is over whenever there is an inquiry, disqualification or suspension as a result of the running of the race.

6. In the event it is determined that two or more horses finished the race simultaneously and cannot be separated as to their order of finish, a dead heat shall be declared.

30.388 Protests, objections and inquiries.

1. The board of stewards shall take cognizance of foul riding and, upon their own motion or that of any racing official or person empowered to object or complain, shall make diligent inquiry or investigation into such objection or complaint when properly received.

2. Race objections.

(a) An objection to an incident alleged to have occurred during the running of a race shall be received only when lodged with the clerk of scales, the board of stewards or their designees, by the owner, the authorized agent of the owner, the trainer or the jockey of a horse engaged in the same race or by an official of the race meet. A jockey wishing to protest must notify the clerk of the scales immediately upon his or her arrival at the scales for weighing in.

(b) An objection following the running of any race must be filed before the race is declared official.

(c) The board of stewards shall make all findings of fact as to all matters occurring during an incident to the running of a race, shall determine all objections and inquiries, and shall determine the extent of disqualification, if any, of horses in the race. Such findings of fact and determinations shall be final.

(d) A protest against the proposed distance of a race must be made at least 30 minutes before post time for that race. Nothing in this section concerns races run at a wrong distance as opposed to the official program.

3. Prior objections.

(a) Objections to the participation of a horse entered in any race shall be made to the board of stewards in writing, signed by the objector, and filed not later than one hour prior to post time for the first race on the

day which the questioned horse is entered. Any such objection shall set forth the specific reason or grounds for the objection in such detail so as to establish probable cause for the objection. The board of stewards upon their own motion may consider an objection until such time as the horse becomes a starter.

(b) An objection to a horse which is entered in a race may be made on, but not limited to, the following grounds or reasons:

(1) A misstatement, error or omission in the entry under which a horse is to run;

(2) The horse which is entered to run is not the horse it is represented to be at the time of entry, or the age was erroneously given;

(3) The horse is not qualified to enter under the conditions specified for the race, or the allowances are improperly claimed or not entitled to the horse, or the weight to be carried is incorrect under the conditions of the race;

(4) The horse is owned in whole or in part, or leased or trained by a person ineligible to participate in racing or otherwise ineligible to own a race horse as provided in these regulations; or

(5) The horse was entered without regard to a lien filed previously with the racing secretary.

(c) The board of stewards may scratch from the race any horse which is the subject of an objection if they have reasonable cause to believe that the objection is valid.

4. Protests.

(a) A protest against any horse which has started in a race shall be made to the board of stewards in writing, signed by the protestor, within 72 hours of the race exclusive of non-racing days. If the incident upon which the protest is based occurs within the last two days of the meeting, such protest may be filed with the board of stewards within 72 hours exclusive of Saturdays, Sundays or official holidays. Any such protest shall set forth the specific reason or reasons for the protest in such detail as to establish probable cause for the protest.

(b) A protest may be made on any of the following grounds:

(1) Any grounds for objection as set forth in these regulations;

(2) The order of finish as officially determined by the board of stewards was incorrect due to oversight or errors in the numbers of the horses which started the race;

(3) A jockey, trainer, owner or lessor was ineligible to participate in racing as provided in these regulations;

(4) The weight carried by a horse was improper, by reason of fraud or willful misconduct; or

(5) An unfair advantage was gained in violation of the rules.

(c) Notwithstanding any other provision in these regulations, the time limitation on the filing of protests shall not apply in any case in which fraud or willful misconduct is alleged provided that the board of stewards are satisfied that the allegations are bona fide and verifiable.

(d) A jockey against whom a foul is claimed must be given an opportunity to appear or communicate with the board of stewards before any decision is made by it.

(e) A jockey whose horse has been disqualified or who unnecessarily causes his or her horse to shorten its stride for the purpose of making a complaint, or an owner, trainer or jockey who frivolously complains that his or her horse was crossed or jostled may be disciplined by the board of stewards.

(f) A horse is expected to give its best efforts in a race. A person giving or following instructions or advice to the contrary is subject to disciplinary action by the board of stewards.

(g) No person shall file any objection or protest knowing the same to be inaccurate, false, untruthful or frivolous.

(h) Any request for the withdrawal of a protest must be in writing and signed by the person making the protest.

(i) A person who lodges a protest shall pay all the costs and expenses incurred in determining the outcome unless his or her objection is upheld, in which case the cost must be paid by the offender.

30.389 Release and distribution of purses; payment of awards to breeders.

1. All portions of purse money must be made available to its winners promptly following the release of the purse by the Board or its representative at the discretion of the state steward or state veterinarian.

2. The board of stewards shall order any purse, award or prize for any race withheld from distribution pending the determination of any protest, objection, or inquiry. In the event any purse, award or prize has been distributed to an owner or for a horse which by reason of a protest or other reason is disqualified or determined to be not entitled to such purse, award or prize, the board of stewards or the Board may order such purse, award or prize returned and redistributed to the rightful owner or horse. Any person who fails

to comply with an order to return any purse, award or prize erroneously distributed shall be subject to fines and suspension.

3. If the purse money is $2,000 or more or the purse has a value of $2,000 or more, the release must not be given until the test results of the urine, blood or other specimens have been reported to the Board by its chemist.

4. Awards to breeders are payable when the purse is cleared.

5. All interest accrued while a determination is being made becomes part of the prize.

HEALTH AND MEDICATION OF HORSES

30.400 Physical condition of horse to be entered, started or stabled at a racing meet.

1. Except as provided in subsection 2, an owner or trainer shall not enter, start or request a stall for a horse which:

(a) Is not in serviceable, sound or competitive racing condition;

(b) Has impaired eyesight in both eyes; or

(c) Has been "nerved" by blocking with alcohol or any other drug that desensitizes the nerves.

