

**PROPOSED AMENDMENTS TO
REGULATIONS 5.115, 14.010, 14.030 and 14.100**

PURPOSE: To amend applicable provisions of Regulation 5.015, Regulation 14.010, Regulation 14.030 and Regulation 14.100 to provide for the regulation and oversight of multi-jurisdictional progressive prize systems; and providing other matters properly related thereto.

(LS&C Draft Date October 9, 2013)

New
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REGULATION 5

OPERATION OF GAMING ESTABLISHMENTS

5.115 Periodic payments.

1. Except as provided in this regulation, a licensee shall remit the total prizes awarded to a patron as the result of conducting any game, including a race book or sports pool, tournament, contest, or promotional activity (hereinafter collectively referred to as “gaming or promotional activity”) conducted in Nevada or arising from the operation of a multi-jurisdictional progressive prize system upon validation of the prize payout.

2. As used in this section of the regulation:

(a) “Approved funding sources” means cash or U.S. Treasury securities that are used for the funding of a trust pursuant to Regulation 5.115(3)(b) or the reserve method of funding periodic payments pursuant to Regulation 5.115(3)(c).

(b) “Brokerage firm” means an entity that:

(1) Is both a broker-dealer and an investment adviser;

(2) Has one or more classes of its equity securities listed on the New York Stock Exchange or American Stock Exchange, or is a wholly-owned subsidiary of such an entity; and

(3) Has assets under management in an amount of \$10 billion or more as reported in its most recent report on Form 10-K or Form 10-Q filed with the United States Securities and Exchange Commission, or is a wholly-owned subsidiary of such an entity.

(c) “Broker-dealer” means any person engaged in the business of effecting transactions in securities for the account of others or for his own account; and:

(1) Is licensed as a broker-dealer with the Nevada Secretary of State pursuant to NRS 90.310, as amended; or

(2) Is exempt from licensing pursuant to NRS 90.320, as amended, and is registered as a broker-dealer with the United States Securities and Exchange Commission and the National Association of Securities Dealers pursuant to Title 15 USC 780 as amended.

(d) “Chairman” means the chairman of the board or his designee.

(e) “Date of calculation” means the last day for which a discount rate was obtained prior to the conclusion of the validation period.

(f) “Discount rate” means the current prime rate as published in the Wall Street Journal. For those licensees using the reserve method of funding pursuant to Regulation 5.115(3)(c), “discount rate” means either: (i) the aforementioned current prime rate, or (ii) a blended rate computed from the various U.S. Treasury securities selected by the licensee for which quotes are obtained at least three times a month.

(g) “Independent financial institution” means an institution that is not affiliated through common ownership with the licensee and is either:

(1) A bank or national banking association that is authorized to do business in this state, a banking corporation formed or regulated under the laws of this state or a wholly-owned subsidiary of such a banking association or corporation that is formed or regulated under the laws of this state or a national bank with an office in Nevada; or

(2) An insurance company admitted to transact insurance in the State of Nevada with an A.M. Best Insurance rating of at least “A+” or such other equivalent rating.

(h) “Investment adviser” means any person who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for

compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities and:

(1) Is registered as an investment adviser with the Nevada Secretary of State pursuant to NRS 90.330, as amended; or

(2) Is registered as an investment adviser with the United States Securities and Exchange Commission pursuant to Title 15 USC 80b-3a, as amended.

(i) "Periodic payments," for purposes of this regulation only, means a series of payments that are paid at least annually for prizes awarded through gaming or promotional activity.

(j) "Present value" means the current value of a future payment or series of payments, discounted using the discount rate.

(k) "Qualified prize" means the sum of periodic payments, awarded to a patron as a result of any gaming or promotional activity, payable over a period of at least 10 years.

(l) "Qualified prize option" means an option that entitles a patron to receive from a licensee a single cash payment in lieu of receiving a qualified prize, or any remaining portion thereof, which shall be exercised no later than 60 days after validation of the qualified prize.

(m) "Reserve" means a restricted account consisting of approved funding sources used exclusively to satisfy periodic payments of prizes arising from all gaming or promotional activity conducted in Nevada, including such prizes arising from the operation of a multi-jurisdictional progressive prize system, and includes any existing funding methods previously approved by the board or commission. The reserve shall not be less than the sum of the following:

(1) The present value of the aggregate remaining balances owed on all prizes awarded to patrons who are receiving periodic payments. For balances previously funded using U.S. Treasury securities, the discount rate on the date of funding shall be used for calculating the present value of the reserve.

