

## REGULATION 5

### OPERATION OF GAMING ESTABLISHMENTS

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#### **5.010 Methods of operation.**

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

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

(Amended: 1/69.)

#### **5.011 Grounds for disciplinary action.**

1. The Board and the Commission deem any activity on the part of a licensee, registrant, or person found suitable by the Commission, or an agent or employee thereof, that is inimical to the public health, safety, morals, good order, or general welfare of the people of the State of Nevada, or that would reflect or tend to reflect discredit upon the State of Nevada or the gaming industry, to be an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission in accordance with the Nevada Gaming Control Act and the regulations of the Commission. The following acts or omissions, without limitation, may be determined to be unsuitable methods of operation: Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the industry.

(b) Permitting a person who is visibly impaired by alcohol or any other drug to participate in a gaming activity.

(c) Complimentary service of intoxicating beverages in the casino area to a person who is visibly impaired by alcohol or any other drug.

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

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

(f) Employing in a position for which the individual could be required to be licensed as a key employee pursuant to the provisions of sections 3.100 and 3.110 of these Regulations, a person who has been denied a gaming license or has had his or her gaming license revoked by the Commission on the grounds of unsuitability, or who has failed or refused to apply for licensure as a key employee when so requested by the Commission.

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

(h) Failure to comply with or make provision for compliance with all federal, state, or local laws and regulations and with all conditions and limitations approved by the Commission relating to the operations of a licensed gaming establishment or other gaming business, including, without limitation, those relating to:

(1) Payment or withholding of license fees, payroll taxes, liquor taxes, or entertainment taxes, as applicable;

(2) Antitrust and monopoly statutes; and

(3) Workplace discrimination or harassment of a person based on the person's race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, including, without limitation, sexual harassment.

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

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

(k) Failure to conduct gaming operations in accordance with proper standards of custom, decorum, and decency, or permit a type of conduct in a gaming establishment that reflects or tends to reflect on the reputation of the State of Nevada and act as a detriment to the gaming industry.

(l) Whenever a licensed game or a slot machine, as defined in the Nevada Gaming Control Act, is available for play by the public:

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

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

(m) Except as provided in section 5.140 of these Regulations and except as to transfers of interest under section 8.030 of these Regulations, the sale or assignment of a gaming credit instrument by a licensee, unless the sale is to a publicly traded or other bona fide financial institution pursuant to a written contract, and the transaction and the terms of the contract, including, without limitation, the discount rate, are reported to the Board for approval pursuant to section 8.130 of these Regulations.

(n) Issuing credit to a patron to enable the patron to satisfy a debt owed to another licensee or person, including, without limitation, an affiliate of the licensee. This subsection does not prohibit a licensee from collecting a debt owed to an affiliate of the licensee. As used in this paragraph, "affiliate" has the meaning ascribed to it in NRS 463.0133.

(o) Denying a member or agent of the Board or Commission, upon proper and lawful demand, access to, inspection, or disclosure of any portion or aspect of a gaming establishment or other gaming business as authorized by applicable statutes and regulations.

2. The Commission, in the exercise of its sound discretion, may make its own determination as to whether or not a licensed gaming establishment or other gaming business has failed to comply with a law or regulation described in paragraph (h) of subsection 1, but any such determination shall make use of established precedents when interpreting the applicable statute. Nothing in this section affects the right of a licensee to judicial review.

3. As used in this section, "other gaming business" has the meaning ascribed to it in subsection 5 of section 5.250 of these Regulations.

(Adopted: 1/69-See Sec. 5.012. Amended: 7/70; 1/72; 7/76; 2/77; 2/85; 7/99; 6/14; 4/18; 11/19.)

#### **5.012 Publication of payoffs.**

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

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

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

2. Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game or device and shall not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the

part of a licensee to make payment in strict accordance with posted payoff schedules or award cards may be deemed an unsuitable method of operation.

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

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

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

(a) By that gaming licensee; or

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

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

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

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

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

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

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

(Adopted: 2/85.)

**5.015 Ownership identification on gaming devices.**

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

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

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

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

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

**5.025 Operation of keno games.**

1. As used in this regulation, "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.

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

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

4. The Chair may:

(a) Require that a limit be imposed on a progressive keno game, or that the limits of winning tickets or the value of a keno game or a progressive keno game be decreased, if such a limit or decrease is deemed

necessary for the licensee to maintain sufficient minimum bankroll requirements pursuant to Regulation 6.150; or

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

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

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

**5.030 Violation of law or regulations.** Violation of any provision of the Nevada Gaming Control Act or of these regulations by a licensee, the licensee's agent or employee shall be deemed contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and grounds for suspension or revocation of a license. Acceptance of a state gaming license or renewal thereof by a licensee constitutes an agreement on the part of the licensee to be bound by all of the regulations of the Commission as the same now are or may hereafter be amended or promulgated. It is the responsibility of the licensee to keep informed of the content of all such regulations, and ignorance thereof will not excuse violations.

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

**5.045 Compliance review and reporting system. [Effective through 2/29/20.]**

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

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

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

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

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

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

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

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

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

- (a) Associations with persons denied licensing or other related approvals by the Commission or who may be deemed to be unsuitable to be associated with a licensee or registrant;
  - (b) Business practices or procedures that may constitute grounds for denial of a gaming license or registration;
  - (c) Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;
  - (d) Review of reports submitted pursuant to the Nevada Gaming Control Act and regulations of the Commission;
  - (e) Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the Board or the Commission may deem necessary or proper, of the licensee, registrant, or its affiliates; and
  - (f) Review of such other activities determined by the Board or the Commission as being relevant to the licensee's or registrant's continuing qualifications under the provisions of the Nevada Gaming Control Act and the regulations of the Commission.
- (Adopted: 3/28/91. Amended: 11/19.)

**5.045 Compliance review and reporting system. [Effective 3/1/20.]**

1. Whenever the Commission is acting upon an application for a license or registration, or pursuant to its powers provided in NRS 463.310, and if the Commission determines that special circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon a license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.
2. The terms of a condition imposed pursuant to subsection 1 may include, without limitation:
  - (a) That the condition expire on a certain date or after a designated period of time without further action by the Commission;
  - (b) That the condition may be administratively removed by the Board if a specified activity ceases or a specified event occurs; or
  - (c) That the Board conduct a periodic review, and upon such review, the Board may recommend and the Commission may remove or continue to require the condition.
3. Notwithstanding the provisions of subsection 2, upon application, a licensee or registrant may request modification or removal of a condition imposed and the Commission may, after considering the recommendation of the Board, modify or remove such condition.
4. A compliance review and reporting system required pursuant to a condition imposed pursuant to subsection 1 must be created for the purpose of monitoring activities relating to the continuing qualifications of the licensee or registrant under the provisions of the Nevada Gaming Control Act and regulations of the Commission in accordance with a written plan that must be approved administratively by the Board or as otherwise ordered by the Commission.
5. A written plan approved or ordered pursuant to subsection 4 must provide for the operation of the compliance review and reporting system and must designate those responsible for such system. The written plan must provide for the involvement of at least one person knowledgeable of the provisions of the Nevada Gaming Control Act and the regulations of the Commission. The written plan must require periodic reports to senior management of the licensee or registrant. Such reports are advisory, and the licensee or registrant shall maintain responsibility for compliance with the Nevada Gaming Control Act and regulations of the Commission. The licensee or registrant shall provide copies of the reports to the Board.
6. The written plan must set forth the activities to be monitored and must be determined by the circumstances applicable to the licensee or registrant. The activities required to be monitored pursuant to the compliance review and reporting system may include, without limitation:
  - (a) Associations with persons denied licensure or other related approvals by the Commission or who may be deemed unsuitable to be associated with a licensee or registrant;
  - (b) Business practices or procedures that may constitute grounds for denial of a gaming license or registration;
  - (c) Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;
  - (d) Review of reports submitted pursuant to the Nevada Gaming Control Act and regulations of the Commission;

(e) Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the Board or the Commission may deem necessary or proper, of the licensee, registrant, or its affiliates, including, without limitation, the adoption and implementation of written policies and procedures prohibiting workplace discrimination or harassment of a person based on the person's race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, including, without limitation, sexual harassment, pursuant to section 5.250; and

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

(Adopted: 3/28/91. Amended: 11/19.)

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

**5.055 Reports of violations and of felony convictions.**

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

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

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

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

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

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

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

**5.060 Access to premises and production of records.**

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

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

documents required to be kept by such licensee under the provisions of NRS chapter 463 or the regulations of the Commission, and any gaming device or equipment or the conduct of any gaming activity.

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

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

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

**5.080 Changing of games. [Repealed: 1/24/19.]**

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

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

**5.090 Unlicensed games or devices.**

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

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

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

(Amended: 1/72.)

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

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

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

(a) The online or paper form for application;



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

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

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

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

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

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

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

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

**5.102 Temporary registration.**

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

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

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

**5.103 Suspension and reinstatement of temporary registration.**

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

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

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

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

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

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

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

**5.104 Investigation; uniform criteria for objection; objection.**

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

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

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

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

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

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

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

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

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

(b) The applicant's place of employment.

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

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

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

#### **5.105 Duties of licensee.**

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

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

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

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

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

(b) Obtain two complete sets of fingerprints;

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

(d) Unless otherwise prescribed by the Chair, complete the application for gaming employee registration online via the Board's online gaming employee registration system or return a completed paper

application for registration to the licensee in a sealed envelope, or in any other confidential manner permitted by the Board, for submission to the Board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Adopted: 12/02. Amended: 11/03; 8/08; 8/12; 11/15; 1/19.)

