

**PROPOSED NEW REGULATION SECTIONS TO REGULATION 4A  
PROPOSED AMENDMENTS TO REGULATIONS 4A.010, 4A.100, and 4A.110**

**PURPOSE:** To update and modify Regulation 4A in line with A.B. 117, passed by the Nevada Legislature on or about May 16, 2019, and approved by the Governor of Nevada on or about May 28, 2019; to modify Regulation 4A to include charitable games; to delete the definitions of “lottery approval” and “lottery approval decision” and replace them with definitions for “registration” and “registration decision;” to modify the definition of “application;” to delete the definition of “executive director;” to add a definition for “communications technology;” to establish fees concerning charitable lotteries and charitable games; to set out requirements regarding charitable lottery and charitable game applications; to set out age requirements for charitable lotteries and charitable games; to set out requirements regarding prize advertising; to set out requirements regarding statewide and online ticket sales and approval and appeal thereof; to prohibit certain charitable lottery and charitable game conduct from using communications technology; to set out record keeping requirements for qualified organizations; to adopt and modify regulations setting out procedures to appeal charitable lottery and charitable game registration decisions; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 4A**  
**CHARITABLE LOTTERIES AND CHARITABLE GAMES**

(Draft Date August 15, 2019)

New

~~[Deleted]~~

**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 for registration filed with the Board in conformity with chapter 462 of the Nevada Revised Statutes to conduct a legitimate charitable lottery or charitable game.

~~4~~2. “Board” means the Nevada Gaming Control Board.

~~5~~3. “Commission Chair” means the Chair of the Nevada Gaming Commission or the Chair’s designee.

4. “Communications technology” means any method employed by a qualified organization to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wire, cable, radio, microwave, light, optics, or computer data networks, including, without limitation, the Internet and intranets. For the purposes of this Regulation only, “communications technology” specifically excludes methods of transmitting information through a telephone conversation between two or more natural persons.

5. “Registration” means the authority conferred upon the Chair, to approve or deny, in the Chair’s sole and absolute discretion, an applicant’s request to register as a qualified organization and conduct a legitimate charitable lottery or charitable game as provided in chapter 462 of the Nevada Revised Statutes.

6. ~~“Executive Director” means the Chair of the Board or the Chair’s designee.~~ “Registration decision” means the final action by the Chair on an application for registration to register as a qualified organization and to conduct a charitable lottery or charitable game.

#### **4A.020 Fees; Scope of Charitable Lottery or Charitable Game.**

1. Each application must be accompanied by a nonrefundable application fee in the amount of:

(a) For qualified organizations other than qualified professional sports organizations:

(1) \$25.00 for each day a qualified organization conducts a drawing or drawings determining the winners of a charitable lottery or charitable lotteries.

(2) \$25.00 for each day a qualified organization exposes charitable games, other than a charitable game tournament, for play.

(3) \$25.00 for each charitable game tournament conducted by a qualified organization.

(b) For qualified professional sports organizations:

(1) \$200.00 per day for each charitable lottery offered by a qualified professional sports organization.

(2) \$200.00 for each day a qualified professional sports organization exposes charitable games for play.

2. Each charitable lottery encompasses the set of prizes a person may win through the purchase of a single charitable lottery ticket.

3. A charitable lottery is offered by a qualified professional sports organization on any day a person may purchase entry into the charitable lottery.

4. Each charitable game tournament encompasses the set of prizes a person may win through the purchase of a single entry into the tournament.

5. Each application for a charitable lottery which proposes to use communications technology to facilitate ticket sales must be accompanied by an additional application fee in the amount of \$500.00. The Chair or the Chair’s designee may, in the sole and absolute discretion of the Chair or the Chair’s designee, waive all or part of this fee if the qualified organization submits proof that the Board has previously reviewed and approved the use of the communications technology for a similar charitable lottery and submits an attestation signed under penalty of perjury that no changes were made to the communications technology used from the prior, approved use.

#### **4A.030 Application.**

1. Applications must be submitted to the Chair by a qualified organization. Applications submitted by a third party will be rejected.

2. Upon receipt of an application, the Chair or the Chair’s designee will review it for completeness. The Chair will only accept complete applications for processing.