2. A horse which has had a posterior digital neurectomy (has been "heel nerved") may be permitted to race if the horse has been examined by the state veterinarian before the race and a report of the examination has been filed with the racing secretary and is recorded on the horse's foal certificate.

(a) No person shall bring on to the grounds of a racing association, or enter, or cause to be entered in any race, or sell, offer for sale, or act as an agent in the sale of any horse which has been "nerved" or has had any nerve removed from the leg of such horse, except for a posterior digital neurectomy.

(b) Posterior digital neurectomy is acceptable providing the state veterinarian is satisfied that the loss of sensation to such horse due to the posterior digital neurectomy will not endanger the safety of any horse or rider and that the racing secretary is notified of such nerving at the time the horse is admitted to the grounds of a racing association, and that the horse's breed registration certificate is marked to indicate such surgery.

30.401 Responsibility of trainer for condition of horses. The trainer is responsible for the condition of the horses he or she enters in a race, regardless of the acts of others. If a chemical or other analysis of blood or urine samples or any other test is positive, thus showing the presence of a narcotic, stimulant, chemical or drug, the trainer of the horse may be fined or suspended, or both.

30.402 Duty of owner and trainer to report illness or unusual condition of horse. An owner or trainer or his or her representative shall promptly report any illness or unusual condition of any horse in his or her charge to the state steward, the state veterinarian, and the racing secretary.

30.404 Anabolic steroids.

1. Except as provided in subsection 2, a horse participating in a race must not carry in its body any anabolic steroids.

2. In amounts not to exceed the indicated urine or plasma threshold concentrations, administration of one of the four following approved anabolic steroids shall be permitted:

(a) 16β-hydroxystanozolol (metabolite of stanozolol (Winstrol)) – 1 ng/ml in urine.

(b) Boldenone ((Equipoise) (In male horses other than geldings; including free boldenone and boldenone liberated from its conjugates) – 15 ng/ml in urine.

(c) Nandrolone – 1 ng/ml in urine.

(d) Testosterone:

(1) In geldings – 20 ng/ml in urine.

(2) In fillies and mares – 55 ng/ml in urine.

The presence in a horse of: i) any non-approved anabolic steroid; ii) any approved anabolic steroid in amounts exceeding the indicated concentrations; or iii) more than one of the four approved anabolic steroids at any concentration is not permitted and any such horse shall be disqualified and ineligible to race.

3. Post-race urine or plasma samples collected from intact males must be identified to the laboratory.

4. Any horse to which an anabolic steroid has been administered in order to assist in the recovery from illness or injury may be placed on the veterinarian's list in order to monitor the concentration of the

drug in urine. Once the concentration is below the designated threshold the horse is eligible to be removed from the list.

30.405 Foreign substances in horses prohibited; exceptions.

1. Except as provided in subsections 2, 3 and 4:

(a) A horse participating in a race must not carry in its body any substance foreign to the horse.

(b) Unless permission is received from the state veterinarian, a foreign substance may not be administered by any means to a horse entered to race that day.

2. One of the following nonsteroidal anti-inflammatory drugs may be present in the horse's body while it is participating in a race providing test levels do not exceed the specified amounts. The level of:

(a) Flunixin (Banamine) must not exceed one microgram per milliliter of plasma;

(b) Meclofenic Acid (Arquel) must not exceed one microgram per milliliter of plasma;

(c) Naproxin (Equiproxin) must not exceed five micrograms per milliliter of plasma;

(d) Oxyphenbutazone must not exceed five micrograms per milliliter of plasma; and

(e) Phenylbutazone must not exceed five micrograms per milliliter of plasma.

3. The presence of more than one nonsteroidal anti-inflammatory drug at a test level exceeding the secondary anti-stacking threshold levels set forth in the Association of Racing Commissioners International, Inc. Controlled Therapeutic Medication Schedule for Horses is forbidden.

4. The state veterinarian may only permit the administration of furosemide for the prophylactic treatment of a horse that is a confirmed bleeder on the bleeder list. The furosemide is to be administered intravenously four hours prior to the post time for that individual's race. The dosage administered is not to exceed 250 mg.

30.406 Possession of certain drugs or hypodermic devices at race track prohibited.

1. Except as provided in subsection 2, no person other than a veterinarian may have in his or her possession any equipment for hypodermic injection, substance for hypodermic administration or foreign substance which can be administered internally to a horse by any method. Administering medication to a horse for an existing condition as prescribed by a veterinarian is permissible. The supply of the prescribed foreign substance must be limited by ethical practice consistent with the purposes of this section.

2. No person may have in his or her possession within the association grounds any:

(a) Chemical or biological substance for his or her own personal use which is prohibited by federal or state law unless he or she possesses documentary evidence that a valid prescription has been issued to him or her.

(b) Hypodermic syringe or needle for the purpose of administering a chemical or biological substance to himself or herself unless he or she has notified the state steward of:

(1) His or her possession of the device;

(2) The size of the device;

(3) The chemical substance to be administered by the device; and

(4) He or she has obtained written permission for their possession and use from the state steward.

30.407 Enforcement of prohibition against possession of certain drugs or hypodermic devices; authorized searches and seizures.

1. An association must use all reasonable efforts to prevent the violation of any regulations related to the medication of horses and race meet participants.

2. An association, the Board or the board of stewards may authorize, orally or in writing, a person to enter, search and inspect the buildings, stables, rooms and other places within the grounds of the association or at other places where horses which are eligible to race are kept. The personal property and effects permitted the licensee to pursue his or her occupation or employment within the association grounds are also subject to a search.

3. The acceptance of a license is considered to be consent to the search and the seizure of any hypodermic instrument, a syringe or needle or anything apparently intended to be used in connection with a hypodermic.

