

**REGULATION 3
LICENSING: QUALIFICATIONS**

**PROPOSED AMENDMENTS TO REGULATION
3.100**

PURPOSE OF AMENDMENT: To provide definitions for “compensation,” “complimentary benefits,” and “qualifying employee;” to revise those persons who must be included within the employee report; to revise the dates of submission of the employee report and identify the time period covered by the employee report; to broaden types of licensees required to submit an employee report to include manufacturers and distributors; to revise the information that must be contained in an employee report; to allow a single comprehensive employee report to be submitted by a licensee holding multiple licenses; to allow the board chairman or his designee to waive requirements of this section and impose alternative requirements upon good cause shown; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

(Draft date: 10/11/10)

3.100 Employee report.

1. Definitions. As used in this section:

(a) “Compensation” means the value of all salaries, bonuses, and other taxable benefits given to or earned by a person. The term does not include tip income.

(b) “Complimentary benefits” are those products, services, and entertainment normally provided in exchange for consideration including, but not limited to, transportation, hotel room nights, and shows given without consideration to a casino customer. The term does not include food and beverage given to a casino patron.

(c) “Qualifying employee” of a group I or group II nonrestricted licensee means any person whose responsibility is to directly oversee the entirety of the following types of departments or functions of the licensee’s operations:

- (1) Accounting.
- (2) Bingo.
- (3) Cage and vault.
- (4) Contracts and agreements for entertainment or for the lease of space on the premises of the licensed gaming establishment.
- (5) Credit.
- (6) Collections.
- (7) Entertainment operations.
- (8) Finance.
- (9) Food and beverage.
- (10) Gaming regulatory compliance.
- (11) Hotel operations.
- (12) Human resources.
- (13) Internal audit.
- (14) Internal information technology
- (15) Keno.
- (16) Marketing.
- (17) Pit operations.
- (18) Poker operations.
- (19) Sales.
- (20) Security.
- (21) Slot operations.
- (22) Surveillance.

(d) “Qualifying employee” of a manufacturer, distributor, slot route operator, inter-casino linked system operator, mobile gaming system operator, or pari-mutuel systems operator means any person whose responsibility is to directly oversee the entirety of the following types of departments or functions of the licensee’s operations:

- (1) Accounting.
- (2) Distribution operations.
- (3) Finance.
- (4) Gaming regulatory compliance.
- (5) Gaming related network operations.
- (6) Human resources.
- (7) Inter-casino linked system operations
- (8) Internal Audit.
- (9) Internal information technology.
- (10) Manufacture operations.
- (11) Marketing.
- (12) Mobile gaming system operations.
- (11) Pari-mutuel systems operations.
- (13) Sales.
- (14) Security.
- (15) Slot route operations.
- (16) Surveillance.
- (17) Technology and product development.

~~12. On or before January 15 and July 15 of each year, each~~ All nonrestricted licensees, including each manufacturer, distributor, operator of a slot machine route, of a mobile gaming system, or of an inter-casino linked system, and each pari-mutuel systems operator shall submit an employee report to the board two times yearly within 30 days after March 31st and within 30 days after September 30th. The report shall identify every individual person who is, as of March 31st or September 30th, whichever is most recent, or who has been since the filing of the previous report, a qualifying employee. The report shall also identify, as of March 31st or September 30th, whichever is most recent, the following persons who are not otherwise qualifying employees: actively engaged in the administration, or supervision of the operation as follows:

(a) Any person who directly supervises a qualifying employee.

(b) Any person who entered into a contractual arrangement, which is reportable pursuant to Regulation 8.130, on behalf of and binding upon the licensee.

(c) For a group I nonrestricted licensee:

(1) Any person whose compensation exceeds \$400,000, per annum, or the five highest compensated persons, whichever method results in the greater number of persons;

(2) Any person who has the authority to determine who, for the licensee, is authorized to grant credit, grant extensions of credit, or approve the write-off or discount of credit instruments; and

(3) Any person who has the authority to determine who, for the licensee, is authorized to grant complimentary benefits.

