

**PROPOSED AMENDMENTS TO REGULATION 14**

**INDEPENDENT LABORATORY REGISTRATION PROCEDURES AND REQUIREMENTS**

**Version: 11 – RED LINE  
Draft Date: March 6, 2012**

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**Purpose Statement:** To amend Regulation 14 pursuant to the mandate set forth in Assembly Bill No. 279 of the 76th (2011) Regular Session of the Nevada Legislature, which requires that the Nevada Gaming Commission adopt regulations that: (1) Provide for the registration of independent testing laboratories, specify the form of the application required for such registration and establish the fees required for the application, the investigation of the applicant and the registration of the applicant; (2) Authorize the Board to utilize independent testing laboratories for the inspection and certification of any gaming device, associated equipment, cashless wagering system, mobile gaming system or interactive gaming system, or any components thereof; (3) Establish uniform protocols and procedures which the Board and independent testing laboratories must follow during an inspection performed pursuant to subsection 3 or 5 of AB 279, and which independent testing laboratories must follow during the certification of any gaming device, associated equipment, cashless wagering system, mobile gaming system or interactive gaming system, or any components thereof, for use in this State or for shipment from this State; (4) Allow an application for the registration of an independent testing laboratory to be granted upon the independent testing laboratory's completion of an inspection performed in compliance with the uniform protocols and procedures established pursuant to item 3 above and satisfaction of such other requirements that the Board may establish; (5) Provide the standards and procedures for the revocation of the registration of an independent testing laboratory. In addition, to amend Regulation 14 to allow for games, inter-casino linked systems, and modifications to games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems, and interactive gaming systems, or any components thereof, to be inspected and certified by registered independent testing laboratories; to provide for the payment of investigation fees; to set forth the application and approval process relating to applications for registration; to establish recordkeeping and reporting requirements; to establish criteria for independence; to set forth prohibitions relating to manufacturers, distributors and operators; to remove reference to a distributor of interactive gaming systems from regulation 14.020; to add references to mobile gaming systems and interactive gaming systems to various statutes. To add provision to state that the board and commission may take disciplinary action against a registered independent testing laboratory for violations of the provisions of Regulation 14. To modify the recordkeeping requirements to allow for retention periods other than five years if specified. And to take such additional action as may be necessary and proper to effectuate this stated purpose.

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REGULATION 14

**MANUFACTURERS, DISTRIBUTORS, OPERATORS OF INTER-CASINO  
LINKED SYSTEMS, GAMING DEVICES, NEW GAMES, INTER-CASINO LINKED  
SYSTEMS, ON-LINE SLOT METERING SYSTEMS, CASHLESS WAGERING SYSTEMS,  
MOBILE GAMING SYSTEMS, INTERACTIVE GAMING SYSTEMS AND ASSOCIATED  
EQUIPMENT; INDEPENDENT TESTING LABORATORIES**

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**14.010 Definitions.** As used in this regulation, unless the context otherwise requires:

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14. "Independent testing laboratory" means a private laboratory that is registered by the commission to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems or interactive gaming systems, and any components thereof and modifications thereto, and to perform such other services as the board and commission may request.

[14]15. "Inter-casino linked system" means an inter-casino linked system including the collective hardware, software, communications technology and other associated equipment used to link and monitor games or devices located at two or more licensed gaming establishments. Systems that solely record a patron's wagering activity among affiliated properties are not inter-casino linked systems. This term is further defined in NRS 463.01643.

[15]16. "Inter-casino linked system modification" means a change or alteration to an inter-casino linked system made by an operator who has been previously approved by the commission to operate that system. With regard to inter-casino linked systems that link progressive payout schedules, the term includes, but is not limited to:

- (a) A change in a system name or theme; or
- (b) A change in gaming device denomination.

[16]17. "Manufacture" means:

(a) To manufacture, produce, program, design, control the design of, maintain a copyright over or make modifications to a gaming device, cashless wagering system, mobile gaming system or interactive gaming system;

(b) To direct, control or assume responsibility for the methods and processes used to design, develop, program, assemble, produce, fabricate, compose and combine the components and other tangible objects of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system; or

(c) To assemble, or control the assembly of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

[17]18. "Manufacturer" means a person who operates, carries on, conducts or maintains any form of manufacture.

[18]19. "Manufacturer of associated equipment" is any person that manufactures, assembles, or produces any associated equipment, including inter-casino linked systems, for use in Nevada by licensees.

