



KENNY C. GUINN
Governor

STATE OF NEVADA
GAMING CONTROL BOARD

1919 College Parkway, P.O. Box 8003, Carson City, Nevada 89702
555 E. Washington Ave., Suite 2600, Las Vegas, Nevada 89101
3650 South Pointe Cir., P.O. Box 31109, Laughlin, Nevada 89028
557 W. Silver St., Suite 207, Elko, Nevada 89801
6980 Sierra Center Parkway, Suite 120, Reno, Nevada 89511

DENNIS K. NEILANDER, *Chairman*
BOBBY L. SILLER, *Member*
MARK A. CLAYTON, *Member*

May 1, 2006

Carson City
(775) 684-7740
Fax: (775) 687-8221

TO: ALL RESTRICTED LICENSEES AND INTERESTED PERSONS

SUBJECT: ADOPTION OF AMENDMENTS TO REGULATION 6.150 AND REVISED BANKROLL FORMULA AND REPEAL OF REGULATION 5.130

The Nevada Gaming Commission adopted a revised bankroll formula on February 23, 2006. It also adopted revisions to Regulation 6.150 and repealed Regulation 5.130 on March 23, 2006. To provide restricted licensees with sufficient time to bring their bankroll amounts and computational procedures into compliance, a compliance date of June 26, 2006 has been established.

In accordance with Regulation 6.150, the following is the bankroll formula and instructions used by the Gaming Control Board in evaluating compliance with this regulation by restricted locations where the licensee is not a slot route operator. These changes will only apply to restricted locations where the license is not held by an operator of a slot machine route. Each restricted operation shall maintain a cash reserve equal to the total of the following three requirements:

1. An amount of \$250 per slot machine,
2. The highest slot payout at the location, which will be the greater of the amount of the highest in-house progressive displayed meter amount **or** the largest non-progressive payout offered; and
3. 100% of any contest / tournament payout liability, if the total payout exceeds \$25,000.

The cash reserve includes all currency and coin immediately available to the licensee. Currency is defined as paper money issued by the United States Government and does not include foreign currency. The cash reserve does not include personal checks, payroll checks, cashier's checks, traveler's checks, or foreign chips / tokens. Additionally, if it is the licensee's policy to pay jackpots with a check if requested by the patron, the licensee may include any funds held at financial institutions that can be converted to currency by the next business day.

**Revisions to Regulation 6.150 and
repeal of Regulation 5.130**

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To determine the payout liability for any contest / tournament, all amounts owed to patrons must be included. Until the contest / tournament begins, all entry fees collected must be included in the payout liability. After the contest / tournament begins, all payout commitments to the public must be included (e.g., weekly prizes and grand prize). For miscellaneous promotions (e.g. drawings, scratch off tickets, wheel spins, slot machine pulls, etc.) with payouts that exceed the applicable threshold, enter only the highest overall payout in the payout liability.

All licensees must accurately compute the bankroll requirement and available bankroll monthly. Evidence of the monthly computation and supporting documentation must be maintained and be made available for inspection by Board agents for five years following the applicable bankroll computation date. Licensees may choose any consistent schedule for performing monthly computations; however, compliance with the bankroll requirements is required at all times. Board Agents may perform bankroll verifications at any time. A deficiency on any date is a violation of Regulation 6.150, regardless of the timing of the licensee's own verification procedures.

Any questions about the bankroll requirements for restricted licensees should be directed to the Tax and License Division's Carson City office at (775) 684-7770.

Sincerely,

Dennis K. Neilander
Chairman

DKN:SH

cc: Bobby L. Siller, Board Member
Mark A. Clayton, Board Member
Records & Research Services
Tax and License – Carson City
Tax and License – Las Vegas
Tax and License – Reno