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GAMING CONTROL BOARD

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July 15, 2009

Las Vegas
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TO: ALL LICENSED MANUFACTURERS AND INTERESTED PERSONS

RE: NOTICE AND AGENDA OF PUBLIC WORKSHOP TO SOLICIT COMMENTS ON PROPOSED ADOPTION OF NEVADA GAMING COMMISSION (NGC) REGULATIONS, AMENDMENTS TO EXISTING NGC REGULATIONS, AND AMENDMENTS TO THE TECHNICAL STANDARDS OF NGC REGULATION 14.*

- I. NOTICE OF WORKSHOP
- II. WORKSHOP AGENDA
- III. PUBLIC COMMENT AGENDA

I. NOTICE OF WORKSHOP

The State Gaming Control Board (Board) will hold a public workshop to receive public input on proposed amendments to the NGC Regulations and Technical Standards for Gaming Devices and Associated Equipment listed below in this agenda. These amendments include the regulatory framework for supporting the "independent contractor" program established during the 2009 session of the Nevada Legislature. The public workshop is scheduled as follows:

Wednesday, July 22, 2009 at 9 AM
Gaming Control Board Offices
Grant Sawyer Building
Conference Room 2450
555 East Washington Avenue
Las Vegas, Nevada 89101

** This Notice and Agenda Posted for Public Inspection in the Following Locations:*

1919 COLLEGE PARKWAY, CARSON CITY, NEVADA	885 EAST MUSSER STREET, CARSON CITY, NEVADA
209 EAST MUSSER STREET, CARSON CITY, NEVADA	100 STEWART STREET, CARSON CITY, NEVADA
555 EAST WASHINGTON AVENUE, CONFERENCE ROOM 2450, LAS VEGAS, NEVADA	

THE AGENDA OF THIS PUBLIC WORKSHOP HAS BEEN POSTED ON THE BOARD'S WEBSITE (www.gaming.nv.gov).

IN ACCORDANCE WITH SECTION 241.020(2)(C)(2) OF THE NEVADA REVISED STATUTES, ALL OF THE AGENDAED ITEMS ARE SUBJECT TO ACTION AND DISPOSITION BY THE STATE GAMING CONTROL BOARD OR NEVADA GAMING COMMISSION, OR BOTH.

WE ARE PLEASED TO MAKE REASONABLE ACCOMMODATIONS FOR MEMBERS OF THE PUBLIC WHO ARE DISABLED AND WISH TO ATTEND THE MEETING. IF SPECIAL ARRANGEMENTS FOR THE MEETING ARE NECESSARY, PLEASE NOTIFY THE EXECUTIVE SECRETARY'S OFFICE IN WRITING AT THE NEVADA GAMING COMMISSION, P.O. Box 8003, CARSON CITY, NEVADA 89702-8003, OR CALL THE EXECUTIVE SECRETARY'S OFFICE AT (775) 684-7750 AS SOON AS POSSIBLE.

If you plan on attending the workshop please notify Gail Hutto in the Board's Las Vegas office at (702) 486-2010. Please limit the number of attendees from your organization to no more than three, as a large attendance level is anticipated

All interested parties will have the opportunity to comment and present their ideas for suggested language at this meeting. Drafts of the proposed changes to the NGC Regulations and Technical Standards are available for review on the Board's website at <http://www.gaming.nv.gov> under the "What's New" section. Written comments will be accepted before and after the workshop, but should be received no later than August 7, 2009. Written comments should be emailed to Travis Foley, Chief of the Board's Technology Division at tfoley@gcb.nv.gov or mailed to:

State Gaming Control Board
Technology Division
Attn: Travis Foley, Chief
750 Pilot Road, Suite H
Las Vegas, NV 89119

The Board will look to discuss a final draft of the regulations at its regularly scheduled meeting in September 2009. Following the Board's discussion, the proposed NGC Regulations will be presented to the Nevada Gaming Commission (Commission) on its September 2009 agenda for its acceptance of the regulation project. The Commission will then take action on the proposed regulatory changes on its October 2009 agenda.

II. WORKSHOP AGENDA

A. Statutes

- **SB83**

During the 2009 Nevada Legislative Session the Board proposed several changes to statutory definitions impacting Regulation 14. Also, new statutory language was added defining and allowing for the use of independent contractors.

B. Regulations

- **NGC Regulation 1.172 – “System based game” and “system based gaming device” defined.**

Purpose of new regulation: To define system based game and system based gaming device in the NGC Regulations.

- **NGC Regulation 1. 174 – “System supported game” and “system supported gaming device” defined.**

Purpose of new regulation: To define system supported game and system supported gaming device in the NGC Regulations.

- **NGC Regulation 5.215 – Operation of a system supported or system based gaming device.**

Purpose of new regulation: To establish reporting requirements for user access to the system supported, system based, and mobile gaming systems by the operator. To establish requirements for operators of system supported, system based, and mobile gaming systems to deposit money on account for testing and inspections of the system once they are deployed.

- **NGC Regulation 14.010 – Definitions**

Purpose of amended regulation: To define the terms “assumes responsibility”, “control program”, “distribution or distribute”, “game variation”, “independent contractor”, and manufacture”.