#### **5.106 Change of employment notice.**

1. Whenever a registered gaming employee becomes employed as a gaming employee with another or additional licensee, the gaming employee shall file a change of employment notice by submitting it to

such licensee for submission to the Board within 10 days of the employee becoming employed with such licensee, unless otherwise prescribed by the Chair.

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

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

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

#### **5.107 System of records: contents; confidentiality; penalties.**

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

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

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

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

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

#### **5.108 [Repealed: 11/20/03.]**

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

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

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

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

(a) Conducting a hearing and taking testimony;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **5.110 In-house progressive payoff schedules.**

1. As used in this section:

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

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

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

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

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

the progressive logs. When the reduction is attributable to a payoff, the licensee shall record the payoff form number on the log or have the number reasonably available.

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

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

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

(a) A player wins the progressive payoff schedule;

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

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

(1) The licensee documents the distribution;

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

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

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

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

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

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

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

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

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

#### **5.112 Inter-casino linked payoff schedules.**

1. As used in this section:

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

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

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

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

(e) "Operator" means any person or entity holding a license to operate an inter-casino linked system in Nevada, a person or entity holding a license to operate a slot machine route that operates an inter-casino

linked system for slot machines only, or a person or entity holding a license to operate a nonrestricted gaming operation that operates an inter-casino linked system for affiliates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The operator documents the distribution;

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

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

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

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

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

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

(Adopted: 5/00.)

### **5.115 Periodic payments.**

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

2. As used in this section of the regulation:

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

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

- (1) Is both a broker-dealer and an investment adviser;
- (2) Has one or more classes of its equity securities listed on the New York Stock Exchange or American Stock Exchange, or is a wholly-owned subsidiary of such an entity; and
- (3) Has assets under management in an amount of \$10 billion or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the United States Securities and Exchange Commission, or is a wholly-owned subsidiary of such an entity.

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

- (1) Is licensed as a broker-dealer with the Nevada Secretary of State pursuant to NRS 90.310, as amended; or
- (2) Is exempt from licensing pursuant to NRS 90.320, as amended, and is registered as a broker-dealer with the United States Securities and Exchange Commission and the National Association of Securities Dealers pursuant to Title 15 USC 780 as amended.

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

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

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

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

- (1) A bank or national banking association that is authorized to do business in this state, a banking corporation formed or regulated under the laws of this state or a wholly-owned subsidiary of such a banking association or corporation that is formed or regulated under the laws of this state or a national bank with an office in Nevada; or
- (2) An insurance company admitted to transact insurance in the State of Nevada with an A.M. Best Insurance rating of at least "A+" or such other equivalent rating.

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

- (1) Is registered as an investment adviser with the Nevada Secretary of State pursuant to NRS 90.330, as amended; or
- (2) Is registered as an investment adviser with the United States Securities and Exchange Commission pursuant to Title 15 USC 80b-3a, as amended.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) An irrevocable surety bond or an irrevocable letter of credit with an independent financial institution which will provide for either the periodic payments or a single cash payment for the remaining periodic payments should the licensee default on paying the scheduled periodic payments for any reason. The form of the written agreement establishing an irrevocable surety bond or the irrevocable letter of credit, and a written commitment to execute such bond or letter from the financial institution, shall be submitted to the Chair for approval no less than 45 days prior to the commencement of the gaming or promotional activity.

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

(c) A reserve maintained at all times by a licensee, together with the continuing satisfaction of and compliance with certain financial ratios and tests, and monitoring and reporting procedures related thereto. The conditions under which a reserve method may be used shall be prescribed by the Chair in a written notice distributed to licensees and all interested persons. Licensees shall notify the Chair in writing at least 45 days prior to the commencement of any new gaming or promotional activity for which periodic payments may be used. Unless otherwise informed within such time period in writing by the Chair and assuming a

stop order has not been issued during such period, the use of a reserve method for funding periodic payments shall be deemed approved.

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

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

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

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

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

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

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

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

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

7. For any gaming or promotional activity for which periodic payments are used, the licensee shall provide a notice on each gaming device or, if no gaming device is used, then in each gaming or promotional area specifically setting forth the terms of the periodic payment plan, and include in all radio, television, other electronic media, or print advertising that such prizes will be awarded using periodic payments.

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

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

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

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

- (1) For amounts won or awarded but for which the funding has not been completed; and
- (2) For all prizes which have not been won or awarded but are on public display, including a progressive meter.

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

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

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

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

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

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

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

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

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

#### **5.120 Finder's fees.**

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

- (a) The acquisition of an interest in a gaming establishment or registered company.
- (b) To finance the gaming operations of a licensed gaming establishment.

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

- (a) Compensation to the person who extends the credit.
- (b) Normal and customary payments to employees of the person to whom the credit is extended if the arranging or negotiation of credit is part of their normal duties.
- (c) Normal and customary payments for bona fide professional services rendered by lawyers, accountants, engineers and appraisers.
- (d) Underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.

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

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

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

**5.140 Collection of gaming credit.**

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

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

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

(Adopted: 2/85.)

**5.150 Devices prohibited under NRS 465.075; exceptions.**

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

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

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

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

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

(Adopted: 7/87.)

**5.160 Surveillance systems.**

1. As used in this section:

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

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

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

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

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

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

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

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

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

4. Any licensee may object to the proposed casino surveillance standards or revisions, by filing a request for a review of the Chair's administrative decision, pursuant to Regulation 4.190. If, any licensee files a request for review, then the effective date of the proposed casino surveillance standards or revisions

will be stayed pending action by the Board, and if the Board's decision is appealed pursuant to Regulation 4.195, the Commission. If no requests for review are filed with the Board, then the casino surveillance standards or revisions shall become effective on the date set by the Chair.

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

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

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

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

9. Each licensee and applicant must submit a written casino surveillance system plan to the Chair. The plan must be in a form approved or required by the Chair, and must include a description of all equipment utilized in the casino surveillance system, a blueprint or diagram that shows all of the areas to be monitored and the placement of surveillance equipment in relation to the activities being observed, a description of the procedures utilized in the operation of the casino surveillance system, and any other information required by the casino surveillance standards. If an applicant will not be conducting or a licensee does not conduct an activity that is addressed in the casino surveillance standards, then the plan must include a statement to that effect. Each applicant must submit its plan within 60 days after its application is filed. Thereafter, the plan must be amended and the amendments to the plan or the plan as amended must be submitted to the Board on an annual basis by each licensee, to reflect any modification made to the licensee's casino surveillance system during the preceding year that resulted from (a) the repeal or revision of any existing casino surveillance standard or the adoption of any new casino surveillance standard, (b) a change in the layout or configuration of any area required to be monitored, or (c) any exemption granted by the Chair pursuant to subsection 8. If no such modifications were made, then the licensee must submit a statement to the Board to that effect.

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

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

#### **5.170 Programs to address problem gambling.**

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

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

3. Each licensee shall implement procedures and training for all employees who directly interact with gaming patrons in gaming areas. That training shall, at a minimum, consist of information concerning the

nature and symptoms of problem gambling behavior and assisting patrons in obtaining information about problem gambling programs. This subsection shall not be construed to require employees of licensees to identify problem gamblers. Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures. Training programs conducted or certified by the Nevada Council on Problem Gambling are presumed to provide adequate training for the period certified by the Nevada Council on Problem Gambling.

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

- (a) The development of written materials for dissemination to patrons explaining the program;
- (b) The development of written forms allowing patrons to participate in the program;
- (c) Standards and procedures that allow a patron to be prohibited from access to check cashing, the issuance of credit, and the participation in direct mail marketing of gaming opportunities;
- (d) Standards and procedures that allow a patron to be removed from the licensee's direct mailing and other direct marketing regarding gaming opportunities at that licensee's location; and
- (e) Procedures and forms requiring the patron to notify a designated office of the licensee within 10 days of the patron's receipt of any financial gaming privilege, material or promotion covered by the program.

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

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

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

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

#### **5.180 Operation of an inter-casino linked system.**

1. Definitions. As used in this section:

- (a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
- (b) "Licensed establishment" means the gaming establishment of a licensee.
- (c) "Licensee" means a person or entity licensed to conduct a restricted or nonrestricted gaming operation. The term does not include a person or entity licensed as a holder of a security or other ownership interest in the operation, or as an officer, director or key employee of the operation, or due to any other relationship or involvement with the operation.
- (d) "Operator" means any person or entity holding a license to operate an inter-casino linked system in Nevada, a person or entity holding a license to operate a slot machine route that operates an inter-casino linked system for slot machines only, or a person or entity holding a license to operate a nonrestricted gaming operation that operates an inter-casino linked system for affiliates.
- (e) "System" means an inter-casino linked system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Adopted: 5/00.)

#### **5.190 Aggregate payout limits for gambling games.**

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

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

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

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

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

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

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

### **5.200 Licensing and operation of a gaming salon.**

1. Definitions. As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

1. As used in this section:

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

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

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

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

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

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

(a) The size of the area;

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

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

(d) The business purpose of the area;

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

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

- (g) The benefit to the State of Nevada in having gaming conducted within the area;
- (h) The maximum amount of the fee that will be charged to enter or remain in the area, as well as whether the fee to be charged is reasonable as compared to the prevailing practice within the industry;
- (i) Whether the area should more appropriately be treated as a gaming salon;
- (j) Whether, if applicable, the licensee's minimum internal control standards or minimum internal control procedures applicable to the area have been updated and approved by the Board;
- (k) Whether, if applicable, all current surveillance requirements applicable to the area have been approved by the Board;
- (l) A clear and legible diagram that depicts the number of games, slot machines and other gaming devices to be exposed for play as well as their location within the area of the establishment to which access will be restricted through the imposition of a fee; and
- (m) Such additional or supplemental information as the Chair may require.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Once approval has been granted pursuant to this section to charge a fee, the amount of the fee may not be increased, nor may the number or location of the games or devices be changed without the prior administrative approval of the Chair. Requests to change the number or location of any games or

devices shall be accompanied by a diagram depicting the new location, and number of games and devices to be exposed within the area to which a fee is being charged.