[19]20. "Manufacturer of Equipment Associated with Interactive Gaming" means any person that manufactures, assembles, or produces any equipment associated with interactive gaming.

[20]21. "Mobile gaming system" or "system" means a system that allows for the conduct of games through mobile communications devices operated solely within a 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.

[24]22. "Mobile gaming system modification" means any change or alteration to a mobile gaming system made by a manufacturer from its approved configuration.

[22]23. "Modification" means a change or alteration in a gaming device previously approved by the commission for use or play in Nevada that affects the manner or mode of play of the device. The term includes a change to control or graphics programs and, except as provided in paragraphs (d) and (e), in the theoretical hold percentage. The term does not include:

- (a) A conversion;
- (b) Replacement of one component with another, pre-approved component;
- (c) The rebuilding of a previously approved device with pre-approved components;
- (d) A change in the theoretical hold percentage of a mechanical or electro-mechanical device, provided that the device as changed meets the standards of Regulation 14.040(1); or

(e) A change in the theoretical hold percentage of an electronic device which is the result of a top award jackpot or bonus jackpot payment which is paid directly by an attendant and which is not accounted for by the device.

[23]24. "On-line slot metering system" means the collective hardware, software and other associated equipment used to monitor, accumulate, and record meter information from gaming devices within a licensed establishment.

[24]25. "Operator" means any person or entity holding a license to operate an inter-casino linked system or mobile gaming 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 of affiliates.

[25]26. "Private residence" means a noncommercial structure used by a natural person as a place of abode and which is not used for a commercial purpose.

[26]27. "Proprietary hardware and software" means hardware or software specifically designed for use in a gaming device including a mobile gaming system and interactive gaming system.

[27]28. "Randomness" is the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

[28]29. "Theme" means a concept, subject matter and methodology of design.

#### **14.020 License required; applications; investigative fees; registration of a manufacturer of associated equipment.**

1. A person may act as a manufacturer, distributor, or manufacturer ~~[or distributor]~~ of an interactive gaming system, or as an operator, only if that person holds a license specifically permitting the person to act as a manufacturer, distributor, or manufacturer ~~[or distributor of]~~ an interactive gaming system, or as an operator except as provided for in NRS 463.160(2).

2. Applications for manufacturer's, distributor's, manufacturer ~~[or distributor]~~ of interactive gaming system's, or operator's licenses shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the chairman may require or approve.

3. Applications for a manufacturer's, distributor's, manufacturer ~~[or distributor]~~ of interactive gaming system's, operator's licenses, or for a finding of suitability to be a manufacturer of equipment associated with interactive gaming shall be subject to the application and investigative fees established pursuant to Regulation 4.070.

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**14.030 Approval of gaming devices and the operation of new inter-casino linked systems; applications and procedures.**

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5. Each application shall include, in addition to other items or information as the chairman may require:

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(e) In the case of an inter-casino linked system:

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(6) Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule;~~and~~

(f) In the case of a mobile gaming system:

(1) An operator's manual;

(2) A network topology diagram;

(3) An internal control system; and

(4) A description of the method used to isolate game function to the areas listed in Regulation 5.220(1)(i)~~[-]; and~~

(g) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

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**14.060 Employment of individual to respond to inquiries from the board.**

1. Each manufacturer and operator shall employ or retain an individual who understands the design and function of each of its gaming devices, cashless wagering systems, ~~inter-casino linked systems,~~ mobile gaming systems, or interactive gaming systems who shall respond within the time specified by the chairman to any inquiries from him concerning the gaming device, cashless wagering system, ~~inter-casino linked system, mobile gaming system, or interactive gaming system~~ or any modifications to the gaming device, cashless wagering system, inter-casino linked system, mobile gaming system, or interactive gaming system. Each manufacturer or operator shall on or before December 31st of each year report in writing the name of the individual designated pursuant to this section and shall report in writing any change in the designation within 15 days of the change.

2. Each registered independent testing laboratory shall employ an individual who understands the inspection and certification methodology, procedures, and operation of the registered independent testing laboratory. Such person shall be available during regular Nevada business hours to respond to requests from ~~representatives of~~ the board chairman. Each registered independent testing laboratory shall provide the board with the name of the employee performing this function as part of their initial registration application materials, and shall report in writing any subsequent change in the employee designated to perform this function within 15 days of the change.

