

**PROPOSED AMENDMENTS TO REGULATIONS
26C.010, 26C.030, 26C.050 and 26C.140**

PURPOSE: To remove the conflict between the regulatory and statutory definitions of “communications technology;” to make it clear a call center system includes sports wagering applications; to correct the definition of “operator of a call center;” to modify the approval requirements of call centers; to modify reserve requirements; to adjust the communications technology approval, notice, and consent requirements; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 26C
OFF-TRACK PARI-MUTUEL HORSE RACE ACCOUNT WAGERING
(Draft Date January 24, 2019)**

New

~~[Deleted]~~

26C.010 Definitions. As used in this regulation:

1. No Change.
2. No Change.
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. A call center system specifically includes, but is not limited to, pari-mutuel horse race wagering applications. The call center system ~~[is]~~ shall be located within Nevada ~~[but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment].~~
4. No Change.
5. No Change.
6. “Communications technology” means “communications technology” as that term is defined in NRS 463.016425(2) ~~[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. No Change.
8. No Change.
9. No Change.
10. No Change.
11. No Change.
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 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.

13. No Change.
14. No Change.
15. No Change.
16. No Change.
17. No Change.
18. No Change.
19. No Change.

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 to operate a call center under this regulation or Regulation 22.

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.

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, 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 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 (a).

2. No Change.

3. No Change.

4. The provisions of Regulation 5.225(20)(a), and (c) – (l) shall apply to a book, 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.

26C.140 Communications technology.

1. No Change.

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 the 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 ~~[obtain-written-permission-from]~~ the Chair which communications technology approved for the purpose of accepting wagering communications or wagering instructions is currently being used by the book by ~~[March 1st]~~ October 1st of each calendar year ~~[to-continue-using-the-communications-technology]~~.

3. No Change.

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. No Change.

6. No Change.

7. No Change.