(2) An amount sufficient to pay the single cash payments offered in conjunction with qualified prize options for prizes previously awarded for which elections have not been made by the patrons;

(3) An amount sufficient to fully fund the present value of all prizes currently on public display for which periodic payments are offered;

(4) If cash is used as the approved funding source, an amount equal to satisfy the current liabilities to all patrons receiving periodic payments due and payable within 12 months; and

(5) Any additional amounts administratively required by the chairman.

↪ As used in this paragraph, the term "multi-jurisdictional progressive prize system" shall have the meaning ascribed by subsection 15 of regulation 14.010.

(n) "Restricted account" means an account with an independent financial institution described in Regulation 5.115(2)(g)(1), or a brokerage firm, which is to be exclusively used for the reserve method of funding of gaming or promotional activity as provided in this regulation.

(o) "Single cash payment" means a single discounted, lump-sum cash payment in the amount of the present value of the total periodic payments otherwise due and owing for a qualified prize, less the amount of any partial payment of such qualified prize previously made by the licensee to a patron.

(p) "Trust" means an irrevocable fiduciary relationship in which one person is the holder of the title to the property subject to an equitable obligation to keep or use the property for the benefit of another.

(q) "U.S. Treasury securities" means a negotiable debt obligation issued and guaranteed by the U.S. government.

(r) "Validation period" means the period of time between when a patron has met the conditions required to receive a prize, and when the prize payout is validated. The validation period shall not exceed 72 hours, unless otherwise extended by the chairman.

3. Periodic payments of prizes awarded to a patron as a result of conducting any gaming or promotional activity may be made if the method of funding the periodic payments provides such payments to a patron through the establishment of any one of the following funding methods:

(a) An irrevocable surety bond or an irrevocable letter of credit with an independent financial institution which will provide for either the periodic payments or a single cash payment for the remaining periodic payments should the licensee default on paying the scheduled periodic payments for any reason. The form of the written agreement establishing an irrevocable surety bond or the irrevocable letter of credit, and a written commitment to execute such bond or letter from the financial institution, shall be submitted to the chairman for approval no less than 45 days prior to the commencement of the gaming or promotional activity.

(b) An irrevocable trust with an independent financial institution in accordance with a written trust agreement, the form of which shall be submitted to the chairman for approval at least 45 days prior to the commencement of any

new gaming or promotional activity, and which provides periodic payments from an unallocated pool of assets to a group of patrons and which shall expressly prohibit the patron from encumbering, assigning or otherwise transferring in any way his right to receive the deferred portion of the prizes except to his estate. The assets of the trust shall consist of approved funding sources in an amount sufficient to meet the periodic payments as required.

(c) A reserve maintained at all times by a licensee, together with the continuing satisfaction of and compliance with certain financial ratios and tests, and monitoring and reporting procedures related thereto. The conditions under which a reserve method may be used shall be prescribed by the chairman in a written notice distributed to licensees and all interested persons. Licensees shall notify the chairman in writing at least 45 days prior to the commencement of any new gaming or promotional activity for which periodic payments may be used. Unless otherwise informed within such time period in writing by the chairman and assuming a stop order has not been issued during such period, the use of a reserve method for funding periodic payments shall be deemed approved.

(d) Another method of providing the periodic payments to a patron consistent with the purpose of this regulation and which is approved by the commission prior to the commencement of the gaming or promotional activity. Proposed modifications to a periodic payment plan previously approved by the commission shall be submitted to the chairman for review at least 45 days prior to the effective date of the change. The chairman, after whatever investigation or review he deems necessary, may administratively approve the modification or require the licensee to submit the requested modification to the commission for review and approval.

4. The funding of periodic payment plans shall be completed within 30 days of the conclusion of the validation period, or where a qualified prize option is offered for such prize payout, within 30 days of the date the patron makes an election thereunder. Where a single cash payment is elected, the licensee shall pay to the patron in cash, certified check or wire transfer the full amount less any prior payment(s) within 15 days after receiving the patron's written notification of such election.

5. Periodic payments shall not be used for prize payouts of \$100,000 or less. Periodic payments for total amounts won greater than \$100,000 shall be paid as follows:

(a) For amounts won greater than \$100,000, but less than \$200,000, payments shall be at least \$10,000 annually;

(b) For amounts won greater than \$200,000 or more, payments shall be no less than 1/20th of the total amount annually;

(c) For amounts won equal to or in excess of \$5,000,000, payments shall be made in the manner set forth in (b), above, or in such manner as approved by the commission upon application by the licensee; and

(d) The first installment payment shall be made upon the conclusion of the validation period, notwithstanding that a qualified prize option may be offered to the patron. In the event that a qualified prize option is offered to a patron, it shall not be construed as a requirement that the patron shall receive a single cash payment instead of periodic payments.

