

## REGULATION 22

### RACE BOOKS AND SPORTS POOLS

22.010	Definitions.
22.020	License required; applications.
22.030	Book key employees. [Repealed: 1/1/99.]
22.032	Finding of suitability required to operate a call center; applications.
22.035	Registration of employees. [Repealed: 11/21/2013.]
22.037	Employees of an operator of a call center.
22.040	Reserve requirements.
22.050	Issuance and control of betting tickets.
22.060	Acceptance of wagers.
22.061	Wagers and payouts in excess of \$10,000.
22.062	Multiple wagers.
22.063	Structured wagers.
22.064	Required submissions to the board. [Repealed: 6/30/07.]
22.065	Imposition of supplemental recordkeeping and reporting requirements.
22.070	Grading of betting tickets. [Repealed: 1/1/99.]
22.080	Payment of winning wagers.
22.090	Parlay card wagers.
22.100	Computerized bookmaking systems.
22.110	Layoff bets.
22.115	Prohibition against rescission of wagers.
22.120	Permitted wagers.
22.1201	Other Events.
22.1205	Prohibited wagers.
22.121	Reports of suspicious transactions.
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 [Repealed: 8/21/08.]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 [Repealed 5/18/17.]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 [Repealed: 9/27/05.]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 [Repealed: 8/23/01.]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. "Amateur sport or athletic event" means a sport or athletic event in which all of the participants are not permitted to receive any monetary compensation for their participation in such event and are only permitted to receive non-monetary compensation for their participation in such event in the form of trophies or medals; waived entry fees for future sport or athletic events; and scholarships for the tuition, room, board, books, fees, and stipends necessary to attend an academic institution.
3. "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS and this regulation.
4. "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. A call center system

specifically includes, but is not limited to, sports wagering applications. The call center system shall be located within Nevada.

5. "Cash" means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation.

6. "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.

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

8. "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.

9. "Communications technology" means "communications technology" as that term is defined in NRS 463.016425(2).

10. "Governing body" means a body of managers which sanctions and regulates an athletic sporting event and/or an athletic sports league or association.

11. "Group I licensee" means a Group I licensee as that term is defined in Regulation 6.010.

12. "Group II licensee" means a Group II licensee as that term is defined in Regulation 6.010.

13. "Internet" means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

14. "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.

15. "Messenger bettor" means a person who places a race book or sports pool wager for the benefit of another for compensation.

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

17. "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 system 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.

18. "Other event" means an event other than

(a) A horse race,

(b) A greyhound race, or

(c) An athletic sports event sanctioned by a governing body.

19. "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).

20. "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.

21. "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.

22. "Professional sport or athletic event" means a sport or athletic event which is not an amateur sport or athletic event.

23. "Race book" means a business that accepts wagers on horse or other animal races.

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

25. "Secure personal identification" means a secure personal identification as that term is defined in Regulation 5.225.

26. "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.

27. "Virtual event" means an other event where the outcome is generated by an electronic device.

28. "Wagering account" means a wagering account as that term is defined in Regulation 5.225.

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

30. "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; 1/19.)

#### **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 and must be accompanied and supplemented by such documents and information as may be specified or required. Such operator of a call center 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 operator of a call center.

3. Before receiving a finding of suitability, an operator of a call center must meet the qualifications for licensing pursuant to NRS 463.170.

4. Nothing in this Regulation shall be construed to limit or prevent the Board from conducting such supplementary or expanded investigations of any applicant for finding of suitability as an operator of a call center as determined necessary by the Chair. The Board may require an applicant for finding of suitability as an operator of a call center to pay any supplementary investigative fees and costs in accordance with Regulation 4.070.

5. An applicant for finding of suitability as an operator of a call center shall have the burden of showing that its operations are secure and reliable.

6. An applicant for finding of suitability as an operator of a call center shall be subject to the application and investigative fees established pursuant to Regulation 4.070.

7. The Commission may require an operator of a call center to file an application for a license.  
(Adopted: 8/21/08. Effective: 8/21/08. Amended: 1/19.)

#### **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, unless the Chair for good cause permits a different amount:

(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(a).

2. The reserve described in subsection 1 may be combined as a single amount for a book and its satellite books.

3. The provisions of Regulation 5.225(20)(a), and (c) – (l) shall apply to a book regardless of whether a book offers wagering accounts, except that the agreement described in Regulation 5.225(20)(c) must, in addition to any other requirements, provide that the reserve is established and held in trust for the benefit and protection of patrons to the extent the book has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 11/98; 9/05; 5/17; 1/19.)

#### **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 1 year 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; 1/19.)

#### **22.090 Parlay card wagers.**

1. As used in this section, "parlay card wager" means a wager on the outcome of a series of 2 or more games, matches, or similar sports events or on a series of 2 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 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.

(g) 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.

(h) 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; 1/19.)

**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 Permitted wagers.** Wagers may be accepted or paid by any book on sporting events or other events except as limited, conditioned, or prohibited by these Regulations specifically including but not limited to:

1. Professional sport or athletic events sanctioned by a governing body;
2. Events held at a track which uses the pari-mutuel system of wagering;
3. 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;
4. Collegiate sporting or athletic events;
5. Other events; and
6. Virtual events.

(Adopted: 7/85. Amended 1/01; 9/05; 1/11; 2/26/15; 4/18; 1/19.)

**22.1201 Other Events.**

1. A book shall not accept wagers on an other event unless the Chair has approved the other event in writing, the other event has been sanctioned by an organization included on the list of sanctioning organizations maintained by the Board, or the other event is listed on the list of pre-approved other events.