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**14.110 Approval to modify gaming devices or inter-casino linked systems; applications and procedures.**

1. Modifications to gaming devices may only be made by licensed manufacturers who have received prior written approval of the chairman. ~~[(i)]~~ Inter-casino linked system modifications may only be made by operators of such systems who have received prior written approval of the chairman. The chairman, in his sole and absolute discretion, may refer an inter-casino linked system modification to the full board and commission for consideration of approval. In an emergency when a modification is necessary to prevent cheating or malfunction, the chairman may, in his sole and absolute discretion, orally approve a modification to be made by a manufacturer or operator. Within 15 days of the emergency modification, the manufacturer or operator making such modification shall submit a written request for approval of the modification that shall contain the information required by subsection 3 and such other information as required by the chairman.

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3. Applications for approval to modify a gaming device or an inter-casino linked system shall be made by a manufacturer and processed in such manner and using such forms as the chairman may prescribe. Each application shall include, in addition to such other items or information as the chairman may require:

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(d) In the case of a modification to the control program of a gaming device that includes software, source language or executable code designed or developed by an independent contractor:

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(2) A general subject matter description of such software, source language or executable code compiled into the control program as part of the submission to the board;~~[-and]~~

(e) In the case of an inter-casino linked system:

...

(5) Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule~~[-]; and~~

(f) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

#### **14.120 Board evaluation of modifications.**

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3. The manufacturer or operator shall submit materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

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#### **14.230 Approval of new games and game variations; applications and procedures.**

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2. Applications for approval of a new game or game variation must be made and processed in such manner and using such forms as the chairman may prescribe. The applicant seeking approval of the new game or game variation shall pay the cost of the investigation. Each application must include, in addition to such other items or information as the chairman may require:

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(b) The name of the game which must be different than the name of a game currently approved by the commission;~~[-and]~~

(c) A description of the new game or game variation, including the rules of play, the proposed schedule of payouts, and a statistical evaluation of the theoretical percentages of the game~~[-]; and~~

(d) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

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#### **14.260 Approval of associated equipment; applications and procedures.**

1. Unless otherwise waived pursuant to subsection 2, a manufacturer or distributor of associated equipment shall not distribute associated equipment unless it has been approved by the chairman. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the chairman may prescribe. Each application must include, in addition to such other items or information as the chairman may require:

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(c) Detailed operating procedures for the associated equipment;~~[-and]~~

(d) The standards under which such tests were performed, including Technical Standards 2 and 3 if applicable, and the results of such testing that confirms the associated equipment is functioning as represented, signed under penalty of perjury~~[-]; and~~

(e) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

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**14.310 Retention of records.** Unless otherwise specified, [A]all records required by this regulation must be maintained for 5 years.

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#### **14.350 Independent testing laboratories; authority for board to register and utilize; fees.**

1. The board is authorized to register and utilize independent testing laboratories for the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada.

2. The registration may be performed administratively by the chairman.

(a) The chairman may, at his sole and absolute discretion, approve the application if he determines that the applicant meets the qualifications set forth under section 14.360(6).

(b) The chairman may, at his sole and absolute discretion, condition or limit the registration of an independent testing laboratory in any manner and for any reason he deems appropriate.

(c) The chairman may, at his sole and absolute discretion, deny the application if he determines that the applicant has failed to meet the qualifications set forth under section 14.360(6).

(d) An applicant for registration may have [the]a decision of the chairman relating to its application reviewed pursuant to the administrative approval review and appeal process set forth under sections 4.190 and 4.195 of these regulations.

3. The chairman, at his sole and absolute discretion, may forgo approving or denying an application for registration by referring the application to another board member or to the full board for consideration. If referred to the full board, the board may make a recommendation to the commission to approve or deny the application for registration, conditioned or limited in any manner and for any reason it deems appropriate. The commission, upon recommendation of the board, may approve or deny the application for registration, conditioned or limited in any manner and for any reason it deems appropriate.

4. The manufacturer or operator shall be solely responsible for the payment of any fees imposed by the independent testing laboratory for its services. The fees to be charged shall be determined solely between the manufacturer or operator and the independent testing laboratory.

5. The manufacturer or operator shall pay any and all costs associated with any review or approval the board performs of a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof or modification thereto[;], including any costs associated with the board's review of the registered independent laboratory's inspection, certification or review as described in subsection 1 above or in 14.360(1).