30.408 Samples of medicines or other materials suspected of ability to affect racing condition of horses. The state veterinarian, the Board, or any member of the board of stewards may take samples of any medicines or other materials suspected of containing improper medication or drugs which would

affect the racing conditions of a horse in a race, whether found in stables, elsewhere on a race track, in the possession of the track or in the possession of any person connected with racing and deliver it to the laboratory designated by the Board for testing.

30.409 Enclosures for testing; designation of horses to be tested.

1. The Board may require the association to set apart a building or other enclosure in a building, in a location acceptable to the Board, which contains facilities for specimen collection to determine the presence of medication or drugs in a horse or any other test that may be required by the Board.

2. The winner of every race and any other horse designated by the state veterinarian or the state steward shall be identified and tagged for specimen collection. The licensed trainer is responsible for delivering the horse to the test barn for the taking of specimens. The state veterinarian or the test barn veterinarian may permit the trainer to wash and cool out the horse prior to reporting to the test barn. However, such action does not diminish the trainer's responsibility as defined in these regulations. The taking of specimens must be done only by the state veterinarian or the state veterinarian's designee.

3. The board of stewards or the state veterinarian may request at any time that a horse be sent to the testing enclosure for the taking of a specimen of urine or blood, or both, as well as for an examination for "sponging" or any other examinations which are directed.

30.410 Presence of trainer or designated licensee required during testing; handling of specimens.

1. The trainer or the trainer's designated licensee must be present in the testing enclosure when a urine or other specimen is taken from his or her horse and must remain there until the sample tag is attached to the specimen and signed by the trainer or the trainer's representative as a witness to the taking of the specimen. Willful failure to be present at or refusal to allow the taking of a specimen, or an act or threat to impede, prevent or otherwise interfere subjects that person to immediate suspension by the board of stewards. The matter must be referred to the Board or Commission for any further penalty it may determine.

2. All specimens taken by or under direction of the state veterinarian or other authorized representative of the Board must be delivered to a laboratory approved by the Board for official analysis. Each specimen must be marked by number and date and must also bear any information which may be essential to its proper analysis. The identity of the horse from which the specimen was taken or the identity of its owner, trainer, jockey or stable, must not be revealed to the laboratory. The container of each specimen must be sealed as soon as the specimen is placed in it. Each association shall provide an adequate locked freezer and secured facility for the state veterinarian.

30.413 Effect of finding administration of illegal medication or excessive amount of authorized medication; eligibility of other horses.

1. If a horse is found to have received illegal medication or an excessive amount of an authorized medication, the board of stewards or the Board may:

(a) Deny the owner or trainer of the horse any portion of the purse, prize, award or sweepstakes and any trophy in the race; or

(b) Require the owner or trainer of the horse to return any portion of the purse, prize, award or sweepstakes and any trophy in the race.

2. The owner or trainer of a horse found to have received illegal medication or an excessive amount of an authorized medication shall return promptly any portion of the purse, prize, award or sweepstakes and any trophy in the race if ordered by the board of stewards or the Board or Commission. Failure of the owner to comply with such an order within 10 days after it is made is grounds for indefinite suspension, revocation or denial of licensure. The purse, prize, award, sweepstakes or trophy must be distributed as in the case of a disqualification.

3. If a horse is disqualified, the eligibility of other horses which ran in the race and which have started in a subsequent race before announcement of the disqualification is not affected.

4. If a horse establishes a track record and later chemical analysis of its sample indicates the presence of an unauthorized medication, that track record is void.

30.414 Action by board of stewards upon finding administration of or attempt or conspiracy to administer medication without approval of Board. The board of stewards shall impose a penalty and take any action it deems necessary and proper, in accordance with any of the provisions of these

regulations against every person found by it to have administered, attempted to administer, caused to be administered, caused an attempt to administer or conspired with another to administer medication without prior approval of the Board.

30.415 Bleeder list; powers of state veterinarian; suspension of horses that bleed a second time.

1. Every confirmed bleeder must be placed on a list kept by the state veterinarian. An up-to-date bleeder list will be maintained by the Board.

2. The state veterinarian may:

(a) Require an endoscopic examination of a horse to confirm its inclusion on the bleeder list.

(b) Place a horse that is a bleeder and shipped to Nevada from another state on the bleeder list if a certificate setting forth the qualifications of the horse as a bleeder is transmitted to the state steward.

(c) Remove a horse from the bleeder list after the state veterinarian certifies his or her recommendation for removal to the state steward in writing.

3. A horse that bleeds a second time during or following the running of a race or workout must be suspended from racing in Nevada for six months after the date of the second bleeding. After the 6-month period, a horse must be approved by the state veterinarian and board of stewards before it is eligible to race in Nevada again.

30.416 Confirmation of bleeder horse: endoscopic examination; certification.

1. An endoscopic examination to determine whether a horse is a bleeder that is required by the state veterinarian must be conducted:

(a) By the state veterinarian or by a veterinarian employed by the owner in the presence of and in consultation with the state veterinarian;

(b) At the time and place set by the state veterinarian; and

(c) Within one hour after the finish of the race or exercise in which the horse has participated and bled.

2. The confirmation of a bleeder horse must be certified in writing by the state veterinarian. A copy of the certification must be issued to the owner upon request.

30.417 Administration of medicine for bleeding.

1. Medication for bleeding must be administered by a veterinarian who is licensed by the Board and employed by the owner of the horse. The medication must be given at the dosage recommended by the manufacturer and approved by the state veterinarian.

2. A horse must receive the medication at least four hours before post time. Immediately before treatment, a blood sample must be taken by a licensed veterinarian and delivered to the state veterinarian for submission to the testing laboratory.

