

## PROPOSED AMENDMENTS TO REGULATION 5.200

**PURPOSE:** To repeal the prohibition on slot machines accepting more than \$3,000 in coins, currency, or tokens concurrently with the repeal of the Regulation 6A prohibitions concerning cash exchanges of more than \$3,000; to update the terminology to reflect that statute no longer prefaces the term “gaming salon” with the word “international;” to remove the requirement that a licensee estimate the number of secondary patrons and guests upon a licensee noticing the Board that a gaming salon is open for play; to delete references to surveillance standards in light of Nevada Gaming Commission Regulation 5.160 and Surveillance Standard 10; to change a notification method from facsimile to electronic mail; to modify the table game minimum bet requirement; to modify the supervision requirements imposed on gaming salons; to change front money deposit financial admission criteria; to limit the amount of time a guest may be present in a gaming salon absent a present salon patron; to allow a licensee to apply for more than one gaming salon in its initial application concerning gaming salons; to delete provisions that are redundant with other law; to allow gaming salons for the purpose of maintaining existing revenue; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

### REGULATION 5 OPERATION OF GAMING ESTABLISHMENTS

(Draft Date 9/30/2008)

#### 5.200 Licensing and operation of a ~~an international~~ gaming salon.

1. Definitions. As used in this section:

(a) “Chairman” means the chairman of the state gaming control board or his designee.

~~(b) [“Digital recording” means a method of encoding video information generated from either an analog or digital source into a binary format and storing that information on optical or magnetic media.~~

~~(c) [“Guest” means a non-wagering guest of a primary patron who is permitted access to an international gaming salon.~~

~~(d) [“International-g] 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 [primary] 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)[(e)]~~ “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.

~~[(f) “Primary patron” means the patron who meets the financial criteria for admission to the international gaming salon as set by the licensee and approved by the board.]~~

~~(e)~~(g) “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.

~~[(h) “Secondary patron” means a wagering guest of a primary patron.]~~

2. Applications for a license to operate a ~~[n-international]~~ 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 chairman may require or approve. Only the licensee of the establishment at which the ~~[international]~~ gaming salon or gaming salons will be operated may apply for a license to operate the ~~[international]~~ gaming salon or gaming salons. The application shall provide:

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

(b) ~~[A-c]~~Clear and legible diagrams of the interior of the ~~[international]~~ gaming salon or gaming salons. The diagrams s must be representative and proportional, and include specific reference to the size of the ~~[international]~~ gaming salon or gaming salons through the use of detailed measurements. ~~[While subsequent to initial licensing, a licensee may change the number, type and configuration of the games or devices offered within the international gaming salon as provided within subsection 7, a-d]~~Diagrams must be submitted with the initial application that clearly depict[s] each entrance and exit ~~[as well as the number of table games and slot machines, if any, that will be exposed for play and their location within the international gaming salon].~~

(c) ~~[A description of the type and number of games and gaming devices to be offered and the minimum wagers for each.~~

(d) ~~An organizational chart for the operation of the international gaming salon depicting positions and the duties and responsibilities of each position.~~

~~(e)~~ The proposed amendments relating to the operation of the ~~[international]~~ gaming salon or gaming salons to the establishment’s administrative and accounting procedures adopted pursuant to Regulation 6.090. ~~[Such amendments must comply with the Minimum Internal Control Standards and any other requirements imposed by the chairman.]~~

~~[(f)]~~(d) Financial criteria for admission ~~[by]~~ of a salon ~~[primary]~~ patron to a ~~[the]~~ ~~[international]~~ gaming salon ~~[. Such criteria]~~ shall include a front money deposit of at least \$~~[500,000]~~300,000, or a \$500,000 line of credit, or a combination thereof of at least \$500,000, established by the licensee in accordance with Regulation 6.120 and the licensee’s system of internal control.

~~[(g)]~~(e) Plans for the surveillance and security system for the ~~[international]~~ gaming salon or gaming salons.

~~[(h) A business plan that illustrates the licensee's principal focus is the attraction of new revenue from patrons who satisfy the financial criteria for admission to the international gaming salon.]~~

~~[(i)](f)~~ Such other or additional information and details as may be required or deemed necessary by the chairman.

3. A licensee who operates a ~~[n international]~~ 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 ~~{facsimile}~~ electronic mail transmission, each time the ~~[international]~~ gaming salon is opened to patron play ~~[, identifying the primary patron and estimated number of secondary patrons and guests]~~. The licensee shall be required to provide the same notification to the enforcement division promptly after any gaming salon [the primary patron ceases play] closes and is no longer available for salon patron or guest play.

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

~~(c) [Grant members and agents of the board and commission immediate access to the international gaming salon, all its ante areas, the surveillance room, and all other areas of the establishment in accordance with the provisions of Regulation 5.060.~~

~~(d) Maintain for a period of not less than 90 days, a video or digital recording that captures the entire area within the international gaming salon, including all ante rooms, with the exception of restrooms, with special emphasis on any area within the international gaming salon where lammer buttons, credit instruments, rim cards, chips, tokens or other representatives of value are stored, whenever any of these representatives of value are present in the international gaming salon, drop boxes are attached to the gaming tables or any form of gaming is being conducted]~~ Surveillance shall be maintained in accordance with Surveillance Standard 10.