#### **14.360 Independent testing laboratories; registration requirement; qualifications**

1. The following persons or entities must register with the board under this section:

(a) Any independent testing laboratory that intends to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems or interactive gaming systems, or any components thereof or modifications thereto, for use in Nevada; and

(b) Each person or entity that owns or has significant control over the operations of the independent testing laboratory seeking registration, including any intermediary entities.

2. In order to register, an independent testing laboratory must submit an application for registration to the board as set forth in section 14.370.

3. The chairman, in his sole and absolute discretion, may require each testing facility at which an independent testing laboratory conducts inspection and certification procedures to register individually.

4. Each independent testing laboratory must be registered for each category of inspection and certification for which the laboratory seeks to provide results. The categories of inspection and certification include:

(a) Games and game variations;

(b) Gaming devices and gaming device modifications;

(c) Gaming associated equipment and gaming associated equipment modifications;

(d) Cashless wagering systems and cashless wagering system modifications;

(e) Inter-casino linked systems and inter-casino linked system modifications;

(f) Mobile gaming systems and mobile gaming system modifications; and

(g) Interactive gaming systems and interactive gaming system modifications;

(h) Any other category of inspection and certification that the ~~board~~chairman may deem appropriate.

5. The board shall maintain a list of registered independent testing laboratories on its website along with the categories of inspection and certification each is registered to perform.

6. To qualify to be registered, the independent testing laboratory, and any other person, entity or testing facility that is required to register, must:

(a) Demonstrate probity;

(b) Be independent from any manufacturer, distributor, or operator of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not such person or entity is licensed, registered, or otherwise does business in Nevada;

(c) Be accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement, unless the independent testing laboratory is only seeking registration for the inspection and certification of games and game variations;

(d) Demonstrate it is technically competent in testing the category of game, device, or system in which it is seeking registration;

(e) Demonstrate it is technically competent to test compliance with the applicable Nevada statutes, regulations, standards and policies.

7. To be considered independent from a manufacturer, distributor, or operator under subsection 6(b) above, the independent testing laboratory, ~~including its employees, [its-]management, [and its-]directors, owners, compliance committee members and gaming regulatory advisors, with the exception of the independent testing laboratory's external accountants and attorneys;~~

(a) Must not have a financial or other interest, direct or otherwise, in a manufacturer, distributor, or operator of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not the person or entity is licensed, registered, or otherwise does business in Nevada;

(b) Must not participate, consult, or otherwise be involved in the design, development, programming, or manufacture of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto;

(c) Must not [H]have any other interest in or involvement with a manufacturer, distributor, or operator that could cause the independent testing laboratory to act in a manner that is not impartial[-]; and

(d) Such individuals shall not serve in any capacity with a manufacturer, distributor, or operator beyond the scope of the independent testing laboratory's engagement pursuant to these regulations.

→ The restrictions in subsection 7 above are not intended to limit an independent testing laboratory, or the above listed individuals, from providing consulting services to a manufacturer, distributor, or operator, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any components thereof or modification thereto.

#### **14.370 Independent testing laboratories; registration; provisional registration; application and procedures; waiver.**

1. Except as provided in subsection 2, an independent testing laboratory must be registered with the board prior to providing inspection and certification results for any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada.

2. Upon written request, the chairman may, in his sole and absolute discretion and under such terms and limitations he sees appropriate, issue a provisional registration to an independent testing laboratory to allow it to perform the functions of a registered independent testing laboratory while its application for registration is pending. Such provisional registration may be revoked by the chairman at any time and for any reason, including but not limited to:

\_\_\_\_(a) If the investigation of the independent testing laboratory reveals that it does not meet the qualifications to be registered with the board; or

\_\_\_\_(b) If the independent testing laboratory has violated the terms or limitations of its provisional registration.

3. Any independent testing laboratory that has had its provisional registration revoked by the chairman may have the decision reviewed pursuant to the administrative approval review and appeal process set forth under sections 4.190 and 4.195 of these regulations.

4. An application for registration as an independent testing laboratory shall be made, processed, and determined using such forms as the chairman may require or approve and must be supplemented by such documents and information as the chairman may request. The information submitted with the application shall include, but not be limited to, the following:

(a) Copies of all ISO/IEC 17025 certification and accreditation materials except if the independent testing laboratory is only seeking registration for the inspection and certification of games and game variations;

(b) All ISO required internal controls, policies and procedures, except if the independent laboratory is only seeking registration for the inspection and certification of games and game variations;

(c) Detailed description of the testing facilities;

(d) Detailed description of available testing staff and staff qualifications, including education, training, experience and skill levels;

(e) Detailed description of available testing equipment;

(f) Copies of documented policies, systems, programs, procedures and instructions to assure the quality of test results;

(g) Copies of all test scripts to be used for testing against the applicable Nevada statutes, regulations, standards, and policies.