30.418 Postmortem examinations; test samples; records; responsibility of owners and trainers.

1. A horse which suffers a breakdown on the race track, in training, or in competition and is destroyed, and every other horse which dies while stabled on the race track under the jurisdiction of the Board may undergo a postmortem examination at the discretion of the state veterinarian to determine the injury or sickness which resulted in euthanasia or natural death.

2. The postmortem examination required under this section must be conducted by a veterinarian employed by the owner or the owner's trainer in the presence of and in consultation with the state veterinarian or by the state veterinarian.

3. Test samples must be obtained from the carcass upon which the postmortem examination is conducted and be sent to a laboratory approved by the Board for testing foreign substances and natural substances at abnormal levels. When practical, blood and urine test samples must be procured before euthanasia.

4. The owner of the deceased horse must make payment of any charges due the veterinarian employed by the owner to conduct the postmortem examination. The cost of services of the state veterinarian and the laboratory testing of postmortem samples will be made available by the Board and may be charged to the owner at the Board's discretion.

5. A record of every postmortem must be filed with the Board by the owner's veterinarian within 72 hours after the death and must be submitted on a form supplied by the Board.

6. Each owner and trainer accepts the responsibility for the postmortem examination required in this section as a requisite for maintaining the occupational license issued by the Board.

30.419 Preservation of samples for future analysis. The Board has the authority to direct the official laboratory to retain and preserve, by freezing, samples for future analysis.

PROHIBITED ACTS

30.430 Participation in race meet without license. A person shall not take part in, officiate, or serve in any capacity at a race meet without having first secured a license.

30.431 Employment of person not licensed by Commission or Board: Penalty; reporting and investigation.

1. Any association, owner, trainer or other licensee of the Board or Commission who employs a person not properly licensed is subject to a suspension or fine, or both. The extent of the suspension, fine, or both, must be determined by the board of stewards.
2. A licensee who employs any person who is not properly licensed must be immediately reported to the board of stewards of the race meet. The board of stewards shall investigate the matter and report to the Board.

30.432 Certain persons prohibited from entering premises of licensees. No person who:

1. Is an unlicensed bookmaker;
2. Is a vagrant within the meaning of NRS 207.030;
3. Is a fugitive from justice; or
4. Acts in a manner that is obnoxious, unbecoming or detrimental to the best interests of racing, may enter or remain upon the premises of any licensee who is conducting horse racing under the jurisdiction of the Board. Any such person must be ejected from the association grounds by the licensee or an agent of the Board.

30.433 Admission of person ruled off by horse registry or racing authority. No person or horse ruled off by or under the suspension of any recognized horse registry or recognized racing authority may be admitted to the association grounds.

30.434 Penalty for making or delivering invalid or nonnegotiable check, draft or order. A licensee who makes, draws or delivers a check, draft or order for the payment of money to another Nevada licensee, association, Board or its employee which is invalid on its face, nonnegotiable, or made when there are insufficient funds on deposit for full payment of the check, draft or order is subject to suspension, fine or other disciplinary action by the Board and Commission.

30.435 Entering of ineligible or disqualified horse and other fraudulent practices; making of bets for jockeys.

1. No person may:

(a) Willfully enter, cause to be entered or start a horse which the person knows or believes to be ineligible or disqualified.

(b) Offer or receive money or any other benefit for declaring an entry from a race.

(c) Conspire with any other person for the commission of any corrupt or fraudulent practice in relation to racing or commit such an act on his or her own.

2. No person other than the owner or trainer of the horse the jockey is riding may make a bet for the account of a jockey, and then only on the horse being ridden by the jockey.

30.436 Use of unauthorized shoes; use of certain electrical or mechanical devices; tampering with horses.

1. A horse starting in a race must not be shod with ordinary flat shoes, training shoes, turn down shoes or bar plates, without the permission of the board of stewards.

2. A person shall not possess or apply to a horse an electrical or mechanical device or other appliance designed to increase or decrease the speed of a horse or tend to do so, other than an ordinary whip, at any time on the grounds of an association, during a race meet, whether in a race or otherwise.

3. A person shall not tamper or attempt to tamper with a horse in such a way as to affect its speed in a race or in any way aid such tampering.

30.438 Wagering by employee of Board, Commission, association, vendors, or racing officials. An employee of the Board, Commission, photo finish photographers, tote employees, or any racing official who may participate in determining the outcome of a race, including the board of stewards, paddock and patrol judges, investigators, starter, assistant starters, racing secretary and outrider shall not wager money or anything of value on races at a track at which he or she is employed.

30.439 Making or soliciting book on grounds of association. No person may:

1. Make a hand book or a foreign book for gambling purposes; or
2. Solicit for a bet with a hand book or a foreign book on the grounds of an association.

30.440 Tip sheets, pamphlets and other printed matter sold at race meets.

1. No tip sheet, pamphlet or other printed matter, other than official programs, the Daily Racing Form and general newspapers may be sold in the betting area.

2. A copy of all tip sheets offered for sale in the parking area or elsewhere on or off the association grounds must be furnished daily to the state steward no later than two hours before the first post.

30.441 Bribes, gifts, gratuities for purpose of influencing race.

1. No person may give, offer, or promise in his or her own behalf or in behalf of another, to anyone, any bribe, gift, or gratuity in any form for the purpose of improperly influencing the result of a race, or doing anything which would tend to do so.

2. No person may accept or offer to accept on his or her own behalf or on behalf of another, any bribe, gift or gratuity in any form to influence the result of a race or which would tend to do so.

30.442 Consumption of intoxicating liquor. A licensee involved in on-track duties shall not consume intoxicating liquor on race day prior to completing riding commitments or prior to completing track duties for that day.