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

(Adopted: 3/06.)

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

1. Definitions. As used in this section:

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

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

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

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

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

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

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

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

(d) An operator shall retain and provide Board agents, upon request, all records pertaining to its system, including, without limitation, computer room visitor logs and system transaction logs.

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

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

(Adopted: 01/10.)

#### **5.220 Operation of a mobile gaming system.**

1. Definitions. As used in this section:

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

(b) "Communications technology" means any method used and the components employed by a licensed gaming establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wireless network, wireless fidelity, wire, cable, radio, microwave, light, optics or computer data networks. The term does not include the Internet.

(c) "Equipment associated with mobile gaming" means associated equipment as defined within NRS 463.0136, that will be approved as associated equipment.

(d) "Licensed gaming establishment" means the establishment of a licensee, which includes all land, together with all buildings and improvements located thereon.

(e) "Licensee" means a person or entity licensed to conduct nonrestricted gaming operations, who at all times exposes to the public for play, 100 or more slot machines and at least one table game, within its licensed gaming establishment. The term does not include a person or entity licensed as a holder of a

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

(f) "Mobile communications device" means a device which displays information relating to the game to a participant in the game as part of a system.

(g) "Mobile gaming system" or "system" means a system that allows for the conduct of games through mobile communications devices operated solely within the licensed gaming establishment by the use of communications technology that allows a patron to bet or wager, and corresponding information related to the display of the game, gaming outcomes or other similar information.

(h) "Operator of a mobile gaming system" or "operator" means a licensee who has been licensed to operate a mobile gaming system, or a person or entity, who, under any agreement whereby consideration is paid or payable for the right to place a mobile gaming system, engages in the business of placing and operating a mobile gaming system within a licensed gaming establishment and who is authorized to share in the revenue from the mobile gaming system without having been individually licensed to conduct gaming at the establishment.

2. Mobile gaming systems may be exposed for play as follows:

(a) A system may only be exposed for play to the public by an operator licensed by the Commission at a licensed gaming establishment in an area approved by the Chair.

(b) A licensee or an operator may submit a request to the Chair for approval to expose a system for play at a licensed gaming establishment.

(1) Such a request must specify at a minimum:

(A) In what areas the system will be exposed for play;

(B) How the operator intends to:

(i) Adequately monitor play of the system and

(ii) Reasonably assure only players of lawful age will operate the mobile communications devices; and

(C) Such additional information as the Chair may require.

(2) A licensee or an operator aggrieved by a decision of the Chair may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

3. In addition to any other requirements set forth in the NRS or these regulations, the operator and licensee where a system is operated shall comply with the following requirements:

(a) Only a system that has been approved by the Commission may be exposed for play within a licensed gaming establishment.

(b) The licensee shall be responsible for any patron dispute arising at the licensed gaming establishment with respect to any system and games exposed thereby, and shall act in accordance with the provisions set forth in NRS 463.362, et. seq. This fact shall be disclosed to the patron at the time of the dispute. Operators and licensees shall cooperate in the resolution of patron disputes arising at the licensee's establishment, and the licensee may contractually seek indemnity from the operator for any losses.

(c) The licensee shall be responsible for all payouts from each system operated within its licensed gaming establishment.

(d) Systems that expose games with fixed payoff schedules that exceed \$250,000 or in the case of systems that expose games with progressive payoff schedules that are expected to exceed \$250,000, are limited to Group I, nonrestricted gaming operations.

(e) At the request of the Chair, an operator shall deposit with the Board and thereafter maintain a revolving fund in an amount of \$20,000 unless a lower amount is approved by the Chair, which shall be used to ensure compliance of the system with applicable laws and regulations. Upon surrendering its operator's license, the Board may refund the balance remaining in the revolving fund.

(f) All revenue received from the system, regardless of whether any portion of the revenue is shared with the operator, must be attributed to the licensee of the licensed gaming establishment and counted as part of the gross revenue of the licensee pursuant to NRS 463.370. The operator, if receiving a share of the revenue from a system, is liable to the licensee for the operator's proportionate share of the license fees paid by the licensee pursuant to NRS 463.370.

(g) Each separate mobile communications device is subject to the same fees and taxes made applicable to slot machines by NRS 463.375, if it is activated on the system and made available for play by a patron at any time during a calendar quarter, and by NRS 463.385, if it is activated on the system and made available for play by a patron at any time during a fiscal year. The operator shall be liable to the

licensee for the operator's proportionate share of the license fees paid by the licensee pursuant to NRS 463.375 and 463.385.

(h) Operators shall retain and provide Board agents, upon request, all records pertaining to their mobile gaming systems including, without limitation, all revenue and cash records, end-of-day reports, computer room visitors logs, details of any patron disputes, device or game performance reports, weekly reports, and any other financial or non-financial records or reports required to be provided by the Chair.

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

5. Except for subsections 3(f) and 3(g), the Chair may, for good cause shown, waive any of the requirements set forth in subsection 3 of this regulation.

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

7. Before a wager may be made on a system, a wagering account must be established in accordance with Regulation 5.225.

(Adopted: 3/06; Amended: 9/11; 5/17.)

### **5.225 Wagering accounts.**

1. Definitions. As used in this section:

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

(b) "Licensee" means any person to whom a valid gaming license has been issued.

(c) "Secure personal identification" means a method of uniquely identifying a patron through which the licensee may verify access to, or use of, a wagering account.

(d) "Wagering account" means an electronic ledger operated and maintained by a licensee for a patron in connection with the patron's use and play of any or all authorized games and gaming devices, including, but not limited to, race books, sports pools, mobile gaming systems, and interactive gaming, wherein information relative to such use and play is recorded on behalf of the patron including, but not limited to, the following types of transactions:

(1) Deposits;

(2) Withdrawals;

(3) Debits;

(4) Credits;

(5) Service or other transaction-related charges authorized by the patron; and

(6) Adjustments to the wagering account.

↳ The term "Wagering account" does not include an electronic ledger used solely by a licensee to track reward points or credits or similar benefits issued by a licensee to a patron and not obtained by the patron through the payment of cash or cash equivalent even if such reward points or credits or similar benefits are redeemable for cash. Such accounts may not allow deposits by a patron.

2. Except as otherwise specified in Regulations 5A, 22, and 26C, as applicable, a licensee shall comply with the provisions of this section for the creation and use of wagering accounts for all forms of wagering.

3. Scope of use of wagering accounts.

(a) Subject to paragraph (b) of this subsection, a licensee may establish and allow the use of wagering accounts for patrons' gaming activity with any licensed gaming establishment of the licensee and with any affiliate of the licensee.

(b) Before a licensee allows its wagering accounts to be used by patrons in connection with their use and play of games and gaming devices with any other gaming establishment of the licensee or with any affiliate of the licensee, the licensee must:

(1) Submit to the Chair a written proposal for implementation of such wagering accounts that addresses the following:

(I) The proper reporting of revenue;

(II) How minimum bankroll requirements will be satisfied;

(III) How the reserve requirements of this section will be satisfied;

(IV) Compliance with the Board's minimum internal control procedures adopted pursuant to Regulation 6.090; and

(V) Any additional items or information as the Chair may require.

(2) Obtain the written administrative approval from the Chair subject to such conditions or limitations that the Chair may impose.

4. A third party may operate and maintain wagering accounts on behalf of a licensee if the following conditions are met:

(a) A licensee may use a registered cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on behalf of the licensee provided such wagering accounts are within the State of Nevada.

(b) A registered cash access and wagering instrument service provider or a licensed manufacturer that acts on behalf of a licensee to operate and maintain wagering accounts shall be subject to the provisions of this section applicable to such services to the same extent as the licensee.

(c) A licensee continues to have an obligation to ensure, and remains responsible for compliance with, this regulation, the Gaming Control Act and all other regulations of the Commission regardless of its use of a registered cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on its behalf.

(d) A registered cash access and wagering instrument service provider or a licensed manufacturer acting on behalf of a licensee, and with the consent of the licensee and the patron, may use a patron's personal identification information to administer all other wagering accounts created for that patron on behalf of additional licensees.

5. To the extent not otherwise inconsistent with NRS 463.245(3), a licensee may create a wagering account for a patron only after it has registered the patron, either remotely or in person, as follows:

(a) Obtained, recorded, and verified:

(1) The identity of the patron;

(2) The patron's date of birth;

(3) The patron's physical address; and

(4) The last four digits of the patron's social security number, if a United States resident.

(b) Have the patron affirm:

(1) That the information provided by the patron to the licensee to open the wagering account is accurate;

(2) That the patron has reviewed and acknowledged the rules and procedures established by the licensee for use of the wagering account;

(3) That the patron has been informed of and acknowledged that they are prohibited from allowing any other person not assigned to the wagering account access to or use of their wagering account; and

(4) That the patron consents to the monitoring and recording by the licensee and the Board of the use of the wagering account.

(c) Determined that the patron is not on the list of excluded persons established pursuant to NRS 463.151 and Regulation 28.

→ A licensee may assign more than one patron to a single wagering account provided that each additional patron is registered as provided herein.

6. Once a wagering account is created, a secure personal identification for each patron authorized to use the wagering account shall be implemented by the licensee that is reasonably designed to prevent the unauthorized access to, or use of, the wagering account by any person other than the patron or patrons for whom the wagering account is established.

7. A licensee shall not allow a patron to make any wagers using the wagering account until the patron personally appears before an employee of the licensee at its licensed gaming establishment or at the licensed gaming establishment of its affiliate where the patron presents a government issued picture identification credential confirming the patron's identity.