(h) Information regarding the business organization and ownership of the applicant, including, but not limited to:

(1) Organization chart depicting the ownership structure of the applicant, including, but not limited to, any parent and affiliated organizations;

(2) Organization chart depicting the applicant's management structure;

(3) List of all key employees and other individuals who have significant involvement with the applicant's business operations;

(4) List of all officers, directors, partners, members, managers, trustees or direct or beneficial owners of the independent testing laboratory and of any person or entity that owns or has significant involvement with the activities of the independent testing laboratory, including any intermediary entities.

(i) A statement subscribed by the applicant for registration that:

(1) The information being provided to the board is accurate and complete;

(2) The applicant for registration agrees to cooperate with all requests, inquiries, or investigations of the board and commission;

(3) The applicant acknowledges that the board and commission shall retain jurisdiction over the independent testing laboratory in any matter involving a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that it certifies for use in Nevada, even if its registration lapses, is voluntarily terminated, or is revoked;

(4) The applicant for registration acknowledges that the commission may demand that the independent testing laboratory, or any of its key employees, managers, or owners, submit an application for finding of suitability as an independent testing laboratory, and that a failure to submit such an application within 30 days of the demand may constitute grounds for the revocation of the independent testing laboratory's registration; and

(5) The applicant agrees to indemnify and hold harmless the State of Nevada, the commission, the board, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in this subsection by reason of any inspections or certifications performed by the applicant as a registered independent testing laboratory, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this subsection as a result of said claims, suits and actions.

5. The chairman may require additional information from an independent testing laboratory to supplement the registration application;

6. During the registration evaluation process, the board and its agents shall conduct any investigation it deems reasonable, including any visit, review or inspection of each independent testing laboratory seeking registration to evaluate its qualifications and capabilities. The applicant is to bear the cost of all such site visits and inspections held during the registration evaluation process.

7. The applicant is required to pay any and all costs associated with the investigation and inspection of the applicant during the registration evaluation period.

8. An independent testing laboratory is not considered registered with the board until all of the above information, including any additional information requested by the chairman, has been provided and reviewed by the board, all costs relating to site visits performed by the board have been paid in full, all other costs associated with the investigation and inspection of the applicant have been paid in full, and the chairman has issued written notice of the completion of the registration process to the independent testing laboratory.

9. Upon written request, the chairman in his sole and absolute discretion, may waive any requirement in sections 3-7 above.

#### **14.380 Independent testing laboratories; notification and reporting requirements.**

1. Registered independent testing laboratories must notify the board of any change in ownership of the registered independent testing laboratory, any change in directors, executives, or key management or employees of the independent testing laboratory, and any other material changes to the information included in its application for registration or the information submitted in conjunction with or subsequent to its application within 30 days of [that]such change.

2. By the 15th day of each January, a registered independent testing laboratory shall inform the chairman in writing of any changes to the information that was contained on the registered independent

testing laboratory's application for registration or submitted in conjunction with or subsequent to its application. If no change to that information has occurred since the last reporting date, the registered independent testing laboratory must provide the chairman with a written affirmative statement indicating such.

[2]3. Registered independent testing laboratories shall maintain copies of the results of any ISO/IEC 17025 audits or reviews and shall notify the board in writing of the of the availability of the results within 15 days of when they become available to the registered independent testing laboratory. Such copies shall be provided to the chairman upon request.

#### **14.390 Independent testing laboratories; uniform protocols.**

1. In the interest of preserving a competitive gaming industry, a registered independent testing laboratory shall not implement or maintain any procedure or policy or take any action that would inhibit or prevent a manufacturer, distributor or operator that has otherwise been deemed suitable for doing business in Nevada by the board or commission from submitting a game, gaming device, associated equipment, cashless wagering system, inter-casino liked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for inspection and certification for use in Nevada, or that would call into question or tend to erode the independence of the registered independent laboratory from any clients that utilize its services.

2. A registered independent testing laboratory shall maintain a version controlled system of testing documentation[;] and methodologies[; and standards] it uses to provide certification against the Nevada regulatory structure, and such materials shall be made available to the board upon request. Original testing documentation, methodologies, [or standards] and any revisions to the testing documentation[;] or methodologies[; or standards;] must be approved by the board prior to being used to certify against the Nevada regulatory structure.