(d) For a group II nonrestricted licensee:

(1) Any person whose compensation exceeds \$200,000, per annum, or the five highest compensated persons, whichever method results in the greater number of persons;

(2) Any person who has the authority to determine who, for the licensee, is authorized to grant credit, grant extensions of credit, or approve the write-off or discount of credit instruments; and

(3) Any person who has the authority to determine who, for the licensee, is authorized to grant complimentary benefits.

(e) For licensees other than a group I or group II nonrestricted licensee:

(1) Any person whose compensation exceeds \$200,000, per annum, or the five highest compensated persons, whichever method results in the greater number of persons;

(f) Any person or job position who, upon written notification by the board chairman or his designee, is considered to be a reportable position or person for purposes of this regulation. Subsequent to notification, the specific person or job position must appear on all subsequent employee reports, unless notified otherwise by the board chairman or his designee or terminated by the licensee.

~~(a) Any individual who is compensated in any manner in excess of \$125,000 per annum or the ten highest compensated individuals, whichever method results in the greater number of employees. For purposes of this~~

~~subsection compensation is the value of all salaries, bonuses, other taxable benefits and deferred compensation given to the employee;~~

~~(b) Any individual who may exercise discretionary authority with regard to gaming credit policy, which includes, but is not limited to those individuals who may:~~

~~(1) Approve credit limits,~~

~~(2) Approve the use of rim credit,~~

~~(3) Approve an increase of 10 percent or \$1,000, whichever is greater, over a patron's previously established credit limit, or~~

~~(4) Recommend or approve the settlement or write-off of a credit instrument;~~

~~(c) Any individual who has the authority to hire or terminate supervisory casino personnel;~~

~~(d) Any individual who has the authority to supervise or direct a shift of each gaming or security activity, including but not limited to supervision or direction of the entire pit operation, keno games, bingo games, slot machines, race book, sports pool, pari-mutuel operations, and any persons having authority to supervise or direct such persons;~~

~~(e) Any individual who may authorize or provide complimentary benefits, which are normally provided by the licensee in exchange for compensation, other than food and beverage to a casino customer;~~

~~(f) Any individual having authority or the responsibility to manage one or more of the following types of departments or functions of the nonrestricted~~

~~operation including, but not limited to: the accounting department, food and beverage department, cage department, credit and collections department, personnel department, internal audit department, security department, surveillance department, entertainment department and the sales and marketing department;~~

~~(g) Any individual who has the authority to set betting lines, point spreads or betting odds; who has the authority to authorize the voiding of betting tickets; or who has the authority to approve wagers larger than the posted limits established for the book;~~

~~(h) Any individual who may enter into a contractual arrangement, which is reportable pursuant to Regulation 8.130, on behalf of and binding upon the licensee;~~

~~(i) Any individual who has been specifically represented to the board, commission, or any other federal, state, or local government agency by a licensee, officer, or director thereof as being important or necessary to the operation of the gaming establishment;~~

~~(j) All persons who individually or as part of a group formulate management policy;~~

~~(k) Any job position or individual who, upon written notification by the board, is considered by the board to be a reportable position or employee for purposes of this regulation. Subsequent to notification the specific individual must appear on all subsequent employee reports, unless notified otherwise by the board or terminated by the licensee.~~

23. The employee report shall include the ~~employee's~~ person's name, job position title, the last four digits of the person's social security number and a complete list of those categories described herein which apply to each ~~employee~~ person.

34. The employee report shall be confidential and may not be disclosed except upon order of the commission or pursuant to the terms of NRS 463.120.

5. A licensee holding multiple licenses may submit a single comprehensive employee report on the condition that such employee report identifies and designates for which license a person is included in the employee report.

6. Upon written request and good cause shown by a licensee, the board chairman or his designee may waive one or more of the requirements of this section. If a waiver is granted, the board chairman or his designee may impose alternative employee report requirements.

(Proposed effective date: Upon adoption)