8. A licensee shall not allow a wagering account to be created anonymously or in a fictitious name. Patrons may, while using or playing a game or gaming device, represent themselves using a name other than their actual name or may remain anonymous.

9. Funds may be deposited by a patron into the patron's wagering account as follows:

(a) Cash deposits made directly with the licensee;

(b) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the licensee;

(c) Transfers from a patron's safekeeping or front money accounts otherwise held by the licensee;

(d) Debits from the patron's debit instrument, prepaid access instrument, or credit card;

(e) Transfers from another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;

(f) Funds derived from the extension of credit to the patron by the licensee; or

(g) Any other means approved by the Chair.

10. Funds may be withdrawn by a patron from their wagering account as follows:

(a) Issuance of cash directly to the patron by the licensee;

(b) Issuance of a personal check, cashier's check, money order, or wire transfer by the licensee made payable to the patron and issued directly or mailed to the patron;

(c) Transfers to the patron's safekeeping or front money accounts held by the licensee;

(d) Credits to the patron's debit instrument, prepaid access instrument, or credit card;

(e) Transfers to another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;

(f) As repayment of outstanding credit owed by the patron to the licensee; or

(g) Any other means approved by the Chair.

11. Credits to a wagering account may be made by the following means:

(a) Deposits;

(b) Amounts won by the patron;

(c) Transfers from a game or gaming device;

(d) Promotional credits, or bonus credits provided by the licensee and subject to the terms of use established by the licensee and as long as such credits are clearly identified as such;

(e) Adjustments made by the licensee following the resolution of a dispute; or

(f) Any other means approved by the Chair.

12. Debits to a wagering account may be made by the following means:

(a) Withdrawals;

(b) Amounts wagered by the patron;

(c) Transfers to a game or gaming device;

(d) Adjustments made by the licensee following the resolution of a dispute;

(e) Service or other transaction-related charges authorized by the patron; or

(f) Any other means approved by the Chair.

13. Unless there is a pending unresolved player dispute or investigation, a licensee shall comply with a request for a withdrawal of funds by a patron from the patron's wagering account in accordance with the terms of the wagering account agreement between the licensee and its patron.

14. A licensee shall not allow a patron to electronically transfer funds from their wagering account to any other patron's wagering account.

15. A licensee shall not allow a wagering account to be overdrawn unless caused by payment processing issues outside the control of the licensee.

16. A licensee shall suspend a wagering account if the wagering account has not been used to make any wagers for a consecutive 16-month period. The licensee may re-activate a suspended wagering account only after re-verifying the information required by subsection 5(a) of this regulation and upon the patron presenting a current government issued picture identification credential.

17. A licensee shall record and maintain, for a period of at least 5 years after creation, the following in relation to a wagering account:

(a) All information used by the licensee to register a patron and create the wagering account pursuant to subsection 5 of this regulation;

(b) The method used to verify the information provided by a patron to establish the wagering account, including a description of the identification credential provided by a patron to confirm their identity and its date of expiration;

(c) The date and time the wagering account is opened and terminated;

(d) The date and time the wagering account is accessed by any person, including the patron or the licensee;

(e) All deposits, withdrawals, credits and debits; and

(f) The patron's account number.

18. Responsible Gambling.

(a) Licensees shall ensure that, within one year following the effective date of this regulation, its patrons have the ability to select responsible gambling options associated with their wagering account that

include deposit limits establishing the amount of total deposits a patron can make to their wagering account within a specified period of time.

(b) Licensees shall conspicuously display and make available to patrons, upon access to their wagering account, the following responsible gambling message:

[Licensee's name] encourages you to gamble responsibly. For problem gambling information and assistance, call the 24-hour confidential Problem Gamblers HelpLine at 1-800-522-4700, or visit [www.WhenTheFunStops.org](http://www.WhenTheFunStops.org).

↪ If either the helpline number or website address changes, the Chair may administratively approve the use of an alternative helpline number or website address.

19. Each licensee that offers wagering accounts shall adopt, conspicuously display, make available, and adhere to written, comprehensive rules governing wagering account transactions. Such rules must include, at a minimum, the following:

(a) That the licensee's house rules apply to wagering accounts, as applicable.

(b) That the licensee shall provide each patron, upon reasonable request and consistent with its internal control policies, with a statement of account showing each wagering account deposit, withdrawal, credit, and debit made during the time period reported by the account statement. The patron may dispute any transaction in accordance with Regulation 7A.

(c) That for all wagers, the licensee is required to make a voice, print, electronic or other approved record of the entire transaction and shall not accept any such wager if the recording system is inoperable. The licensee's record of a patron's confirmation of all wagers shall be deemed to be the transaction of record. Such records are made available to the Board upon request.

(d) That the licensee has the right to;

- (1) Refuse to establish a wagering account for what it deems good and sufficient reason;
- (2) Refuse deposits to wagering accounts for what it deems good and sufficient reason;
- (3) Refuse to accept all or part of any wager for what it deems good and sufficient reason;
- (4) Declare that any or all wagers will no longer be received; and
- (5) Unless there is a pending Board investigation or patron dispute, suspend or close any wagering account at any time pursuant to the terms of the agreement between the licensee and the patron, provided, however, when a wagering account is closed, the licensee shall immediately return the balance of the wagering account at the time of said action, subject to compliance with these regulations, the licensee's house rules, and federal and state laws and regulations, by sending a check to the patron's address of record or as otherwise provided pursuant to the terms of the wagering account agreement; and

(e) Except as otherwise expressly provided, that the licensee shall keep confidential the following:

(1) The amount of money credited to, debited from, or present in any particular patron's wagering account;

- (2) The amount of money wagered by a particular patron on any game or gaming device;
- (3) The account number and secure personal identification method that identifies the patron;
- (4) The identities of particular entries on which a patron is wagering or has wagered; and
- (5) The name, address, and other information in the possession of the licensee that would identify the patron to anyone other than the Board or the licensee.

(f) That the licensee, with regard to the information identified in subsection 19(e):

(1) Shall share the information with:

- (I) The Board;
- (II) Financial institutions participating in a program established in accordance with Section 314(b) of the USA Patriot Act; and
- (III) As required by state or federal law.

(2) May share the information with:

- (I) Any licensed affiliate;
- (II) A person who has been issued a nonrestricted license for an establishment where the licensee operates a race book or sports pool; and
- (III) As authorized by the patron.

(g) That the licensee shall disclose its policy regarding the acceptance of personal checks, cashier's checks, wire transfers, money orders, debit instruments, credit cards and electronic transfers of money to the patron.



↳ Prior to adopting or amending such wagering account rules, a licensee shall submit them to the Chair for approval.

20. Reserve requirements for licensees.

(a) A licensee shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination thereof for the benefit and protection of patrons' funds held in wagering accounts. The reserve may be maintained by a licensee's holding company and may be combined as a single amount for all patrons' funds held in wagering accounts maintained by the licensee and its affiliate licensees.

(b) The amount of the reserve shall be not less than the greater of \$25,000 or the sum of all patrons' funds held in the wagering accounts. Amounts available to patrons for play that are not redeemable for cash may be excluded from the reserve requirement. In calculating the sum of all patrons' funds held in wagering accounts when such wagering accounts are used for multiple types of wagering, this subsection, and Regulations 5A, 22, and 26C, as applicable, shall not be construed to require the tallying of such patrons' funds more than once.

(c) If a reserve is maintained in the form of cash, cash equivalent, or an irrevocable letter of credit, it must be held or issued, as applicable, by a federally-insured financial institution. If the reserve is maintained in the form of a bond, it must be written by a bona fide insurance carrier. The reserve must be established pursuant to a written agreement between the licensee and the financial institution or insurance carrier, but the licensee may engage an intermediary company or agent acceptable to the Chair to deal with the financial institution or insurance carrier, in which event the reserve may be established pursuant to written agreements between the licensee and the intermediary and between the intermediary and the financial institution or insurance carrier.

(d) The agreements described in paragraph (c) of this subsection must reasonably protect the reserve against claims of the licensee's creditors other than the patrons for whose benefit and protection the reserve is established, and must provide that:

(1) The reserve is established and held in trust for the benefit and protection of patrons to the extent the licensee holds money in wagering accounts for such patrons;

(2) The reserve must not be released, in whole or in part, except to the Board on the written demand of the Chair or to the licensee on the written instruction of the Chair. The reserve must be available within 60 days of the written demand or written notice. The licensee may receive income accruing on the reserve unless the Chair instructs otherwise pursuant to paragraph (k) of this subsection;

(3) The licensee has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in this subsection;

(4) Nevada law and this subsection govern the agreements and the licensee's interest in the reserve and income accruing on the reserve;

(5) The agreements are not effective until the Chair's approval has been obtained pursuant to paragraph (e) of this subsection; and

(6) The agreements may be amended only with the prior, written approval of the Chair.

(e) Each licensee shall submit to the Chair all information and copies of all documents relating to its proposed reserve arrangement, including copies of the agreements described in paragraphs (c) and (d) of this subsection, and must obtain the Chair's approval of the agreements and of the reserve arrangements generally. The Chair shall determine whether the agreements and arrangements satisfy the purposes and requirements of this subsection, may require appropriate changes or withhold approval if they do not, and shall notify the licensee of the determination. Amendments to reserve agreements or arrangements must be approved in the same manner.

(f) A licensee must calculate its reserve requirements each day. In the event a licensee determines that its reserve is not sufficient to cover the calculated requirement, the licensee must, within 24 hours, notify the Chair of this fact in writing and must also indicate the steps the licensee has taken to remedy the deficiency.