Waivers of subsections (a), (b) and (c) of this section that have been previously granted by the commission shall remain in full force and effect pursuant to the current terms and provisions of such waivers.

6. The licensee shall provide the chairman with an appropriate, signed legal document, prior to the commencement of any gaming or promotional activity for which periodic payments are to be offered, that shall irrevocably and unconditionally remise, release, indemnify and forever discharge the State of Nevada, the commission, the board, and their members, employees, agents and representatives, including those of the Attorney General's Office, of and from any and all claims, actions, causes of actions, losses, damages, liabilities, costs, expenses and suits of any nature whatsoever, in law or equity, including reasonable attorney's fees, arising from any act or omission of the commission and the board, and their members, employees, agents and representatives.

7. For any gaming or promotional activity for which periodic payments are used, the licensee shall provide a notice on each gaming device or, if no gaming device is used, then in each gaming or promotional area specifically setting forth the terms of the periodic payment plan, and include in all radio, television, other electronic media, or print advertising that such prizes will be awarded using periodic payments.

8. Notwithstanding any other regulation to the contrary, if a licensee offers a qualified prize option to a patron who is awarded a qualified prize, the licensee shall provide the option to the patron in writing within five days after the conclusion of the validation period. Such written option shall explain the method used to compute the single cash payment, including the discount rate as of the date of calculation, and shall state that the patron is under no obligation to accept the offer of a single cash payment and may nevertheless elect to receive periodic payments for the qualified prize.

9. The licensee shall maintain the following amounts, as applicable, related to each gaming or promotional activity that uses periodic payments in calculating its minimum bankroll requirement for the purpose of complying with Regulation 6.150:

(a) For periodic payment plans approved in accordance with Regulation 5.115(3)(a), the installment payments due within the next 12-month period for all amounts won or on public display for which the licensee will be making periodic payments.

(b) For periodic payment plans approved in accordance with Regulation 5.115(3)(b), the first installment payment, if not yet paid, and the present value of all future payments:

(1) For amounts won or awarded but for which the funding has not been completed; and

(2) For all prizes which have not been won or awarded but are on public display, including a progressive meter.

(c) An alternative amount and/or method required by the chairman to satisfy the minimum bankroll requirement for other approved funding plans used for periodic payments.

10. At all times the licensee is responsible for the payment of all prizes resulting from any gaming or promotional activity upon conclusion of the validation period, regardless of the method used to fund the periodic payments allowed under this regulation. In the event of a default by any financial institution with which the licensee has contracted to guarantee or make periodic payments, the licensee will be liable for the periodic payments owed to patrons.

11. At least annually, the licensee shall verify that the independent financial institution and brokerage firm being used to guarantee or remit periodic payments to patrons or to hold approved funding sources related thereto continues to meet the applicable qualifications required by Regulation 5.115(2). In the event that such entities are found to no longer meet the defined requirements, the licensee shall immediately notify the chairman of the change in status and within 30 days provide a written plan to comply with these requirements.

12. At least 60 days prior to the cessation of operations, a licensee responsible for remitting periodic payments to patrons shall submit a plan to satisfy the liability for approval. The chairman, after whatever investigation or review he deems necessary, may approve the plan.

13. Copies of the related contracts and agreements executed pursuant to Regulation 5.115(3)(a), (3)(b) and (3)(d) shall be submitted to the board within 30 days after execution. For all methods of funding periodic payments, the licensee must maintain documents, executed contracts and agreements for a period no less than the duration of the periodic payments plus five years thereafter.

14. Where a licensee is found to be in noncompliance with the funding requirements provided in this regulation, the chairman may require the licensee to immediately cease offering any gaming or promotional activity for which periodic payments are used or he may require other corrective action.

15. Any failure of the licensee to maintain full compliance with each and every provision set forth in this regulation, including the chairman's requirements established pursuant to Regulation 5.115(3)(c), or any failure of the licensee to immediately notify the chairman of any noncompliance thereof, shall constitute an unsuitable method of operation. Such noncompliance may subject the licensee to disciplinary action.

16. The commission may waive one or more of the requirements of this regulation if it makes a written finding that such waiver is consistent with the public policy set forth in NRS 463.0129.

(Adopted: 2/91. Amended: 11/18/99; 2/22/01.)

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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 AND ASSOCIATED
EQUIPMENT**

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

1. "Assume Responsibility" means to acquire complete control over, or ownership of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

2. "Cashless wagering system" means the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering on any game or gaming device including mobile gaming systems and interactive gaming systems with other than chips, tokens or legal tender of the United States. The term does not include any race and sports computerized bookmaking system that accepts pari-mutuel wagers, or any other race and sports book systems that do not accept wagering instruments or process electronic money transfers.