3. All testing shall be performed using Nevada approved documentation[;] and methodologies, [and standards] and must be conducted specifically [against the Nevada regulatory structure]in accordance with the Nevada Gaming Control Act and the regulations adopted thereunder, and all technical standards, control standards, control procedures, policies, and industry notices implemented or issued by the board.

4. All testing shall be performed by a person directly employed by the registered independent testing laboratory. The registered independent testing laboratory shall not assign, delegate, subcontract, or otherwise engage any person not directly employed by the registered independent testing laboratory for any testing for which the laboratory has been registered in Nevada. The chairman, in his sole and absolute discretion, may permit a registered independent testing laboratory to utilize the services of a person other than a person directly employed by the independent testing laboratory to perform certain specific functions associated with the testing and certification procedures to be performed. Any such request must be made in writing to the chairman in advance of utilizing the services of the third party. Any permission granted under this subsection must in writing and shall be limited as to time and scope in whatever degree the chairman deems appropriate under the circumstances and may be revoked by the chairman in writing at any time at his sole and absolute discretion.

5. A registered independent testing laboratory shall not utilize, rely on or otherwise refer to any testing, results or work product performed by another registered testing laboratory for any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto which has not previously been approved by the board.

6. A registered independent testing laboratory shall implement and maintain a hiring and background check that ensures, at a minimum, that no person is hired in a position involving inspection or certification procedures relating to Nevada, or in a position overseeing or managing an employee in such a position, who has:

(a) Failed to disclose or misstated information or otherwise attempted to mislead the board or commission with respect to any information the person has provided to the board or commission;

(b) Knowingly failed to comply with the provisions of NRS chapters 463, 463B, 464 or 465, or the regulations of the commission at a previous place of employment;

(c) Committed, attempted or conspired to commit any crime of moral turpitude, embezzlement or larceny or any violation of any law pertaining to gaming, or any crime which is inimical to the declared policy of this State concerning gaming;

(d) Committed, attempted or conspired to commit a crime which is a felony or gross misdemeanor in this State or an offense in another state or jurisdiction which would be a felony or gross misdemeanor if committed in this State and which relates to the applicant's suitability or qualifications to work for the registered independent testing laboratory;

(e) Been identified in the published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or as being of notorious and unsavory reputation;

(f) Been placed and remains in the constructive custody of any federal, state or municipal law enforcement authority; or

(g) Had any gaming license, registration or other like credential revoked or committed any act which is a ground for the revocation of a gaming license, registration or other professional credential held by the person or would have been a ground for the revocation of a gaming license, registration or other professional credential had the person held such license, registration, or credential.

→All procedures conducted pursuant to this subsection and the results of those procedures shall be documented by the registered independent laboratory. Such documentation shall be made available to ~~representatives of~~ the ~~board~~ chairman upon request and shall be maintained at all times while a person is employed by the registered independent testing laboratory and for a minimum of five years after a person's employment ends.

7. A registered independent testing laboratory shall implement and maintain a system of peer review to monitor the quality of the inspection and certification procedures performed by its employees.

8. A registered independent testing laboratory shall consult with the board prior to testing, evaluating, analyzing, certifying, verifying, or rendering opinions for or on behalf of the board relating to any new technology or concept.

9. A registered independent testing laboratory shall consult with a representative of the board's technology division on any questionable interpretations of the Nevada regulatory structure as it relates to the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked systems, mobile gaming system or interactive gaming system, or any component thereof or modification thereto.

10. A registered independent testing laboratory shall handle all information and data prepared or obtained as part of the Nevada certification process as confidential.

11. A registered independent testing laboratory shall implement and maintain security and access control systems designed to secure and protect the confidentiality of all equipment, software, and other information entrusted to it as part of the Nevada inspection and certification process.

12. A registered independent testing laboratory is required to maintain all test equipment in accordance with the manufacturer's specifications and recommendations, and shall provide the board with evidence of such upon demand.

13. A registered independent testing laboratory shall retain all submission and testing related documentation. Such records may be maintained in electronic form. The obligation to maintain such records continues even if the independent testing laboratory ceases to be registered with the board, or otherwise ceases its business operation. The independent testing laboratory may turn all such records over to the board in electronic form as an alternative to having to maintain such records after its deregistration or after its business operation ceases.