- **NGC Regulation 14.021 – Independent contractors; registration.**

Purpose of new regulation: To establish requirements for the registration of independent contractors.

- Subsection 1 does not require a third party to register before entering an agreement with a licensed manufacturer. However, before beginning work on behalf of the licensed manufacture a registration application must be filed. A licensed manufacturer may not submit for approval and new gaming device or modification to a gaming device until all third parties have been successfully registered with the Board.

- **NGC Regulation 14.022 – Independent contractors; reporting.**

Purpose of new regulation: To impose quarterly reporting requirements on licensed manufacturers utilizing independent contractors.

- **NGC Regulation 14.023 – Manufacturer’s agreements with independent contractors.**

Purpose of new regulation: To require certain provisions be included in any agreements with independent contractors.

- **NGC Regulation 14.024 – Manufacturer’s responsibilities for independent contractors.**

Purpose of new regulation: Licensed manufacturers must have the ability to assume responsibility for the work of an independent contractor. This includes the technical staffing to review, test, and modify any source language developed by the independent contractor.

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

Purpose of amended regulation: To add clarification to submission requirements.

- **NGC Regulation 14.040 – Minimum standards for gaming devices and NGC Regulation 14.045 – Minimum standards for inter-casino linked systems.**

Purpose of amended regulations: The requirements for payoff schedule/common awards have been moved from 14.045 into 14.040 so that it not only covers inter-casino linked systems but all games connected to a common payoff schedule/common award. Placing this requirement on gaming devices effectively covers any system that would facilitate a community based award or common payoff schedule as there would need to be a gaming device connected somewhere.

- **NGC Regulation 14.050 – Technical Standards.**

Purpose of amended regulation: To add clarification that the Technical Standards can include standards for all associated equipment.

- **NGC Regulation 14.080 – Field test of new gaming devices and new inter-casino linked systems.**

Purpose of amended regulation: To eliminate the minimum field trial period of 60 days. This will allow the flexibility to shorten trials to less than 60 days when deemed appropriate.

- **NGC Regulation 14.105 – Installation of a system based game or a system supported game.**

Purpose of new regulation: To establish a requirement for approval to install system supported, system based, and mobile gaming systems. This process has already been established through Board policy.

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

Purpose of amended regulation: To clarify that modification to a gaming device must be made by a licensed manufacturer. Independent contractors may not submit modifications. Additionally, the manufacturer must document in the submission the names of the independent contractors involved in the modification of that gaming device.

- **NGC Regulation 14.170 – Marking, registration, and distribution of gaming devices.**

Purpose of amended regulation: To provide a waiver provision for cases where the requirements in the regulation are not feasible.

- **NGC Regulation 14.210 – Approval of promotional devices; applications and procedures.**

Purpose of amended regulation: To add clarification to submission requirements and to remove the default approval provision in cases where approval or denial of the application is not received within 30 days.

- **NGC Regulation 14.230 – Approval of new games and NGC Regulation 14.240 – Field trials of new games.**

Purpose of amended regulations: To expand existing regulations to include game variations. This change will require that the applicant bare the burden of review cost for live game variations and that a trial may be required for variations.

- **NGC Regulation 14.270 – Board evaluation of associated equipment.**

Purpose of amended regulation: To provide clarification in the regulations that manufacturers of associated equipment are responsible for the cost of inspection and investigation. This is an existing Board policy.

C. Technical Standards for Gaming Devices and On-Line Slot Systems

- **Technical Standard 1.010 – Definitions.**

Purpose of amendments: Remove the definition of system based and system supported games. Definitions have been moved to Regulation 1.

- **Technical Standard 1.050 – Physical security, Technical Standard 1.066 – Remote access to gaming devices, Technical Standard 1.084 – Control Program Requirements for System Supported Games, and**

Technical Standard 1.086 – Control Program Requirements for System Based Games.

Purpose of amendments: To provide an alternative to the remote logger.

- **Technical Standard 1.066 – Remote access to gaming devices.**

Purpose of amendments: Standard has been modified to eliminate specific implementation requirements. Additionally, the standards attempts to clarify what constitutes remote access.

- **Technical Standard 1.080 – Control program requirements.**

Purpose of amendments: To establish a requirement that will allow operators to manually authenticate non-conventional media in a gaming device without having to remove it.

- **Technical Standard 1.090 – Bonus or Extended Game Features.**

Purpose of amendments: To add community based bonuses and features to the existing standard. This addition allows for the auto selection in cases where multiple patrons are participating in the same bonus or game feature.

- **Technical Standard 1.140 – Conditions for changing active software on a conventional gaming device or client station that is part of a system supported or system based game.**

Purpose of amendments: Included language that prohibits the changing of active software that will result in a violation of regulation pertaining to progressive games.

III. PUBLIC COMMENT AGENDA

This public comment agenda item is provided in accordance with NRS 241.020(2)(c)(3) which requires an agenda provide for a period devoted to comments by the general public, if any, and discussion of those comments. No action maybe taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.

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