

PROPOSED AMENDMENTS TO REGULATION 8.130

PURPOSE: To clarify that certain transactions previously reviewed as part of an investigation are exempt from the required transaction reports; and to take such additional action as may be necessary and proper to effectuate this stated purpose.

REGULATION 8 TRANSFERS OF OWNERSHIP; LOANS (Draft Date December 19, 2024)

New
~~[Deleted]~~
ADOPTED

8.130 Transaction reports. As used in this section, “licensee” means any person to whom a valid nonrestricted gaming license, including a license as an operator of a slot machine route or mobile gaming system, a manufacturer’s, distributor’s, or disseminator’s license, a license to engage in off-track pari-mutuel wagering, pari-mutuel systems operator license, pari-mutuel wagering license, operator of interactive gaming license, or an interactive gaming service provider license has been issued. The term does not include a person licensed solely as a holder of a security or other ownership interest in, as an officer, director or key employee of, or due to any other relationship with, a licensed operation.

1. No Change.
2. No Change.
3. No Change.
4. No Change.

5. The following transactions need not be reported to the Board regardless of the dollar amount of the transaction, fair market value of the assets involved, or average monthly payment:

(a) Transactions that were reviewed during an investigation which resulted in Board or Commission action, provided the terms and conditions of the transactions have not changed.

(b) Draws against a previously reported extension of credit.

~~(b)~~(c) Except for items specifically described in subsections 2 or 3, goods or services which are exchanged for other goods or services of an affiliate of the licensee.

~~(c)~~(d) Short-term cash loans which have a payback period of less than 7 days and are provided to the licensee on a regularly recurring basis, provided the terms and conditions of the arrangement have not changed, and provided the initial loan or financing arrangement has been reported.

~~[(d) Loans and other financing activities that were reviewed during an investigation which resulted in Board or Commission action, provided the terms and conditions of the arrangements have not changed.]~~

(e) Financing of gaming devices or associated equipment installed and used during a trial period authorized pursuant to Regulation 14.

(f) Funds received by the licensee in satisfaction of accounts or notes receivable.

(g) Purchases or leases of gaming devices and associated equipment where the seller or lessor is a licensed manufacturer or distributor, and the financing is not provided by a third party.

(h) Cash, property, credit, services, guaranty, benefit, or any form of security loaned to or provided for or on behalf of the licensee by an affiliate, subsidiary, or parent of the licensee registered with or licensed by the Board or Commission. However, such financing from a stockholder, partner, affiliate not registered with or licensed by the Board or Commission, or proprietor of the licensed operation must be reported.

(i) Assessments for property taxes or other improvements by, or accruals for taxes due to, a government entity.

(j) Payments of gaming winnings over time to patrons.

(k) Deposits or payments received by the licensee in conjunction with a convention or similar event.

(l) Leases, including leaseback transactions and capital leases, where the lease term, including any extensions or renewals, does not exceed 90 days.

(m) Financing activity that has been filed and administratively approved by the Board Chair pursuant to sections 5.115, 5.225, or 6.125 of these regulations, or has been approved by the Commission pursuant to section 5.115 of these regulations.

(n) Funds or financing from an independent financial institution as that term is defined in Regulation 5.115.

6. No Change.

7. No Change.

8. No Change.

9. No Change.

10. No Change.

11. No Change.

Effective upon adoption.