PARI-MUTUEL WAGERING

30.450 General provisions.

1. The provisions of NRS Chapters 463 and 464 and all other regulations of the Commission apply when not in conflict with the provision of NRS Chapter 466 and these regulations.

2. Each association shall conduct wagering in accordance with applicable laws of Nevada and these regulations. Such wagering shall employ a computerized pari-mutuel system approved by the Board. The totalizator shall be tested prior to and during the race meeting as required by the Board. All contracts governing participation in pari-mutuel wagering shall be submitted to the Board for approval.

30.4505 Calculation of payouts and distribution of pools.

1. Except as updated by the Chair pursuant to subsection 2, each association shall follow and comply with the provisions of Rule ARCI-004-105 of the Association of Racing Commissioners International Model Rules Version 4.1 as approved April 26, 2007 for the calculation of payouts and distribution of pools to the extent not inconsistent with NRS chapter 466 and these regulations. The ARCI Model Rules are published by the Association of Racing Commissioners International, Inc., 2343 Alexandria Drive, Suite 200, Lexington, Kentucky 40504 and can be obtained at http://ag.arizona.edu/rtip/. Version 4.1 of Rule ARCI-004-105 can also be obtained at http://gaming.nv.gov/.

2. The Chair may, with any exceptions or modifications the Chair deems necessary, adopt and publish future versions of Rule ARCI-004-105 of the Association of Racing Commissioners International Model Rules for the calculation of payouts and distribution of pools subject to the following:

(a) At least 45 days prior to adopting such future versions, the Chair shall:

(1) Publish notice of the proposed action, together with the effective date thereof, by posting the proposed change or revision on the Board's website;

(2) Mail notice of the posting of the proposed version on the Board's website, together with the effective date thereof, to each association and every other person who has filed a request with the Board for such notice; and

(3) Provide a copy of the proposed version, together with the effective date thereof, to the Commission. Upon adoption, the Chair shall cause the updated version to be made available upon request at the Board offices in Carson City, Nevada and on the Board's website.

➥ Upon adoption, the Chair shall cause the updated version to be made available upon request at the Board offices in Carson City, Nevada and on the Board's website.

(b) Prior to adoption by the Chair, any association may object to the proposed version by filing a request for review of the Chair's administrative decision pursuant to Regulation 4.190. If any association files a request for review, then the effective date of the proposed version will be stayed pending action by the Board. If the Board's decision is appealed pursuant to Regulation 4.195, then the effective date of the proposed version will be stayed pending action by the Commission. If no requests for review are filed with the Board, then the proposed version shall become effective on the date set by the Chair.

(Amended: 5/12.)

30.451 Records.

1. The association shall maintain records required by this regulation so the Board may review such records for any contest including the opening line, subsequent odds fluctuation, the amount and at which window wagers, payouts, and cancels were made on any betting interest and such other information as may be required. Such records shall be retained by each association and safeguarded for a period of five (5) years except for wagering, payouts and cancelled tickets which shall be retained until the completion of the race meeting. The Board may require that certain of these records be made available to the wagering public at the completion of each contest.

2. The association shall provide the Board with a list of the licensed individuals afforded access to pari-mutuel records and equipment at the wagering facility.

30.452 Pari-mutuel system requirements.

1. An association shall not use a pari-mutuel system unless the system has been approved pursuant to the provisions of Regulation 14 governing associated equipment.

2. All contracts governing participation in simulcast wagering shall be submitted to the Board for approval.

30.453 Pari-mutuel tickets. A pari-mutuel ticket is evidence of a contribution to the pari-mutuel pool operated by the association and is evidence of the obligation of the association to pay to the holder thereof such portion of the distributable amount of the pari-mutuel pool as is represented by such valid pari-mutuel ticket. The association shall cash all valid winning tickets when they are presented for payment during the course of the meeting where sold or for 10 days after the close of any race meeting.

1. To be deemed a valid pari-mutuel ticket, such ticket shall have been transacted through the pari-mutuel computer system operated by the association and recorded in the pari-mutuel system as a ticket entitled to a share of the pari-mutuel pool, and contain imprinted information as to:

(a) The name of the association operating the meeting.

(b) A unique identifying number or code.

(c) Identification of the terminal at which the ticket was issued.

(d) A designation of the performance for which the wagering transaction was issued.

(e) The contest number for which the pool is conducted.

(f) The type or types of wagers represented.

(g) The number or numbers representing the betting interests for which the wager is recorded.

(h) The amount or amounts of the contributions to the pari-mutuel pool or pools for which the ticket is evidence.

2. No pari-mutuel ticket recorded or reported as previously paid, cancelled, or non-existent shall be deemed a valid pari-mutuel ticket by the association. The association may withhold payment and refuse to cash any pari-mutuel ticket deemed not valid, except as provided in these regulations.

30.454 Pari-mutuel ticket sales.

1. Pari-mutuel tickets shall not be sold by anyone other than an association licensed or approved to conduct pari-mutuel wagering.

2. No pari-mutuel ticket may be sold on a contest for which wagering has already been closed and no association shall be responsible for ticket sales entered into but not completed by issuance of a ticket before the totalizator is closed for wagering on such contest.

3. Claims pertaining to a mistake on an issued or unissued ticket must be made by the bettor prior to leaving the seller's window.

4. Payment on winning pari-mutuel wagers shall be made on the basis of the order of finish as purposely posted and declared "official." Any subsequent change in the order of finish or award of purse money as may result from a subsequent ruling by the board of stewards or Board shall in no way affect the pari-mutuel payoff. If an error in the posted order of finish or payoff figures is discovered, the official order of finish or payoff prices may be corrected and an announcement concerning the change shall be made to the public.

5. The association shall not satisfy claims on lost, mutilated, or altered pari-mutuel tickets without authorization of the Board.