~~[(e) Establish and thereafter maintain at or above the standard approved, a surveillance and security system for the international gaming salon that has been approved in advance by the chairman. The surveillance and security system approved by the chairman shall be in effect until a Standard is adopted pursuant to the requirements of Regulation 5.160 that specifically addresses international gaming salons. The surveillance and security system for the international gaming salon may be more demanding than the standards for other gaming operations at the resort hotel and must allow for 24-hour per day, seven day a week remote viewing from the offices of the board.~~

~~(f)](d)~~ Ensure that at all times the ~~[international]~~ gaming salon is open to a patron for play, that at least one table game is available for play. Minimum wagers within the ~~[international]~~ gaming salon shall not be less than \$500 for slot

machines. ~~[and]~~ Minimum wagers within the gaming salon shall be set at the discretion of the licensee for table games.

~~[(g)]~~(e) Ensure that at all times a ~~[n-international]~~ gaming salon is open to a patron for play, a supervisory gaming employee [person], in addition to any dealer or dealers present to operate any table games, ~~[who has registered pursuant to subsection 8 of this regulation]~~ is physically present in the salon and actively supervising the operation.

~~[(h)]~~ Establish objective financial criteria for access by the primary patron to the international gaming salon which shall be approved in advance by the chairman. Such financial criteria shall adhere to the requirements set forth within subsection 2(f). If a patron is denied access to the international gaming salon, a record shall be maintained of this event and the board shall be notified immediately.]

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

~~[(j)]~~ Ensure that access to the international gaming salon is not based upon the race, color, religion, national origin, ancestry, physical disability or sex of the patron.

~~[(k)]~~ Ensure that the criteria established by the licensee for access by the primary patron to the international gaming salon does not reflect or tend to reflect discredit upon the State of Nevada or the gaming industry.

~~[(l)]~~ Obtain the written approval of the chairman prior to altering the financial criteria used for determining primary patron access to the international gaming salon.

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

4. ~~[Slot machines may not be exposed for play in an international gaming salon unless:~~

~~(a) The machines are connected to and communicating with an on-line slot metering system meeting the specifications addressed in Regulation 14 and any additional requirements imposed by the chairman;~~

~~(b) The on-line metering system provides transaction reports detailing all wagers made and the resulting payouts for each patron during each gaming session;~~

~~(c) The machines, in accordance with technical standards, are configured in such a manner as to prevent the acceptance of more than \$3,000 in coins, currency, or tokens before a wager must be made or play initiated; and~~

~~(d) If the machines are capable of accepting other instrumentalities approved by the board, the instrumentalities are validated by a cashless wagering system.~~

5.] A salon [primary] patron may be accompanied by as many guests ~~[and secondary patrons]~~ as the licensee permits. ~~[The primary patron must initially be physically present in the international gaming salon when any secondary patron begins placing wagers.]~~ 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 ~~[secondary patrons]~~ guests to continue wagering during periods of time when the salon ~~[primary]~~ patron leaves the ~~[international]~~ gaming salon for a period not to exceed 6 hours.

~~[6]~~5. A license granted by the commission to operate a ~~[n international]~~ gaming salon shall ~~[generally]~~ allow for the initial opening of ~~[only]~~ one or more ~~[international]~~ gaming salons at the resort hotel. Subsequent to initial gaming salon licensing, ~~[E]~~each additional ~~[international]~~ 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 chairman. The chairman, in his sole and absolute discretion, may refer a request for an additional ~~[international]~~ gaming salon to the full board and commission for consideration of approval.

~~[7]~~6. A licensee shall not change the size or location of any approved ~~[the international]~~ gaming salon, or materially alter its physical characteristics, without the prior written administrative approval of the chairman. A licensee may change the number, type and configuration of the games or devices offered within the ~~[international]~~ 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 Chairman, in his sole and absolute discretion, may refer a modification request to the full board and commission for consideration of approval.

~~[8. Prior to assuming duties at the international gaming salon, any individual who supervises, or is directly responsible for the operation of the international gaming salon, shall register with the board on forms provided by the chairman. After reviewing the registration, the chairman may request that the individual file a completed application form. Individuals who object to the request for submission of a completed application form and commencement of a full licensing investigation by the board may appeal the administrative decision to the full board and commission in a manner similar to that outlined in Regulations 4.185 and 4.195. Registration is considered complete only after the chairman notifies the licensee in writing that the international gaming salon supervisor or employee directly responsible for the operation, submitted the information requested by, and in compliance with, this regulation. The board shall have fifteen (15) days in which to notify the licensee in writing that the registration is complete. The registration shall be deemed completed in the absence of a board response. A facsimile of the registration form shall be for all intents and purposes as valid as the original. This registration is property specific and non-transferable, except among affiliates upon prior notification to the board. Failure to have a person who is registered pursuant to this subsection physically present in the international gaming salon during its hours of operation shall be deemed an unsuitable method of operation pursuant to Regulation 5.011.~~

~~9]~~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).

(Effective date: January 31, 2009, 11:59 p.m.)