14. An onsite evaluation and review of each registered independent testing laboratory shall be conducted by the board periodically to evaluate certification results and to verify continued compliance with all registration requirements and protocols.

15. The board shall, at all times, have immediate and unfettered access to the registered independent laboratory's place(s) of business.

16. The board may establish a system to evaluate the continued quality of the inspection and certification performed by a registered independent testing laboratory.

17. A registered independent testing laboratory shall immediately notify the board of any changes that may affect its ability to provide testing services.

18. A registered independent testing laboratory shall notify the board immediately of any material issues concerning any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that it inspected or certified for use in Nevada, which it becomes aware of subsequent to it having issued its inspection and certification report relating thereto.

19. A registered independent testing laboratory shall notify the board immediately of any attempts by a manufacturer, distributor, or operator that has attempted to improperly influence the registered independent testing laboratory, or any of its employees, managers, or owners, in or in connection with any inspection or certification services it is providing, has provided, or intends to provide.

20. A registered independent testing laboratory shall timely provide the board with such other information as the board or commission may request or require.

21. The board may, as appropriate, periodically provide further guidance as to what is required of a registered independent testing laboratory through industry notices or other written communications.

22. A registered independent testing laboratory, its employees, management, and owners shall remain independent of any manufacturer, distributor or operator as set forth under section 14.360(6) and (7).

23. If a registered independent testing laboratory hires an individual who was previously employed by, or performed any work for, a manufacturer, distributor or operator within one year prior to the individual's date of employment with the independent testing laboratory, the registered independent testing laboratory shall not permit that person to inspect or certify any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada, for which the person had any involvement with, whatsoever, while he or she was employed by the manufacturer, distributor or operator for a period of one year from the individual's date of employment with the independent testing laboratory.

#### **14.395 Independent testing laboratories; manufacturer, distributor, and operator prohibited actions.**

1. A manufacturer, distributor, or operator shall not:

(a) Attempt, directly or indirectly, to improperly influence a registered independent testing laboratory, or any of its employees, management, or owners, regarding a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that it, or another person or entity, has submitted for inspection or certification for use in Nevada.

(b) Engage in any transaction with a registered independent testing laboratory it is utilizing, has utilized, or intends to utilize to inspect or certify a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, for use in Nevada, in which the registered independent testing laboratory is required to participate, consult, or otherwise be involved in the design, development, programming, or manufacture of such items. **This restriction is not intended to limit a manufacturer, distributor, or operator from engaging such registered independent testing laboratory to provide consulting services, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture such items.**

2. Violation of the above prohibitions shall constitute an unsuitable method of operation.

**14.400 Independent testing laboratories; inspection and certification results.** Each registered independent testing laboratory shall provide the person seeking inspection and certification with the results of the testing and certification process that is to be submitted to the board in such manner and using such forms as the chairman may prescribe. The results shall include, in addition to such other items or information as the chairman may require, the following:

1. A statement, signed under penalty of perjury, that the certification process was conducted in accordance with board requirements and that the product being certified meets the requirements of the **[Nevada regulatory structure] Nevada Gaming Control Act and the regulations adopted thereunder, and all technical standards, control standards, control procedures, policies, and industry notices implemented or issued by the board** to the best of the registered independent testing laboratory's knowledge and belief.

2. The name of the registered independent testing laboratory that performed the testing;

3. The registration number of the registered independent testing laboratory that performed the testing;

4. The location or locations of the facility or facilities the registered independent testing laboratory used to perform the testing;

5. The internal reference number for the registered independent testing laboratory;

6. The date the product was submitted to the registered independent testing laboratory for regulatory certification;

7. The start and end dates of the product testing performed;
8. An attestation statement that the product source code was reproduced;
9. The part and version number or numbers of the product submitted for certification;
10. The unseeded HMAC-SHA1 signature of all applicable files, or other method as approved by the chairman;
11. A description of the configuration of the product as tested;
12. A description of the scope of testing performed;
13. Identification of the Nevada approved testing document(s) by name and version number;
14. A description of any issues found during the testing process and the resolution thereof;
15. Identification of any modification that was not identified by the manufacturer;
16. A complete description of the testing that was conducted as part of the certification of the product that was not covered by a board approved checklist; and
17. Any additional information regarding the testing of the product that the registered independent testing laboratory considers appropriate for the board to consider as part of the approval process.