6. The association shall not enter a wager into a betting pool if unable to do so due to equipment failure.

30.455 Advance performance wagering. No association shall permit wagering to begin more than one hour before scheduled post time of the first contest of a performance unless it has first obtained the authorization of the Board.

30.456 Claims for payment from pari-mutuel pool. At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by the association in any case where the association has withheld payment or has refused to cash a pari-mutuel wager. The claim shall be made on such form as approved by the Board and the claimant shall make such claim under penalty of perjury. The original of such claim shall be forwarded to the Board within 48 hours.

1. In the case of a claim made for payment of a mutilated pari-mutuel ticket which does not contain the total imprinted elements as required by these regulations, the association shall make a recommendation to accompany the claim forwarded to the Board as to whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

2. In the case of a claim made for payment on a pari-mutuel wager, the Board shall adjudicate the claim and may order payment thereon from the pari-mutuel pool or by the association, or may deny the claim, or may make such other order as it may deem proper.

30.457 Payment for errors. If an error occurs in the payment amounts for pari-mutuel wagers which are cashed or entitled to be cashed, and as a result of such error the pari-mutuel pool involved in the error is not correctly distributed among winning ticket holders, the following shall apply:

1. Verification is required to show that the amount of the commission, the amount in breakage, and the amount in payoffs is equal to the total gross pool. If the amount of the pool is more than the amount used to calculate the payoff, the underpayment shall be added to the corresponding pool of the next contest. If underpayments are discovered after the close of the race meet, the underpayment shall be held in an interest-bearing account approved by the Board until being added, together with accrued interest, to the corresponding pool of the next meet.

2. Any claim not filed with the association within 30 days of the date the underpayment was publicly announced, inclusive of the date on which the underpayment was publicly announced, shall be deemed waived, and the association shall have no further liability therefore.

3. In the event the error results in an overpayment to winning wagers, the association shall be responsible for such payment.

30.458 Betting explanation. A summary explanation of pari-mutuel wagering and each type of betting pool offered shall be published in the program for every wagering performance. The rules of racing relative to each type of pari-mutuel pool offered must be prominently displayed on association grounds and available upon request through association representatives.

30.459 Display of betting information.

1. Approximate odds for Win pool betting shall be posted on display devices within view of the wagering public and updated at intervals approved by the state steward.

2. The probable payoff or amounts wagered, in total and on each betting interest, for other pools may be displayed to the wagering public at intervals and in a manner approved by the state steward.

3. Official results and payoffs must be displayed upon each contest being declared official.

30.460 Cancelled contests.

1. If a contest is cancelled or declared "no contest," refunds shall be granted on valid wagers in accordance with these regulations.

2. The State Steward has the authority to cancel wagering on an individual wagering interest or on an entire race. The State Steward can also cancel a pari-mutuel pool for a race or races if such action is necessary to insure fairness and to protect the integrity of the race.

30.461 Refunds.

1. Notwithstanding other provisions of these regulations, refunds of the entire pool shall be made on:

(a) Win pools, Exacta pools, and first-half Double pools offered in contests in which the number of betting interests has been reduced to fewer than two.

(b) Place pools, Quinella pools, and first-half Quinella Double pools offered in contests in which the number of betting interests has been reduced to fewer than three.

(c) Show pools and Superfecta pools offered in contests in which the number of betting interests has been reduced to fewer than four.

(d) Trifecta pools in which the number of betting interests have been reduced to less than five.

2. Authorized refunds shall be paid upon presentation and surrender of the affected pari-mutuel ticket.

30.462 Coupled entries and mutuel fields.

1. Contestants coupled in wagering as a coupled entry or mutuel field shall be considered part of a single betting interest for the purpose of price calculations and distribution of pools. Should any contestant in a coupled entry or mutuel field be officially withdrawn or scratched, the remaining contestants in that coupled entry or mutuel field shall remain valid betting interests and no refunds will be granted. If all contestants within a coupled entry or mutuel field are scratched, then tickets on such betting interests shall be refunded, notwithstanding other provisions of these regulations.

2. For the purpose of price calculations only, coupled entries and mutuel fields shall be calculated as a single finisher, using the finishing position of the leading contestant in that coupled entry or mutuel field to determine order of placing. This rule shall apply to all circumstances, including situations involving a dead heat, except as otherwise provided by these regulations.

30.463 Pools dependent upon betting interests. Unless the Board otherwise provides, at the time the pools are opened for wagering, the association:

1. May offer win, place, and show wagering on all contests with six or more betting interests.

2. May be allowed to prohibit show wagering on any contest with five or fewer betting interests scheduled to start.

3. May be allowed to prohibit place wagering on any contest with four or fewer betting interests scheduled to start.

4. May be allowed to prohibit Quinella wagering on any contest with three or fewer betting interests scheduled to start.

5. May be allowed to prohibit Quinella Double wagering on any contests with three or fewer betting interests scheduled to start.

6. May be allowed to prohibit Exacta wagering on any contest with three or fewer betting interests scheduled to start.

7. Shall prohibit Trifecta wagering on any contest with five or fewer betting interests scheduled to start.

8. Shall prohibit Superfecta wagering on any contest with seven or fewer betting interests scheduled to start.

30.464 Prior approval required for betting pools.

1. An association that desires to offer new forms of wagering must apply in writing to the Board and receive written approval prior to implementing the new betting pool.

2. The association may suspend previously-approved forms of wagering with the prior approval of the Board. Any carryover shall be held until the suspended form of wagering is reinstated or as approved by the Board. An association may request approval of a form of wagering or separate wagering pool for specific performances.

30.465 Closing of wagering in a contest.

1. The state steward shall close wagering for each contest after which time no pari-mutuel tickets shall be sold or voided for that contest.