2. A request for approval to accept wagers on an other event shall be made by a book at least 30 days prior to such event 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 is necessary to determine the outcome of the event.

(c) Such other information or documentation which demonstrates that:

- (1) The event could be effectively supervised;
- (2) There are integrity safeguards in place;
- (3) The outcome of the event would be verifiable;
- (4) The outcome of the event would be generated by a reliable and independent process;
- (5) The outcome of the event would be unlikely to be affected by any wager placed;
- (6) The event could be conducted in compliance with any applicable laws; and
- (7) The granting of the request for approval would be consistent with the public policy of the state.

(d) The complete event rules and voting procedures.

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

↳ The decision whether to grant approval to accept wagers on an other event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section.

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 upon service pursuant to Regulation 2.070. If an interlocutory order revoking or suspending the administrative approval is issued, an affected 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 other event pursuant to this section, 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. A virtual event shall not be approved pursuant to this section unless:

(a) 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 and

(b) A live display of the virtual event is offered to all approved sports pools.

8. The Board shall create, maintain, and make publicly available a list of sanctioning organizations.

(a) The Chair may, in the Chair's sole and absolute discretion, add a sanctioning organization to the list of sanctioning organizations, or a sanctioning organization may request the Chair add the sanctioning organization to the list. A sanctioning organization shall provide all information requested by the Chair during the Chair's consideration of whether to add the sanctioning organization to the list of sanctioning organizations.

(b) The Chair, in the Chair's sole and absolute discretion, may remove a sanctioning organization from the list of sanctioning organization at any time. Removal of a sanctioning organization from the list of sanctioning organizations is effective upon notice of the removal posted on the Board's website.

(c) The list of sanctioning organizations is a list created for the benefit of the Board in order to create an easy process for approval of wagers on other events. The existence of a sanctioning organization on the list is at the complete discretion of the Chair. If a sanctioning organization is not on the list or is removed from the list, the approval process for wagers on other events is as set out in this section. A sanctioning organization has no right to be on the list or to remain on the list.

9. The Board shall create, maintain, and make publicly available a list of pre-approved other events.

(a) The Chair may, for any previously approved other event and in the Chair's sole and absolute discretion, add an other event to the list of pre-approved other events.

(b) All additions to the list of pre-approved other events are effective for 1 year from the date of addition unless a different time period is specified at the time of addition to the list.

(c) The Chair is hereby granted the authority to issue an interlocutory order removing an other event from the list of pre-approved other events. An interlocutory order shall be deemed delivered and effective upon service pursuant to Regulation 2.070. If an interlocutory order removing the other event from the list of pre-approved other events is issued, an affected book may request that the order be reviewed by the Board and Commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

(Adopted: 1/19.)

**22.1205 Prohibited wagers.** No wagers may be accepted or paid by any book on:

1. Any amateur sport or athletic event other than Olympic sporting or athletic events and collegiate sporting or athletic events as set out in this Regulation;

2. Any sporting event or other event which the licensee knows or reasonably should know is being placed by, or on behalf of, an official, owner, coach, or staff of a participant or team or participant in that event. Each licensee shall take reasonable steps to prevent the circumvention of this regulation;

3. The outcome of any election for any public office both within and without the State of Nevada; and

4. Any athletic sports event sanctioned by a governing body where the Chair has made a finding that the governing body is not effectively supervising such event or is not ensuring the integrity of such event.

(a) A licensee affected by such finding may appeal the finding pursuant to Regulation 4.185 through 4.195. The Chair's finding shall not be reversed absent the licensee demonstrating the governing body is effectively supervising the events it sanctions and is able to ensure the integrity of the events it sanctions.

(b) At any point after making such a finding, the Chair may rescind the finding upon receiving information satisfactory to the Chair that such governing body is effectively supervising the events it sanctions and is able to ensure the integrity of the events it sanctions.

(c) The Board shall send notice to all books pursuant to Regulation 2.070 of such finding or rescission. (Adopted: 1/19.)

#### **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. A book or call center shall notify the Chair in writing if it ceases to use communications technology approved for the purpose of accepting wagering communications or wagering instructions within 10 days of cessation. The book or the call center must notify the Chair which communications technology approved for the purpose of accepting wagering communications or wagering instructions is currently being used by the book by October 1st of each calendar year.

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 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; 1/19.)

#### **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 from within Nevada or from other states or foreign jurisdictions in which such wagers are legal provided federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such wagers.

2. An operator of a call center may only accept wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers from within Nevada or from other states or foreign jurisdictions in which such wagers are legal provided federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such wagers.

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 inspect government issued picture identification credentials to confirm a patron's identity, as required by subsection 7 of Regulation 5.225, by filing a request with the Chair for permission to have its employees inspect such identification credentials at locations outside of the book. The request must include the types of locations to which a book intends to send its employees for the purposes of inspecting identification credentials. A book may not inspect identification credentials at locations outside of the book 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 inspect identification credentials outside the premises of the book upon written notice to the book;

(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.

➤ If federal law allows the transmission of sports wagers, nonpari-mutuel race wagers, and other event wagers or information assisting in the placing of such wagers from other states or foreign jurisdictions, a

book may modify subsection 6(b)(1) to reflect wagers from outside of Nevada are only allowed from other states or foreign jurisdictions in which such wagers are legal.

(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; 1/19.)

**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 22.1201;

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, out-of-state nonpari-mutuel horse race wagers, and out of state other event wagers unless such wagers are legal in the jurisdiction from which they originate and federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such 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 complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

8. 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; 1/19.)

#### **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 in any permissible jurisdiction other than 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. Amended: 1/19.)

**End – Regulation 22**