**14.410 Independent testing laboratories; termination of registration; revocation of registration; retention of jurisdiction.**

1. A registered independent testing laboratory may request to terminate its registration by providing written notice to the board of its intention at least 3 months before the expected date of termination. An independent testing laboratory's registration under this subsection is not deemed terminated until the chairman provides written notification that the voluntary termination has been granted.
2. The chairman may revoke the registration of a registered independent testing laboratory should he determine that it no longer meets the qualifications necessary to be registered or has failed to comply with any of the requirements of regulation 14. Such revocation is at the sole and absolute discretion of the chairman. The chairman shall provide written notification within 30 days of the designated revocation date unless circumstances are such that the interests of public health, safety, morals, good order and general welfare warrant an earlier revocation.
3. Any independent testing laboratory aggrieved by a decision of the chairman under subsections 1 or 2 above may pursue a review of that decision pursuant to sections 4.190-4.195 of these regulations.
4. The board and commission shall retain jurisdiction over the independent testing laboratory in any and all matters relating to a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, that the independent testing laboratory certified for use in Nevada while it was registered with the board.

**14.415 Independent testing laboratories; unsuitable method of operation.** Failure of a registered independent testing laboratory to comply with all of the requirements of regulation 14 shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the board and the commission.

**14.420 Independent testing laboratories; determination of suitability**

1. Upon the recommendation of the board, the commission may require the following persons or entities to file an application for a finding of suitability:
  - (a) A registered independent testing laboratory;
  - (b) Any employee of a registered independent testing laboratory; or
  - (c) Any officer, director, partner, principal, manager, member, trustee or direct or beneficial owner of a registered independent testing laboratory or any person, entity or intermediary entity that owns or has significant involvement with the activities of a registered independent testing laboratory.
2. The commission shall give written notice to the applicable person or entity of its decision to require the filing of an application for finding of suitability. 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 under this subsection may continue to function in their respective capacity, unless and until the commission finds the person or entity to be unsuitable.
3. If the commission finds a registered independent testing laboratory to be unsuitable:
  - (a) All registrations of the independent testing laboratory will be deemed immediately revoked;

(b) All licensed manufacturers, manufacturers of interactive gaming systems, distributors and operators shall, upon written notification, immediately terminate any existing relationships, direct or indirect, with such independent testing laboratory;

(c) No further games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems or interactive gaming systems, or any component thereof or modification thereto, shall be inspected or certified by the independent testing laboratory for use in Nevada.

(d) The approval of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system, mobile gaming system or interactive gaming system, or any component thereof or modification thereto, inspected and certified by the independent testing laboratory for use in Nevada shall be subject to revocation if it is determined that the reasons for the finding of suitability applies thereto.

4. If the commission finds an employee of the registered independent testing laboratory to be unsuitable:

(a) The registered independent testing laboratory must remove the person from his or her position immediately, and must not reassign the person to any other position that involves the inspection or certification of any game, gaming device, associated equipment, cashless wagering systems, inter-casino linked systems, mobile gaming systems, or interactive gaming systems, or any component thereof or modification thereto, for use in Nevada;

(b) Failure of a registered independent testing laboratory to comply with this subsection shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the board and the commission.

5. If the commission finds an officer, director, partner, principal, manager, member, trustee or director or beneficial owner of a registered independent testing laboratory, or any person, entity or intermediary entity that owns or has significant involvement with the activities of a registered independent testing laboratory to be unsuitable:

(a) The person or entity must divest itself of any ownership interest it has in the registered independent testing laboratory;

(b) The registered independent testing laboratory, or other applicable person or entity, must indefinitely suspend the person or entity found unsuitable from performing any duties or having any involvement with or supervision over its operations or activities.

(c) Failure of a registered independent testing laboratory, or other person or entity, to comply with this subsection shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the board and the commission.

6. Failure of a licensed manufacturer, licensed manufacturer of a interactive gaming system, distributor or operator to terminate any association with an independent testing laboratory after receiving notice of the determination of unsuitability shall constitute an unsuitable method of operation.

7. The commission retains jurisdiction to determine the suitability of an independent testing laboratory, or of any other person or entity to which this section applies, regardless of whether the relevant independent testing laboratory remains registered with the board.

8. A failure on the part of the registered independent testing laboratory, or of any other person or entity to which this section applies, to submit an application for a finding of suitability within 30 days of being directed to do so by the commission shall constitute grounds for a finding of unsuitability. Such period may be extended by the chairman of the commission, at his sole and absolute discretion, upon written request by the independent testing laboratory.

## **End – Regulation 14**