2. The association shall maintain, in good order, a system approved by the Board for closing wagering.

30.466 Complaints pertaining to pari-mutuel operations.

1. When a patron makes a complaint regarding the pari-mutuel department to an association, the association shall immediately issue a complaint report, setting out:

(a) The name of the complainant;

(b) The nature of the complaint;

(c) The name of the persons, if any, against whom the complaint was made;

(d) The date of the complaint;

(e) The action taken or proposed to be taken, if any, by the association.

2. The association shall submit every complaint report to the Board within 48 hours after the complaint was made.

30.467 Licensed employees. All licensees shall report any known irregularities or wrong doings by any person involving pari-mutuel wagering immediately to the Board and cooperate in subsequent investigations.

30.468 Unrestricted access. The association shall permit the Board unrestricted access at all times to its facilities and equipment and to all books, ledgers, accounts, documents and records of the association that relate to pari-mutuel wagering.

30.469 Emergency situations. In the event of an emergency in connection with the pari-mutuel department not covered in these regulations, the pari-mutuel manager representing the association shall report the problem to the board of stewards and the association and the board of stewards shall render a full report to the Board within 48 hours.

DISCIPLINARY ACTIONS

30.900 Authority. Pursuant to NRS Chapter 466 and these regulations, the state steward, the board of stewards, the Board and Commission are empowered to discipline, suspend, fine and bar from racing, on any track under the jurisdiction of the Board and Commission, horses, owners, breeders, jockeys, jockey apprentices, jockey agents and any other person, persons, organizations, associations or corporations whose activities affect the conduct or operation of licensed race meetings.

30.901 Fines and suspensions: imposition by board of stewards; reporting; rulings.

1. No racing official except a steward may impose a fine or suspension.

2. The board of stewards shall report the imposition of a fine or suspension promptly in the daily written report to the Board.

3. All suspensions for a specified period of time are to be considered in days. The ruling must include the first and last day of suspension.

4. After a race meet has concluded, the state steward may act as the board of stewards to issue rulings.

30.902 Complaints against officials; request for hearings before the board of stewards.

1. A complaint against an official must be made to the board of stewards in writing and signed by the complainant. If a complaint involves the board of stewards, the complaint must be made in writing to the Board.

2. The board of stewards may hold a hearing to determine whether a violation of these regulations or NRS 466 has occurred and whether any disciplinary action must be taken.

3. A person aggrieved by a decision of an individual steward concerning an objection or protest may request reconsideration of that decision by the board of stewards and has the right to a hearing before them.

4. A person aggrieved by a decision of a racing official other than a steward may appeal in writing to the board of stewards and request a hearing before the board of stewards. The appeal must be made within five days after the person receives notice of the decision and must contain a statement of the grounds for the appeal. If no appeal is made within the five-day period, the right to appeal from the decision is waived.

30.903 Notice of evidentiary hearing before board of stewards.

1. Upon determination that an evidentiary hearing should be held or upon receipt of a written request for such a hearing, the board of stewards shall promptly schedule a hearing. A continuance must be granted if good cause is shown.

2. The board of stewards shall provide written notice before the hearing to the respondent who is the subject of an evidentiary hearing, as well as posting a copy of the notice for public inspection.

3. Notice given under this section must include:

(a) A statement of the time, place and nature of the hearing;

(b) A statement of the legal authority and jurisdiction under which the hearing is to be held;

(c) A reference to the particular sections of the statutes or regulations involved;

(d) A short, plain description of the alleged conduct that has given rise to the evidentiary hearing; and

(e) The possible penalties that may be imposed.

(f) The notice must inform the respondent that the hearing will be tape recorded, unless he or she waives recordation. The notice must further inform the respondent that if he or she requests a court reporter and transcript, it will be at his or her own expense, and that copies of any transcripts produced from the hearing must be forwarded to the board of stewards.

4. Prior to the evidentiary hearing, written notice of the hearing shall be hand delivered or sent by regular and certified mail, return receipt requested, to respondent's last known address, as found in the Board's licensing files.

30.904 Evidentiary hearings before board of stewards; burden of proof. At the evidentiary hearing the burden of proof is on the person bringing the complaint to show by a preponderance of the evidence that the respondent did in fact violate the provisions of NRS Chapter 466 or these regulations as charged.

30.905 Recording of evidentiary hearings; administer oaths; subpoena witnesses.

1. All hearings before the board of stewards must be recorded by tape recorder, unless recording is waived by the respondent in writing. Before waiver of recordation is made, the board of stewards shall advise the respondent that the waiver precludes the respondent's right to appeal the decision to the Board and Commission, unless a court reporter produces a transcript of the hearing. If the respondent desires to have a court reporter and a transcript, he or she must pay for the costs and forward a copy of any transcripts produced from the hearing to the board of stewards.

2. The board of stewards shall administer oaths and issue subpoenas for witnesses or documents.

30.906 Evidentiary hearing procedures.

1. Each witness at an evidentiary hearing must be sworn by the board of stewards.

2. The board of stewards shall allow a full presentation of evidence and are not bound by the technical rules of evidence. All evidence that is relevant is admissible.

30.907 Order of presentation; evidentiary hearing. The order of presentation at an evidentiary hearing before the board of stewards shall be as follows:

1. The board of stewards shall read the charges against the respondent.

2. The person bringing the complaint shall present his or her case, which may include the presentation of sworn testimony from other witnesses, as well as the presentation of exhibits.

3. The respondent may then present his or her case, which may include the presentation of sworn testimony from the respondent or other witnesses, as well as the presentation of exhibits.

4. The board of stewards may cross examine any person providing testimony as well as call forward any witness to provide sworn testimony relevant to the proceeding.