3. Complete applications must be received by the Board from a qualified organization at least 30 days prior to the proposed commencement of the charitable lottery or charitable game.

4. Applications must include a description of the method by which winners will be disclosed to the public.

5. Prior to approval of an application, a qualified organization shall provide to the Chair documentation of the prize value, such as an invoice, receipt, or bill of sale for any single non-cash prize exceeding \$1,000.00.

6. A qualified organization must receive registration approval prior to commencing ticket sales or allowing buy-ins for a charitable lottery or charitable game.

#### **4A.040 Mandatory requirements.**

1. Qualified organizations shall prohibit and prevent:

(a) A person under the age of 21 from playing, placing wagers on, collecting winnings from, or participating in the administration of, whether personally or through an agent, any charitable game.

(b) A person under the age of 18 from entering, purchasing tickets for entry into, collecting winnings from, or participating in the administration of, whether personally or through an agent, any charitable lottery.

2. All advertised prizes shall be distributed. If all advertised prizes are not distributed, the qualified organization must fully refund all tickets and buy-ins.

3. Prize advertisements must state whether or not a person must be present to win.

#### **4A.050 Statewide ticket sales and online ticket sales.**

1. Ticket sales for charitable lotteries may only be made to persons who are physically located within Nevada at the time of purchase.

2. Upon registration to conduct a charitable lottery, a qualified organization may sell tickets on a statewide basis.

3. Upon approval of the Chair, a qualified organization may conduct online ticket sales if it files a written request with the Chair to do so at the time of its application. A request for approval of online ticket sales must include:

(a) Detailed reasons why the organization desires to conduct online ticket sales;

(b) A detailed description of how the organization will prevent ticket sales to or from a person which would violate state or federal law;

(c) A detailed description of the technology the organization will use to ensure ticket sales are only made to persons who are physically located in Nevada at the time of purchase;

(d) A detailed description of how the identity and age of persons purchasing tickets will be verified; and

(e) Any other information required by the Chair.

4. The Chair, in the Chair's sole and absolute discretion, may approve or deny a request made pursuant to subsection 3. A denial of such request may be reviewed and appealed as set out in sections 4A.100 and 4A.110.

**4A.060 Use of communications technology.** Other than online ticket sales approved pursuant to section 4A.050 for charitable lotteries and payment of buy-ins for charitable game tournaments, a qualified organization shall not use communications technology in conducting charitable lotteries or charitable games.

**4A.070 Required recordkeeping.**

1. All qualified organizations which receive a charitable lottery or charitable game registration shall maintain documentation of all event advertising and prize awards for at least five years.

2. All qualified organizations which receive a charitable lottery or charitable game registration shall maintain records of the winners of any prize exceeding \$1,000.00 for at least five years. Such records must include the name, age, address, prize won, date the prize was won, and the charitable lottery or charitable game in which the prize was won for such winners.

**4A.100 Review of ~~{lottery approval}~~ registration decisions.**

1. An ~~{y}~~ applicant whose application for ~~{lottery approval}~~ registration is denied by the ~~{Executive Director}~~ Chair may request a review of the application by the Board.

2. A request for review of the ~~{lottery approval}~~ registration decision must be submitted within 20 days after the date of receipt of a written notice by the ~~{Executive Director}~~ Chair of the ~~{Executive Director}~~ Chair's ~~{lottery approval}~~ registration decision and must contain:

(a) A statement of the facts relevant to the review of the ~~{lottery approval}~~ registration 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}~~ registration decision;

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

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

(e) Any other evidence considered relevant.

3. A review of the ~~{lottery approval}~~ registration decision ~~{will}~~ must 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.

**4A.110 Appeal of ~~{lottery approval}~~ registration decisions.**

1. An ~~{y}~~ applicant affected by a ~~{lottery approval}~~ registration decision may file a notice of appeal of a ~~{lottery approval}~~ registration 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}~~ registration decision within 20 days ~~{of}~~ after the date ~~{upon which the applicant receives}~~ of receipt of a written notice of the decision of the Board made pursuant to the provisions of section 4A.100.

2. An appeal of a ~~{lottery approval}~~ registration decision ~~{shall}~~ must 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~~ registration decision on an earlier Commission agenda.

3. No Change.

4. No Change.

Recommended effective date: October 1, 2019.