(g) Each licensee must engage an independent certified public accountant to examine the pertinent records relating to the reserve each month and determine the reserve amounts required by this subsection for each day of the previous month and the reserve amounts actually maintained by the licensee on the corresponding days. The licensee shall make available to the accountant whatever records are necessary to make this determination. The accountant shall report the findings with respect to each day of the month under review in writing to the Board and the licensee no later than the tenth day of the next month. The

report shall include the licensee's statement addressing each day of noncompliance and the corrective measures taken.

(h) The report described in paragraph (g) of this subsection may be prepared by an employee of the licensee that is independent of the gaming operations if written approval has been received from the Chair. The report must contain the signature of an employee attesting to the accuracy of the submitted information.

(i) If the Chair is notified pursuant to paragraph (f) of this subsection, or the report described in paragraph (g) of this subsection indicates that at any time during the month under review the amount of the reserve did not meet the requirements of this section, the Chair may instruct the book to either increase the reserve accordingly or cease accepting wagers and money for the account of patrons until such time as the reserve meets the requirements of this subsection and is confirmed to the Chair's satisfaction. The Chair may demand that this reserve be increased to correct any deficiency or for good cause to protect patrons.

(j) If the reserve exceeds the requirements of this subsection, the Chair shall, upon the licensee's written request, authorize the release of the excess.

(k) When a licensee ceases operating and its license lapses, is surrendered, or is revoked, the Chair may demand payment of the reserve, any income accruing on the reserve after operations cease, and, if instructions from the Chair that income accruing on the reserve not be paid to the licensee are in effect when operations cease, any income accruing since the instructions took effect. The Board may interplead the funds in state district court for distribution to the patrons for whose protection and benefit the reserve was established and to such other persons as the court determines are entitled thereto, or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.

(l) As used in this subsection, "month" means a calendar month unless the Chair requires or approves a different monthly period to be used for purposes of this subsection, in which case "month" means the monthly period so required or approved.

21. Upon written request and good cause shown, the Chair may waive one or more of the requirements of subsection 20 of this Regulation. If a waiver is granted, the Chair may impose alternative requirements.

(Adopted: 5/17. Amended: 1/19; 10/19.)

### **5.230 Hosting center; registration required.**

1. Before certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation can be operated at a hosting center, the hosting center, along with all owners and operators of the hosting center, and persons having significant involvement with the hosting center as determined by the Commission, including but not limited to key employees, must register with the Board pursuant to this regulation. Such registration does not become effective until the registration is approved by the Board Chair or the Chair's designee in writing. Any person or entity whose request for registration is not approved by the Board Chair or the Chair's designee may appeal the decision using the administrative appeal process found under Regulations 4.185 through 4.195, inclusive.

2. Registration required by subsection 1, shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. The information requested shall include, but not be limited to, the following:

(a) For the registration of natural persons:

- (1) Full name, including aliases, past and present;
- (2) Residential address or addresses for the last five years;
- (3) Contact information, including phone numbers and email addresses;
- (4) Employment history, both current and for the past ten years;
- (5) Date and place of birth;
- (6) Social Security Number;
- (7) Full legal name of the hosting center to which the person's registration relates;
- (8) Description of the person's relationship with the relevant hosting center, and the person's duties or responsibilities under that relationship;
- (9) List and description of any professional licenses that the person has held, past and present, and any past or current disciplinary action against those licenses;
- (10) List and description of any arrests or convictions of the person by law enforcement involving a felony or crime of moral turpitude;
- (11) List and description of any incidents in which the person has, either individually or part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;

(b) For the registration of business organizations or associations:

- (1) Legal name, address, and contact information of every business organization or association under which the entity does business;
- (2) Date and jurisdiction under which each business organization or association provided under subsection (2)(b)(1) is registered as a legal entity;
- (3) Tax identification number of each business organization or association provided under subsection (2)(b)(1);
- (4) List of all affiliates of the business organization or association as defined under NRS 463.0133;
- (5) Organization chart depicting the business organization's or association's management structure;
- (6) Organization chart depicting the business organization's or association's ownership structure, including, but not limited to any parent and affiliated entities;
- (7) List of the names of all officers, directors, managers, and key employees of the business organization or association;
- (8) Where the business organization or association is not the hosting center itself, a description of the business organization's or association's relationship to the relevant hosting center, and of what duties or responsibilities it will have under that relationship;
- (9) List and description of any professional licenses that the business organization or association has held, past and present, and any past or current disciplinary action against those licenses;
- (10) List and description of any criminal charges brought against the business organization or association involving a felony or crime of moral turpitude; and
- (11) List and description of any incidents where the business organization or association has, either individually or as part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;

(c) For each hosting center provide a description of the facility and services available. The following descriptions must be provided:

- (1) Location description including:
  - (a) Floor plan;
  - (b) Reliability of power and telecommunications;
  - (c) Bandwidth availability;
  - (d) Compliance of server room to international standards;
  - (e) Redundancy of power and telecommunications feeds;
  - (f) Offline power capabilities (e.g. UPS and generator power);
  - (g) Refueling requirements of generators and fuel acquisition arrangements;
  - (h) Fire suppression system(s);
  - (i) Temperature and humidity control system(s);
  - (j) Procedures for switching to offline power; and
- (2) Security description including:
  - (a) Perimeter boundary fences;
  - (b) Use of security guards (employees or contracted);
  - (c) Access controls;
  - (d) Alarm systems;
  - (e) Video surveillance coverage and storage;
  - (f) Monitoring of personnel access to sensitive areas;
  - (g) Anti-surveillance measures;
  - (h) Tenants; and
  - (i) Contractors in use for services such as cleaning and maintenance.
- (3) Disaster recovery capabilities, testing, and auditing.
- (4) Internal Control Procedures including:
  - (a) Visitor access procedures and controls;
  - (b) Maintenance and audit of access logs;
  - (c) Alarm procedures for technical and security response;
  - (d) Due diligence performed on contractors, tenants, and staff;
  - (e) Emergency access procedures; and
  - (f) Any other relevant procedures.

3. Any request for registration pursuant to subsection 1 shall contain a statement subscribed by the applicant for registration that:

(a) The information being provided to the Board is accurate and complete;

(b) That the applicant for registration agrees to cooperate with requests, inquiries, or investigations of the Board and Commission; and

(c) The applicant for registration acknowledges that the Commission may demand the person or entity to submit an application for finding of suitability, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the Commission.

4. Any applications for registration required under this section shall be prepared and submitted by the relevant hosting center.

5. By the 15th day of each January, each registered hosting center shall inform the Board in writing of any changes in the information provided in its application for registration, and the applications for registration of any owner, operator, or person having significant involvement with the hosting center, or provide the Board with an affirmative statement indicating that there have been no changes to that information. If such information or statement is not provided to the Board within ninety days of January 15th of each year, the hosting center's registration, and the registrations of each owner, operator, and person having significant involvement with the hosting center will lapse. If any registrations lapse pursuant to this subsection, the applicable registrants must reapply for registration with the Board in order to reinstate the person's or entity's registered status.

6. The Board Chair, or the Chair's designee, in his or her sole and absolute discretion may, upon receipt of a written request:

(a) Waive the registration requirements of subsections 2(a) and 2(b) for an individual or entity that currently holds a nonrestricted gaming license, or an affiliate thereof that has been registered or found suitable by the Commission; or

(b) Waive the registration requirements of subsection 2(c) if the hosting center can demonstrate, to the Chair's or the Chair's designee's satisfaction, that the disclosure to the Board of certain information required under that subsection would hinder operations or pose a hardship due to contractual obligations.

(Adopted: 7/11.)

#### **5.231 Hosting center; access to premises.**

1. The premises on which a registered hosting center is located is subject to the power and authority of the Board and Commission pursuant to NRS 463.140, as though the premises is where gaming is conducted and as if the hosting center is a gaming licensee. The Chair may waive this requirement for portions of the hosting center premises if the hosting center can demonstrate to the Chair's satisfaction that:

(a) Such portions do not host certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation; and

(b) Access to such portions of the premises causes undue hardship on the hosting center or its tenants.

(Adopted: 7/11.)

#### **5.232 Hosting center; determination of suitability.**

1. The Commission may, upon recommendation of the Board, require a person or entity owning, operating or having a significant involvement with a hosting center to file an application for finding of suitability to be associated with licensed gaming, including race book or sports book operations.

2. The Commission shall give written notice to a person or entity of its decision to require the filing of an application for a finding of suitability under subsection 1. Unless otherwise stated by the Commission in its written notice, a person or entity that has been ordered to file an application for a finding of suitability may continue to own, operate, or otherwise be involved with a registered hosting center unless and until the Commission finds the person unsuitable.

3. If the Commission finds any person or entity to be unsuitable under this section:

(a) The registration of such person or entity is thereupon cancelled; and

(b) All registered hosting centers and gaming licensees shall, upon written notification from the Board, terminate any existing relationship, direct or indirect, with such person.

4. Failure of a gaming licensee to terminate any association or agreement, direct or indirect, with a person or entity found unsuitable under this section upon receiving written notice of the determination of unsuitability constitutes an unsuitable method of operation.

5. Failure of a registered hosting center to terminate any association or agreement with a person or entity found unsuitable under this section upon receiving written notice of the determination of unsuitability shall constitute grounds for the revocation of the hosting center's registration.

6. The Commission retains jurisdiction to determine the suitability of a person or entity described in paragraph 1 regardless of whether or not that person or entity has severed any relationship with a registered hosting center or gaming licensee.

7. Failure on the part of a person or entity described in paragraph 1 to submit an application for a finding of suitability within 30 days of being demanded to do so by the Commission shall constitute grounds for a finding of unsuitability of that person or entity.

(Adopted: 7/11.)