5. The respondent must be given the opportunity to cross examine adverse witnesses and provide rebuttal testimony or exhibits, including a closing statement.

30.908 Failure to appear; evidentiary hearing.

1. If a respondent who is the subject of the disciplinary proceeding fails to appear at the evidentiary hearing, the board of stewards may proceed in the respondent's absence considering the evidence it has before it.

2. A respondent who is the subject of a disciplinary proceeding and who fails to appear at an evidentiary hearing waives his or her right to appeal to the Board and Commission.

30.909 Decision; board of stewards. After considering all of the evidence, the board of stewards shall determine by majority vote whether any violation of the provisions of NRS Chapter 466 or these regulations have occurred.

1. The board of stewards shall issue a written decision within five calendar days setting forth its findings and conclusion on a form prescribed by the Board, which shall include:

(a) The full name, social security number, date of birth, last known address as it exists in the records of the Board, license type and license number of the respondent who is the subject of the hearing;

(b) A statement of the actions or inactions of the respondent, including a reference to the specific section(s) of NRS Chapter 466 or these regulations that the respondent is found to have violated;

(c) The date of the hearing and the date the decision was issued;

(d) The penalty imposed;

(e) Any changes in the order of finish or purse distribution; and

(f) Any rights of appeal from the board of stewards' decision which may exist; and

(g) Other information required by the Board and Commission.

2. A decision must be signed by a majority of the board of stewards.

3. If hand delivery of the decision is not possible, the board of stewards shall mail by certified mail, return receipt requested, the decision to the last known address of the respondent, as found in the Board's files.

4. If the decision includes the disqualification of a horse, the board of stewards shall provide a copy of the decision to the owner of the horse.

5. The decision shall also advise the respondent of his or her right to appeal to the Board no later than 10 calendar days after issuance of the board of stewards' decision.

30.910 Discipline; board of stewards.

1. If the board of stewards determines that a violation of the provisions of NRS Chapter 466 or these regulations has occurred, it may:

(a) Suspend a license for 180 days; or

(b) Impose a fine not to exceed $1,000; or

(c) Impose both a suspension and fine; or

2. If the board of stewards determines that a more severe penalty is warranted, it may refer the case to the Board and Commission for review and final determination. The board of stewards may rescind a fine or suspension with the approval of the Commission upon recommendation of the Board.

3. The board of stewards may summarily suspend a license, other than one to conduct racing or pari-mutuel wagering, for 14 days or less without holding a hearing, if the board of stewards has reasonable cause to believe and makes a finding that:

(a) The licensee is guilty of a deliberate or willful violation; or

(b) The public health, safety or welfare requires that immediate emergency action be taken. The board of stewards shall incorporate its findings in its order and promptly schedule a disciplinary hearing in the matter.

30.911 Appeals: Nevada Gaming Control Board; grounds for appeal. A respondent aggrieved by the decision of the board of stewards may appeal to the Board for review, except as follows:

1. When the respondent has filed with the board of stewards a written waiver of his or her right to have the evidentiary hearing before the board of stewards recorded, and the board of stewards has advised the licensee that such a waiver precludes his or her right to appeal the decision to the Board unless the respondent has alternatively ensured that a transcript of the hearing is produced by a court reporter.
2. When the respondent has filed with the board of stewards a written waiver of his or her right to a hearing before the board of stewards.
3. Issues decided by the board of stewards which affect the outcome of a race shall be final and no right of appeal shall exist.

30.912 Appeals: Nevada Gaming Control Board; time for filing notice of appeal. The decision of the board of stewards shall be final, unless the respondent timely appeals to the Board. A respondent who seeks to appeal a decision of the board of stewards to the Board must mail a written notice of appeal to the Board at the following address:

Executive Secretary
Nevada Gaming Control Board
Post Office Box 8003
Carson City, Nevada 89702-8003

The written notice of appeal must be postmarked within five calendar days after issuance of the written decision by the board of stewards.

30.913 Appeals: Nevada Gaming Control Board; transmit record. Within 10 calendar days after being notified that a respondent has timely filed an appeal with the Board, the board of stewards shall cause the record to be transmitted to the Board. The record shall include the decision of the board of stewards, any tape recordings, stenographical transcripts, as well as any documentary evidence or exhibits.

30.914 Appeals; hearing procedure; notice of decision.

1. The Board shall confine its review on appeal to the record created before the board of stewards unless the Board Chair determines that an additional hearing in the matter should be held by the Board, pursuant to subsection 3. The Board, either upon the record or after further hearing, may sustain, modify or reverse the decision of the board of stewards.
2. At a hearing held by the Board, all parties, including the board of stewards, will be given an opportunity to present their respective positions and the Board will take any testimony deemed necessary. After the hearing the Board will review the testimony taken and any other evidence and will, within 45 days after the date of the hearing, render its decision sustaining, modifying or reversing the decision of the board of stewards.
3. The Board Chair may designate a member of the Board or the Board may appoint a hearing examiner and authorize that person to perform on behalf of the Board any of the following functions required of the Board by this section:
   (a) Conducting a hearing and taking testimony;
   (b) Reviewing the testimony and evidence presented at the hearing; and
   (c) Making a recommendation to the Board based upon the testimony and evidence.

30.915 Appeals: Nevada Gaming Commission; time for filing; Commission decision; judicial review. A respondent aggrieved by the decision of the Board may, within 15 days after the announcement of the decision, apply in writing to the Commission for review of the decision. Review is limited to the record developed before the Board. The Commission may sustain, modify or reverse the Board's decision. The decision of the Commission is subject to judicial review pursuant to NRS 463.315 to 463.318, inclusive.

EFFECTIVE DATE

30.950 Effective date. Regulation 30 shall become effective on October 1, 1995.

End – Regulation 30