



KENNY C. GUINN
Governor

STATE OF NEVADA
GAMING CONTROL BOARD

1919 E. 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*

July 7, 2005

Las Vegas
(702) 486-2000
Fax: (702) 486-2045

TO: ALL NONRESTRICTED LICENSEES AND INTERESTED PERSONS

SUBJECT: PROPOSED AMENDMENTS TO REGULATION 22 AND NEW REGULATION 26C

The Gaming Control Board drafted changes to Regulation 22 which concerns all race and sports wagering in Nevada, and a new Regulation 26C which concerns pari-mutuel horse race account wagering pursuant to the Interstate Horseracing Act, 15 U.S.C. §§ 3001 – 3007.

The Board will consider all comments and proposed changes to the regulations at their meeting on July 13, 2005 at 3:00 p.m., State Gaming Control Board Offices, Grant Sawyer Building, Conference Room 2450, 555 East Washington Avenue, Las Vegas, Nevada. Changes will be made, if necessary, and the regulations will then be forwarded to the Nevada Gaming Commission for consideration and final adoption.

The following summarizes the more significant changes being proposed.

Regulation 22:

The proposed changes to the existing regulations are denoted with lines through the deletions and the underlining/bolding of the additions. The significant amendments to this regulation will:

1. Provide definitions for the terms “account wagering system”, “secure personal identification” and “wagering account”.
2. Reorganize and clarify the communications technology approval process.
3. Clarify that the use of an account wagering system must be approved by the chairman.
4. Require a book employee to record the patron’s gender and social security number when establishing a wagering account.
5. Remove the provisions regarding pari-mutuel horse race wagering accounts and reference to new Regulation 26C where such accounts will be addressed.
6. Clarify a wagering communication with regard to pari-mutuel sports wagers and non-pari-mutuel race and sports wagers must originate within Nevada’s

- borders and is to be recorded separately from pari-mutuel horse race account wagers.
7. Expand provisions regarding account wagering and eliminate the provisions regarding credit accounts.

Regulation 26C:

This proposed new regulation will govern all off-track pari-mutuel horse race account wagering including the acceptance of pari-mutuel horse race account wagers placed from outside Nevada's borders. Patrons may establish a wagering account remotely if pari-mutuel race wagering is legal where they reside, and wagering on accounts located outside the borders of the patron's state or foreign jurisdiction is not otherwise prohibited. Race books may utilize an independent operator of a call center to accept wagering instructions on behalf of the race book. The significant provisions of this regulation will:

1. Provide definitions for the terms "account wagering system", "call center system", "operator of a call center" and other terms as used in Regulation 22.
2. Require an "operator of a call center" to be found suitable prior to the start of operations; require registration of call center managers and supervisors; and classify call center employees to be "gaming employees".
3. Require a "call center system" to receive associated equipment approval.
4. Describe the procedures to establish a pari-mutuel horse race wagering account.
5. Establish technical standards for pari-mutuel wagering account systems.
6. Allow patrons to use the Internet to open and close wagering accounts, to make deposits and withdrawals, but not to make wagering communications.

Copies of the proposed regulations may be downloaded from the Gaming Control Board's website at <http://gaming.nv.gov>.

Sincerely,

Bobby L. Siller
Board Member

BLS/SS

cc: Dennis K. Neilander, Chairman
Mark A. Clayton, Board Member
Records & Research Services