#### **5.235 Hosting center; requirements on licensees utilizing hosting centers; limitations on operations at hosting centers.**

1. Gaming licensees may only operate parts of any game, gaming device, cashless wagering system or race book or sports pool operation at hosting centers that have an active registration with the Board pursuant to regulation 5.230.

2. A gaming licensee must report in writing to the Board the name of any registered hosting center it intends to utilize along with a description of what operations will take place at the hosting center. A gaming licensee must inform the Board in writing should any operations at the hosting center change or if the gaming licensee ceases operations at the hosting center altogether.

3. The parts of the operation of any game, gaming device, cashless wagering system or race book or sports pool operation that involve the physical acceptance of a wager from a patron or payout of winnings to a patron cannot occur at the hosting center, but rather must only occur in such manner and location as allowed under the Gaming Control Act or the regulations adopted thereunder.

(Adopted: 7/11.)

#### **5.240 Service Providers.**

1. Findings. The Commission hereby finds that service providers are secure and reliable, that service providers do not pose a threat to the integrity of gaming, and that service providers are consistent with the public policy of this State as set forth in to NRS 463.0129.

2. Definitions.

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

(b) "Information technology service provider" means a person who, on behalf of a licensee, provides management, support, security, or disaster recovery services for games, gaming devices, or associated equipment.

(c) "Service provider" means a person who:

(1) Is a cash access and wagering instrument service provider as defined in NRS 463.01395; or

(2) Is an information technology service provider.

3. A licensee may only use a service provider that is registered as such with the Board or a person holding a manufacturer's license issued by the Commission pursuant to NRS 463.650 to the extent the manufacturer is supporting such manufacturer's gaming products. The Board shall make a list available of all registered service providers.

4. A licensee continues to have an obligation to ensure, and remains responsible for, compliance with this regulation, the Nevada Gaming Control Act and all other regulations of the Commission regardless of its use of a service provider.

5. Except as otherwise provided in this subsection, a person may act as a service provider only if that person is registered with the Board pursuant to this section. Once registered, a service provider may act on behalf of one or more gaming licensees. Any person holding a manufacturer's license issued by the Commission pursuant to NRS 463.650 may perform the services of a service provider without registering pursuant to this section only if such services are limited to supporting such manufacturer's gaming products.

6. Service providers, including each direct or beneficial owner of 10% or more of the service provider and any person having significant control over the operations of the service provider, as determined by the Chair, including without limitation, officers, directors, or other principals, must register with the Board. A registration issued by the Board pursuant to this section expires five years after the Chair sends notice to the service provider that the service provider is registered with the Board, and every five years thereafter if a completed application for renewal of registration is received by the Board prior to the expiration of the

registration. A completed application for renewal of registration must be submitted to the Board not less than 60 days prior to the expiration of the registration.

7. A service provider shall not provide services as a service provider until the Chair notifies the service provider in writing that the service provider is registered with the Board.

8. Applications for registration, or renewal of registration, as a service provider must include:

(a) Completed forms as furnished by the Board, information, and documents as required by the Chair;

(b) A written statement, signed under penalty of perjury on a form furnished or approved by the Board, affirming that the service provider, including each person otherwise required to be registered pursuant to subsection 6:

(1) Submits to the jurisdiction of the State of Nevada, the Board, and the Commission;

(2) Agrees to be governed and bound by the laws of the State of Nevada and the regulations of the Commission;

(3) Provided complete and accurate information to the Board; and

(4) Will cooperate with all requests, inquiries, and investigations of the Board or Commission;

(c) If a natural person, one complete set of fingerprints from the service provider, and from each person otherwise required to be registered pursuant to subsection 6;

(d) A registration and investigation fee, as determined by the Chair, not to exceed \$10,000; and

(e) Any additional information requested by the Chair.

9. A service provider must not be registered with the Board unless the Chair is satisfied, based on the information provided pursuant to this subsection, that the service provider meets the standards established pursuant to NRS 463.170.

10. A service provider shall have the burden of showing that its operations are secure and reliable.

11. A person who has a pending application for registration as a service provider shall report any changes to the information required pursuant to subsection 8 within 30 days of such change.

12. A person registered as a service provider shall report any changes in who owns 10% or more of the direct or beneficial ownership of the service provider and any changes in the service provider's principals within 30 days of such changes. The Chair may, in the Chair's sole and absolute discretion, require additional information or a new registration as a service provider if there is such a change in ownership.

13. At any time prior to notifying the service provider in writing that the service provider is registered with the Board or that the service provider's registration with the Board is renewed, the Chair may object to the registration of a service provider for any cause deemed reasonable by the Chair and such service provider shall not be registered.

14. At any time after registration, the Chair may cancel the registration of a service provider if the service provider, including any of those persons required to register pursuant to subsection 6, is convicted of a felony. The effective date of cancellation of a registration as a service provider issued pursuant to this section shall be 5 days after the Board deposits notice of cancellation to the service provider's last known address with the United States Postal Service with postage thereon prepaid. The Board shall notify licensees of such cancellation and the effective date thereof.

15. The objection to or cancellation of the registration of a service provider shall be considered an administrative decision subject to review upon appeal by the service provider pursuant to the procedures established by Regulations 4.185, 4.190 and 4.195. A service provider is prohibited from applying for registration as a service provider to the Board for 1 year from the date of notice of the objection to or cancellation of the registration of a service provider, or the final decision on any appeal of such objection or cancellation, whichever occurs later.

16. The premises on which a service provider conducts its operations is subject to the power and authority of the Board and Commission pursuant to NRS 463.140.

17. A service provider shall be liable to the licensee on whose behalf the service provider acts for the service provider's proportionate share of the fees and taxes paid by the licensee.

18. The Commission may, upon a recommendation from the Board, require any person owning, operating, or having a significant involvement with a service provider to file an application for a finding of suitability at any time by providing written notice to the person. A person required to file an application for a finding of suitability pursuant to this subsection shall apply within 30 days of the person's receipt of written notice. Failure to timely submit an application for a finding of suitability shall constitute grounds for a finding of unsuitability.

19. A person required to file an application for a finding of suitability pursuant subsection 18 does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under this section.

20. If the Commission finds any person owning, operating, or having a significant involvement with a service provider to be unsuitable under this section, the registered service provider and gaming licensees shall, upon written notification from the Board, terminate any existing relationship, direct or indirect, with such person. Failure to terminate such relationship may be deemed to be an unsuitable method of operation.

21. No determination of suitability of a person owning, operating, or having a significant involvement with a service provider shall preclude a later determination by the Commission of unsuitability.

22. All service provider licenses issued by the Commission prior to July 1, 2019 shall remain valid until such licenses expire on December 31, 2019. Any service provider, as defined pursuant to this section, holding a service provider license issued by the Commission as of December 31, 2019, shall be deemed registered as a service provider with the Board as follows:

(a) Until March 2, 2020 if the service provider license was initially issued prior to January 1, 2015; or

(b) For five years following the date of the initial issuance of the service provider license if the service provider license was initially issued on or after January 1, 2015.

(Adopted: 12/11. Amended: 8/12; 9/12; 4/16; 10/19.)

**5.250 Licensed gaming establishment or other gaming business required to maintain written policies and procedures prohibiting workplace discrimination or harassment. [Effective 3/1/20.]**

1. Each licensed gaming establishment or other gaming business that employs 15 or more employees shall adopt and implement written policies and procedures prohibiting workplace discrimination or harassment of a person based on the person's race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, including, without limitation, sexual harassment. Such written policies and procedures must include, without limitation:

(a) The procedures and methods available to a person seeking to report an instance of workplace discrimination or harassment; and

(b) The procedures the licensed gaming establishment or other gaming business will follow when investigating a report of workplace discrimination or harassment.

2. The written policies and procedures required by this section shall address and apply to workplace discrimination or harassment, including, without limitation, sexual harassment, committed by:

(a) A person within the organization, including, without limitation, an owner, manager, employee, or independent contractor; or

(b) A person outside the organization, including, without limitation, a customer, client, vendor, contractor, consultant, or other person that does business with the organization.

↳ For purposes of this subsection, the term "organization" means a licensed gaming establishment or other gaming business.

3. The Board Chair, the Chair's designee, or a Board Member may, at any time, inspect the written policies and procedures required pursuant to this section, and all records related thereto of a licensed gaming establishment or other gaming business.

4. The Board Chair, or the Chair's designee, may require a licensed gaming establishment or other gaming business to submit the written policies and procedures adopted and implemented pursuant to subsection 1 for the Chair's, or the Chair's designee's, review. If the Chair, or the Chair's designee, makes an administrative determination that the licensed gaming establishment's or other gaming business's written policies and procedures do not adequately address the requirements set forth in subsection 1, the Chair, or the Chair's designee, may issue a determination identifying the deficiency and specifying a time certain within which the deficiency must be cured. Any licensed gaming establishment or other gaming business affected by such an administrative determination may appeal the determination as provided in sections 4.190 and 4.195 of these Regulations.

5. As used in this section, "other gaming business" means a business entity or sole proprietor licensed, registered, or found suitable under chapter 463 of NRS that is not a licensed gaming establishment as defined in NRS 463.0169.

(Adopted: 11/19.)

