

REGULATION 6

ACCOUNTING REGULATIONS

PROPOSED AMENDMENTS TO REGULATION 6

PURPOSE: In accordance with NRS 463.145, NRS 463.150, NRS 463.1595, and S.B. 46 passed during the 2019 Legislative Session, to amend Regulation 6.110(12)(a) and (c) to make the taking of certain deductions discretionary as opposed to mandatory; to create a new subsection (13) to Regulation 6.110 to provide for the calculation of gross revenue for contests and tournaments conducted in conjunction with a game or gaming device; to reformat certain non-substantive provisions in Regulations 6.110(12) and 6.120(3); and to take such additional action as may be necessary and proper to effectuate these stated purposes.

(As Adopted: 11/21/19)

New

~~{Deleted}~~

6.110 Gross revenue computations.

1. [No change]
2. [No change]
3. [No change]
4. [No change]
5. [No change]
6. [No change]
7. [No change]
8. [No change]
9. [No change]
10. [No change]
11. [No change]

12. For payout receipts and wagering vouchers issued at a slot machine offered for play at a gaming establishment that operates under a nonrestricted license:

(a) The redemption value shall be deducted from gross revenue as a jackpot payout in the month the receipt or voucher is issued at the slot machine.

(b) Such receipts and wagering vouchers shall be deemed expired if not redeemed on or before the expiration date printed on the payout receipt or wagering voucher or within 180 days of issuance, whichever period is less. For payout receipts or wagering vouchers that have been deemed expired under this section, the licensee shall:

(1) Include 25 percent of the redemption value in reported gross revenue in the month that the payout receipt or wagering voucher expired; and

(2) On or before the 15th day of the month following the end of each calendar quarter:

~~(i)~~ (I) Report to the Commission the total redemption value of all unredeemed payout receipts and wagering vouchers that expired during the preceding calendar quarter; and

~~(ii)~~ (II) Remit to the Commission 75 percent of the total redemption value of all unredeemed payout receipts and wagering vouchers that expired during the preceding calendar quarter.

(c) While under no legal obligation to do so, a licensee may allow a patron to redeem a payout receipt or wagering voucher that has been deemed expired pursuant to this section. In such cases:

(1) If any portion of the redemption value of the expired payout receipt or wagering voucher had been included in reported gross revenue, the licensee ~~shall~~ may deduct that amount from reported gross revenue for the month the receipt or voucher was redeemed.

(2) If redeemed in the same quarter it expired, no portion of the redemption value of the payout receipt or wagering voucher is to be remitted to the Commission, nor is any portion of the redemption value to be included in the quarterly report to the Commission.

(3) If any portion of the redemption value of the expired payout receipt or wagering voucher was previously remitted to the Commission, the licensee ~~shall~~ may deduct that amount from the next quarterly payment due the Commission up to the total amount due for that quarter. Any remaining amount ~~shall~~ may be deducted in the

same manner from amounts due in subsequent quarters until the amount has been fully deducted.

13. For contests or tournaments, gross revenue equals cash received by the licensee as entry fees for a contest or tournament conducted in conjunction with a game or gaming device less all cash and the cost of any noncash prizes paid out to participants in the contest or tournament. The cash and the cost of noncash prizes paid out to contest or tournament participants must not be deducted from gross revenue in an amount that exceeds the cash received for the right to participate in the contest or tournament. A licensee shall calculate and report gross revenue on an independent, contest-by-contest or tournament-by-tournament, basis and only upon the conclusion of the contest or tournament. For purposes of this subsection, “entry fees” include all cash received for the right or privilege to participate, in any way, in a contest or tournament.

6.120 Treatment of credit for purposes of computing gross revenue.

1. [No change]
2. [No change]
3. A licensee, after extending credit, shall:
 - (a) Document that it has:
 - (1) Attempted to collect payment from the patron once every ninety (90) days from the date:
 - ~~(i)~~ (I) The credit is extended; or
 - ~~(ii)~~ (II) Upon which the licensee and patron agree that the debt will become due and payable. An agreement by the licensee and the patron to extend the date the debt becomes due and payable beyond ninety (90) days from the date the credit was extended must be documented. If the agreement is not documented, collection attempts must be made as provided in this subsection, until the agreement is documented. Notwithstanding the forgoing, the licensee must commence collection efforts within ninety (90) days after the date which

is eighteen (18) months after the date on which the credit is extended regardless of any agreement to extend the due date.

(2) Attempted to collect payment from the patron by requesting payment in letters sent to the patron's last-known address, or via facsimile transmission or electronic mail, or in personal or telephone conversations with the patron, or by presenting the credit instrument to the patron's bank for collection, or by a collection method or methods which the Chair determines to constitute good faith efforts to collect the full amount of the debt.

(b) Furnish the credit instrument to the Board within 30 days after the audit division's request, unless the licensee has independent, written, and reliable verification that the credit instrument is in the possession of a court, governmental agency, or financial institution; has been returned to the patron upon partial payment of the instrument; has been returned to the patron upon the licensee's good faith belief that it had entered into a valid settlement and the licensee provides a copy of the original credit instrument and a document created contemporaneously with the settlement that contains the information required by subsection 6(b)(1)-(6) of this section; has been stolen and the licensee has made a written report of the theft to an appropriate law enforcement agency, other than the Board, having jurisdiction to investigate the theft; or the Chair waives the requirements of the subsection because the credit instrument cannot be produced because of any other circumstances beyond the licensee's control.

(1) Theft reports made pursuant to this paragraph must be made within 30 days of the licensee's discovery of the theft and must include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged theft, and the names of employees or agents of the licensee who may be contacted for further information. Each licensee shall furnish to the audit division a copy of theft reports made pursuant to this paragraph within 30 days of its request.

(2) If the licensee has returned a credit instrument upon partial payment, consolidation, or redemption of the debt, it shall issue a new "substituted" credit instrument in place of the original and shall furnish the substituted credit instrument to the audit division within 30 days of its request, unless the licensee has independent, written, and reliable verification that the substituted credit instrument cannot be produced because it is in the possession of a court, governmental agency, or

financial institution; has been stolen and the licensee has made a written report of the theft to an appropriate law enforcement agency, other than the Board, having jurisdiction to investigate the theft; or the Chair waives the requirements of this subparagraph because the substituted credit instrument cannot be produced because of any other circumstances beyond the licensee's control.

(c) Submit a written report of a forgery, if any, of the patron's signature on the instrument to an appropriate law enforcement agency, other than the Board, having jurisdiction to investigate the forgery. The report must include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged forgery, and identification of employees or agents of the licensee who may be contacted for further information. Each licensee shall furnish a copy of forgery reports made pursuant to this paragraph to the audit division within 30 days of its request.

(d) Permit the audit division within 30 days of its request to confirm in writing with the patron the existence of the debt, the amount of the original credit instrument, and the unpaid balance, if any.

(e) Retain all documents showing, and otherwise make detailed records of, compliance with this subsection, and furnish them to the audit division within 30 days after its request.

4. [No change]
5. [No change]
6. [No change]
7. [No change]
8. [No change]
9. [No change]
10. [No change]