## CLUB VENUES

### 5.300 Applicability.

1. Sections 5.300 through 5.380 shall only apply to club venues which:
  - (a) Serve alcohol from at least one bar which is not portable;
  - (b) Have at least one designated area where patrons are permitted to dance; and
  - (c) Charge an admission fee or cover charge.
2. The Chair may, in the Chair's sole and absolute discretion, designate additional club venues to which sections 5.300 through 5.380 shall apply.
3. The Chair may, in the Chair's sole and absolute discretion, limit the application of sections 5.300 through 5.380 with regard to:
  - (a) Club venues operating primarily as showrooms, theaters, concert venues, or interactive entertainment centers;
  - (b) Club venues hosting short-term events conducted by a licensee or club venue operator in conjunction with a convention, corporate, or charitable event; or
  - (c) Other club venues the Chair finds are not venues which require regulation as a club venue.
4. Sections 5.300 through 5.380 shall not apply to venues which hold an event or events which would cause the venue to qualify as a club venue only during the event or events if the cumulative time period of such event or events does not exceed 4 days per year. If a venue holds an event or events which would cause the venue to qualify as a club venue only during the event or events and the cumulative time period of such event or events exceeds 4 days per year, the venue shall comply with sections 5.300 through 5.380 only while holding such event or events.
  - (a) For the purposes of this subsection, "day" means one period of 24 consecutive hours commencing at a time and date chosen by a licensee or club venue operator.
  - (b) For the purposes of this subsection, "year" means July 1st through June 30th.  
(Adopted: 11/15. Amended: 3/18.)

### 5.305 Definitions. As used for sections 5.300 through 5.380:

1. "Chair" means the Chair of the Board or the Chair's designee.
2. "Consideration" specifically includes but is not limited to:
  - (a) A waived entrance/admission fee, line pass, drink voucher, or any type of monetary compensation and
  - (b) A trade or credit that is only valid at the club venue where earned whether or not the trade or credit is transferable.
3. "Hosting or VIP services" means:
  - (a) Arranging access to a club venue or
  - (b) Reserving tables at a club venue

→ If the person providing such services has any in-person contact with the patrons of a club venue at the club venue or at the premises on which the club venue is located.
4. "Independent host"
  - (a) Means a person who is not directly employed by a licensee or club venue operator and who provides hosting or VIP services for a club venue for any form of consideration.
  - (b) Does not mean:
    - (1) Hotel concierges,
    - (2) Licensed ticket brokers, and employees of licensed ticket brokers, and
    - (3) Persons who would otherwise be considered an independent host under this subsection who the Chair finds do not require regulation as independent hosts.  
(Adopted: 11/15. Amended: 3/18.)

**5.310 Employees designated to monitor club venues.** A licensee shall designate at least one of its employees to monitor club venues at its establishment. Such employees shall be specifically designated as "club venue monitors" on employee reports submitted to the Board pursuant to Regulation 3.100. If an employee designated as "club venue monitor" ceases to be employed in that capacity and no other employee is designated as a "club venue monitor" for a licensee, the licensee shall designate a new "club venue monitor" within 10 days.

(Adopted: 11/15. Amended: 3/18.)



### **5.320 Registration of club venue employees.**

1. When not in conflict with this section, the gaming employee provisions of NRS 463.335 through 463.337, inclusive, and Regulations 5.100 through 5.109, inclusive, shall apply to persons required to register in the same manner as gaming employees pursuant to this section.

2. The following individuals who are employed by a club venue or who perform services for or at a club venue pursuant to contract are club venue employees:

- (a) Any individual who provides hosting or VIP services;
- (b) Bartenders and bar backs;
- (c) Restroom attendants;
- (d) Security and surveillance personnel;
- (e) Servers, server assistants, and bussers; and

(f) Supervisors and managers who supervise any individuals required to register pursuant to this section.

↳ These individuals shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in Nevada Revised Statute 463.0129.

3. Independent hosts required to register pursuant to section 5.345 are not required to register in the same manner as gaming employees. Employees or contractors of an independent host which have in-person contact with club venue patrons shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in Nevada Revised Statute 463.0129. A licensee or club venue operator shall not allow the employees and contractors of an independent host to represent the independent host in its club venue unless such employees or contractors are registered pursuant to this section.

4. Employees of a club venue operator or independent host who have access to the Board's system of records for the purpose of processing the registrations required by this section shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in Nevada Revised Statute 463.0129.

5. The licensee which operates a club venue, club venue operator, or independent host shall be responsible for compliance with the registered gaming employee requirements for persons employed or contracted to work at the club venue.

(Adopted: 11/15. Amended: 3/18.)

### **5.330 Security and surveillance.**

1. A licensee or club venue operator, as applicable, shall regularly assess entertainment and events occurring within the club venue or which may impact attendance at the club venue to determine and engage appropriate security personnel.

2. To the extent applicable, the procedures, rights, remedies, and requirements set out in section 5.160 and applicable surveillance standards shall apply to the club venue surveillance systems.

(Adopted: 11/15.)

### **5.335 Medical staffing requirements.**

1. As used in this section, the terms "emergency medical technician" and "advanced emergency medical technician" shall have the meanings ascribed by NRS chapter 450B.

2. A club venue operator or licensee which anticipates attendance of between 1,000 and 2,000 patrons within a club venue and waiting for entrance into the club venue shall have or contract to have at least one emergency medical technician onsite during club venue operation to perform initial emergency or non-emergency assessment and care and to make proper transport decisions. An emergency medical technician may concurrently perform security functions for the club venue.

3. A club venue operator or licensee which anticipates a total of 2,000 or more patrons to be present within the club venue and awaiting entrance into the club venue shall have or contract to have at least one advanced emergency medical technician ambulance on site during club venue operation to perform initial emergency or non-emergency assessment and care and to make proper transport decisions.

4. Security personnel employed or contracted to work at a club venue shall receive annual awareness training on how to best interact with and assist onsite or responding emergency medical service providers. Such training shall be reviewed and approved by an instructor who has a current endorsement as an

instructor in emergency medical services from the State of Nevada, Department of Health and Human Services, Division of Public and Behavioral Health or from the Southern Nevada Health District. It will be the responsibility of the licensee and club venue operators to document the completion of said training for each employee on an annual basis.

(Adopted: 11/15. Amended: 3/18.)

**5.340 Independent host written agreements.** A licensee or club venue operator shall have a written agreement with an independent host for the club venues owned or operated by the licensee or club venue operator at which the independent host provides hosting or VIP services.

(Adopted: 11/15. Amended: 3/18.)

**5.345 Registration of Independent Hosts.**

1. An independent host must register with the Board. The registration must be renewed every five years.

2. An independent host shall not provide hosting or VIP services until the Chair notifies the independent host in writing that the Board has registered the independent host. A licensee or club venue operator shall not allow an independent host to provide hosting or VIP services in its club venue unless the independent host is registered with the Board pursuant to this section. The Board shall make a list of registered independent hosts available to licensees and club venue operators.

3. An application for registration or renewal pursuant to this section must include the following:

(a) Completed forms, information, and documents as required by the Chair;

(b) A written statement, signed under penalty of perjury on a form furnished or approved by the Board, that the independent host:

(1) Submits to the jurisdiction of the State of Nevada, the Board, and the Commission;

(2) Designates the Secretary of State as its representative upon whom service of process may be made;

(3) Agrees to be governed and bound by the laws of the State of Nevada and the regulations of the Commission;

(4) Provided complete and accurate information to the Board; and

(5) Will cooperate with all requests, inquiries, and investigations of the Board or Commission;

(c) One complete set of fingerprints from the person registering and from each of the direct and beneficial owners thereof, if any (if a natural person);

(d) Signed statements from the person registering and each of the direct and beneficial owners thereof, if any, agreeing to comply with any drug testing ordered by the Chair;

(e) A fee set by the Chair not to exceed the fee charged for registering as an independent agent; and

(f) Any additional information requested by the Chair.

4. The Chair may object to the registration of an independent host for any cause the Chair deems reasonable. If the Chair objects to the registration of an independent host, the Chair shall send written notice of the decision to the independent host.

(a) Objection by the Chair to the registration of an independent host shall be considered an administrative decision and shall be reviewable upon appeal by the objected to independent host pursuant to the procedures set forth in Regulations 4.185, 4.190, and 4.195.

(b) An independent host may not file for registration with the Board prior to the expiration of 1 year from the date of a notice of the Chair objecting to the registration of the independent host. Such independent host shall not commence providing hosting or VIP services prior to the Chair approving the registration.

5. A person registered, or a person who has a pending filing for registration, pursuant to this section shall report changes to the information required pursuant to subsection 3 to the Board within 30 days of such change. The Chair may, in the Chair's sole and absolute discretion, require a new registration pursuant to subsection 1 of this section if there is a change in ownership.

6. The Chair may cancel the registration of an independent host if the independent host or direct or beneficial owner thereof:

(a) Is convicted of a felony;

(b) Is convicted for illegal activity occurring on the premises of a licensee; or

(c) Fails to comply with any drug testing ordered by the Chair or a drug test ordered by the Chair shows a positive result for a controlled substance.

➤ The effective date of cancellation pursuant to this subsection shall be 5 days after the Board deposits notice of cancellation to the independent host's last known address with the United States Postal Service with the postage thereon prepaid. The Board shall notify all licensees which operate a club venue and club venue operators of such cancellation and the effective date thereof. The Board shall also send notice of the cancellation to the Secretary of State as designated representative of the independent agent upon whom service of process may be made.

7. The cancellation of the registration of an independent host shall be considered an administrative decision and shall be reviewable upon appeal by the independent host pursuant to the procedures set forth in Regulations 4.185, 4.190, and 4.195. An independent host may not file for registration with the Board prior to the expiration of 1 year from the date of the later of notice of the cancellation or the final decision on any appeal of such cancellation.

8. If the Board receives a copy of a court order related to child support issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is registered as an independent host:

(a) The Board shall deem the registration of that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Board receives a letter issued to the independent host by the district attorney or other public agency pursuant to NRS 425.550 stating that the independent host has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

(b) The Board shall reinstate the registration as an independent host of a person that has been suspended by a district court pursuant to NRS 425.540 if the Board receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose registration was suspended stating that the person whose registration was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

(c) The Board shall notify all licensees which operate a club venue and club venue operators of such suspension or reinstatement and the effective dates thereof.

9. The Commission may require a person registered pursuant to this section to file an application for a finding of suitability at any time by sending notice to the person through the United States Postal Service to the person's address on file with the Board. A person called forward pursuant to this subsection shall apply for a finding of suitability as required by the Commission within 30 days of the person's receipt of notice. The notice shall be deemed to have been received by the person 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.

10. If a person registered pursuant to this section does not file an application for a finding of suitability within 30 days following receipt of notice that the Commission is requiring a person registered pursuant to this section to file an application for a finding of suitability, the Board shall notify all licensees which operate a club venue and club venue operators. A licensee or club venue operator shall not allow an independent host which has failed to file an application for finding of suitability pursuant to this section to provide services in a club venue. A licensee or club venue operator allowing such independent host to provide services in a club venue shall constitute grounds for disciplinary action.

11. If the Commission finds a registered independent host to be unsuitable, the registration of such registered independent host is thereupon cancelled. A licensee, club venue operator, or independent host shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such independent host. Failure to terminate such relationship may be deemed to be an unsuitable method of operation. No determination of suitability of an independent host shall preclude a later determination by the Commission of unsuitability.

12. Upon the Commission requiring a person who is required to be registered by this section to apply for a finding of suitability, the person does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

13. A licensee or club venue operator shall provide to the Board within 15 days following each calendar month, separate reports listing all independent hosts:

(a) With which the licensee or club venue operator has an active agreement and

(b) With which the licensee or club venue operator terminated its business relationship during that month. Such reports shall include truthful statements of the reason(s) for each termination of business relationship and any additional information regarding the terminations requested by the Chair.

(Adopted: 11/15. Amended: 3/18.)

**5.350 Reserved.**

(Adopted: 11/15.)

**5.360 Required policies and procedures.**

1. Each Licensee with at least one club venue on its premises shall have written policies and procedures for club venues that seek to foster the public health, safety, morals, good order, and general welfare of the patrons.

2. In order to determine whether a licensee has established appropriate policies and procedures to monitor, control and regulate club venues, the Board and Commission may consider some or all of the following factors:

- (a) What procedures are in place to demonstrate compliance with these regulations;
- (b) The extent of background investigations conducted by the licensee or club venue operator prior to hiring club venue security, employees, independent host, vendors and entertainers;
- (c) The extent to which the licensee or club venue operator provides every club venue employee, or independent host with a written policy detailing the standard of conduct for club venue operations, and the extent to which the licensee or club venue operator informs the club venue employees, and independent host of the club venue policy and receives their agreement to follow it;
- (d) The extent to which the licensee or club venue operator conducts regular meetings with club venue employees, independent host, on-site and relevant vendors, and entertainment talent and their staff to discuss club venue policies and daily operating, security and safety concerns;
- (e) The extent of the training and work experience of security management and staff responsible for enforcing the licensee's or club venue operator's club venue policy;
- (f) The extent to which a program is in place to conduct undercover "shop" operations at the club venue to determine if employees are engaging in, or otherwise permitting, illegal or inappropriate behavior, the type of background or training the individuals involved in the undercover "shop" program have, and records detailing the results of the undercover "shop" program;
- (g) The extent to which the licensee's or club venue operator's management is actively involved in the oversight of club venue policies and procedures including management's participation in initial and continued training of club venue security and employees and management's active participation in monitoring club venue activities;
- (h) The extent to which the licensee's or club venue operator's management interacts with law enforcement agencies and other licensees to develop and implement best practices regarding club venue operations and the extent to which management solicits the assistance of, and training by, law enforcement agencies or reputable private industry firms to reduce incidents of illegal or inappropriate behavior by employees, independent host, and patrons;
- (i) The extent to which the licensee or club venue operator engages in pro-active and cooperative support of law enforcement agencies in their efforts to help regulate, monitor and protect the licensee, the club venue operator, if applicable, and the club venue operations;
- (j) The extent to which the licensee conducts meetings with the club venue operator, as necessary, to discuss issues related to club venue operations;
- (k) The extent to which club venue management, employees and security staff are trained to detect the use of false or misused identification. Such training should include similar detection techniques for foreign identifications and passports and other forms of identification not readily encountered in the U.S.;
- (l) The extent to which club venue management, employees and security staff receive training with regard to ensuring the safety of all employees and guests. Such training topics should include, but not be limited to, sexual assault, controlled substance use, gangs, and active shooter;
- (m) The extent to which the club venue will deter excessive consumption of alcohol by patrons, will require employees to notify club venue management of individuals showing significant signs of impairment due to alcohol or any other drug, and will regularly assess the need for medical response services, so that patrons exhibiting signs of excessive inebriation or drug impairment can be treated or transported to a medical facility, as determined by trained emergency medical personnel;
- (n) The extent to which club venues maintain procedures for confiscation and disposal of suspected illegal controlled substances or other suspected illegal contraband;

(o) The criteria for trespassing patrons or referring patrons to law enforcement because of suspected illegal conduct;

(p) The extent to which club venues maintain procedures for termination of employees and exclusion of independent hosts who are involved in illegal or inappropriate conduct and the extent to which the licensee or club venue operator maintains records detailing terminations and exclusions;

(q) How the licensee or club venue operator will control its restrooms. Such policy shall address, but not be limited to, security and restroom attendants;

(r) The extent to which the licensee or club venue operator maintains records showing the number of individuals trespassed from club venues or referred to law enforcement because of illegal or inappropriate behavior;

(s) The extent to which drug testing of club venue employees occurs; and

(t) The extent to which any other policies or procedures implemented by the licensee or club venue operator exhibit commitment to promoting the public health, safety, morals, good order and general welfare of patrons and employees at club venues.

3. Each Licensee with at least one club venue on its premises shall submit such policies and procedures to the Chair for approval at least annually and shall submit material changes to such policies and procedures within 60 days of such changes. If the Chair does not disapprove the submitted policies and procedures within 60 working days of receipt of them, the policies and procedures will be deemed approved. From time to time, the Board or Commission may publish topics believed to impact the public health, safety, morals, good order and general welfare of patrons and employees of club venues and request that the club venue policies and procedures be updated to address such topics.

4. Whether licensees and club venue operators are operating in accordance with the policies and procedures approved by the Chair shall be considered by the Board in deciding whether or not to file any disciplinary action related to a club venue and by the Commission in determining whether discipline is appropriate.

(Adopted: 11/15. Amended: 3/18.)

### **5.370 Access to club venue and production of records.**

1. Upon request, a licensee or club venue operator shall produce to the Board all records regarding the operation of a club venue that the Board deems relevant to a Board investigation or inquiry.

2. Upon display of a badge issued by the Board and an identification card signed by a Board member, a licensee or club venue operator shall ensure all Board members and agents have immediate access to all areas of a club venue owned or operated by the licensee or club venue operator. In addition to areas accessible by the club venue's patrons, this shall include areas not accessible to the club venue's patrons including but not limited to offices, kitchens, storage rooms, record rooms, computer rooms, and surveillance rooms. Similar access shall be granted to any Commission member who displays an identification card signed by the governor.

3. A licensee with one or more club venues at its establishment, shall establish a revolving account with the Board in an amount determined by the Chair which shall not exceed \$20,000 which shall be used to pay the expenses of the Board and Commission conducting undercover observations and operations at club venues. In lieu of each licensee establishing such revolving account, a single revolving account may be established with the Board by affiliated licensees in an amount determined by the Chair which shall not exceed \$50,000. With a request from the Board that additional funds be transferred into a revolving account established pursuant to this subsection, the Board shall provide the total amount of expenditures from the account for each club venue covered by the account.

4. A licensee with a club venue at its establishment operated by a club venue operator shall be responsible for the club venue operator's compliance with this section.

5. All records, reports and information provided to the Board or Commission pursuant to this section, and any communications related thereto with the Board or the Commission or any of their agents or employees, will be subject in all cases to NRS 463.120 and 463.3407.

[Effective 7/1/18.]

6. A licensee with a club venue at its establishment operated by a club venue operator shall be responsible for the club venue operator's compliance with this section.

7. All records, reports and information provided to the Board or Commission pursuant to this section, and any communications related thereto with the Board or the Commission or any of their agents or employees, will be subject in all cases to NRS 463.120 and 463.3407.

(Adopted: 11/15. Amended: 3/18.)

**5.380 Unsuitable methods of operation.**

1. It may be deemed an unsuitable method of operation where a licensee fails to take immediate appropriate action if it knew or should have known an employee of the licensee, an employee of a club venue operator, or an independent host was engaging in or facilitating illegal activity at the licensee's establishment.

2. The requirements herein set a minimum threshold if a licensee allows a club venue at its establishment.

3. It may be deemed an unsuitable method of operation where the licensee meets the requirements concerning club venues in this regulation but fails to cause club venues to operate in a manner suitable to protect the public health, safety, morals, good order, and general welfare of the inhabitants of the State of Nevada or to prevent club venues from allowing incidents which might reflect on the repute of the State of Nevada and act as a detriment to the development of the industry. Compliance with the requirements concerning club venues in this regulation may be considered by the Board in deciding whether or not to pursue discipline related to a club venue.

4. The primary responsibility to protect the reputation of gaming in Nevada, to foster the development of the gaming industry, and to protect the reputation of the State of Nevada is on the licensee which allows a club venue on its premises. Primary responsibility for protecting the health, safety, morals, good order, and general welfare of the patrons and employees of a club venue is on the licensee which allows a club venue on its premises.

(Adopted: 11/15. Amended: 3/18.)

**End – Regulation 5**