This type of associated equipment is further defined in NRS 463.014.

3. "Chairman" means the chairman of the state gaming control board or his designee.

4. "Control Program" means any software, source language or executable code which affects the result of a wager by determining win or loss. The term includes, but is not limited to, software, source language or executable code associated with the:

- (a) Random number generation process;
- (b) Mapping of random numbers to game elements displayed as part of game outcome;
- (c) Evaluation of the randomly selected game elements to determine win or loss;
- (d) Payment of winning wagers;
- (e) Game recall;
- (f) Game accounting including the reporting of meter and log information to on-line slot metering system;
- (g) Monetary transactions conducted with associated equipment;
- (h) Software verification and authentication functions which are specifically designed and intended for use in a gaming device;
- (i) Monitoring and generation of game tilts or error conditions; and
- (j) Game operating systems which are specifically designed and intended for use in a gaming device.

5. "Conversion" means a change in a gaming device from one pre-approved configuration to another pre-approved configuration or from one approved mode of play to another approved mode of play.

6. "Distribution" or "distribute" means:

- (a) The sale, offering for sale, lease, offering for lease, licensing or other offer of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada; or
- (b) The sale, offering for sale, lease, offering for lease or other offer of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system from a location within Nevada.

7. "Distributor" means a person or entity that distributes any gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

8. "Distributor of associated equipment" is any person that sells, offers to sell, leases, offers to lease, licenses, markets, offers, or otherwise offers associated equipment in Nevada for use by licensees.

9. "Equipment associated with interactive gaming" means associated equipment as defined within NRS 463.0136.

10. "Interactive gaming system" is a gaming device and means the collective hardware, software, communications technology, and proprietary hardware and software specifically designed or modified for, and intended for use in, the conduct of interactive gaming. The core components of an interactive gaming system, including servers and databases running the games on the interactive gaming system and storing game and interactive gaming account information, must be located in the State of Nevada except as otherwise permitted by the chairman or his designee.

11. "Game outcome" is the final result of the wager.

12. "Game variation" means a change or alteration in a game or gambling game that affects the manner or mode of play of an approved game. This includes, but is not limited to, the addition or removal of wagering opportunities or a change in the theoretical hold percentage of the game. The term game or gambling game is defined in NRS 463.0152.

13. "Independent contractor" means any person who:

(a) Is not an employee of a licensed manufacturer; and

(b) Pursuant to an agreement with a licensed manufacturer:

(1) Designs, develops, programs, produces or composes a control program on behalf of the licensed manufacturer; or

(2) Designs, develops, produces or composes software, source language or executable code intended to be compiled into a control program by the licensed manufacturer.

↳ As used in this regulation "licensed manufacturer" includes any affiliate that is owned or controlled by or under common control with the licensee.

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.

15. "Inter-casino linked system" means ~~[an inter-casino linked system including];~~

(a) A network of electronically interfaced similar games which are located at two or more licensed gaming establishments that are linked to:

(1) Conduct gaming activities, contests or tournaments; or

(2) Facilitate participation in a common progressive prize system.

↳ and the collective hardware, software, communications technology and other associated equipment used in such system to link and monitor games or devices located at two or more licensed gaming establishments, including any associated equipment used to operate a multi-jurisdictional progressive prize system.

(b) 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.]~~

(c) The term "multi-jurisdictional progressive prize system" means the collection of hardware, software, communications technology and other associated equipment used to link and monitor progressive slot machines or other games among licensed gaming establishments in this state participating in an inter-casino linked system and one or more lawfully operated gaming locations in other jurisdictions that participate in a similar system for the purpose of participation in a common progressive prize system.

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.

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, including proprietary software or hardware;

(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, including proprietary software or hardware; or

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

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

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.

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

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.

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

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.

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.

25. "Operator" means, except as otherwise provided, any person or entity holding a license to operate:

- (a) [a] An inter-casino linked system or mobile gaming system in Nevada;
- ~~(b) [a person or entity holding a license to operate a] A slot machine route that operates an inter-casino linked system for slot machines only;~~
- ~~(c) [a person or entity holding a license to operate a] A nonrestricted gaming operation that operates an inter-casino linked system of affiliates;~~ or
- (d) An inter-casino linked system under the preceding paragraphs (a) or (b) of this section which system also is linked to or otherwise incorporates a multi-jurisdictional progressive prize system.

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.

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.

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

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

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

1. A manufacturer or distributor shall not distribute a gaming device in Nevada and a licensee shall not offer a gaming device for play unless it has been approved by the commission or is offered for play pursuant to a field test ordered by the chairman.

2. An operator of an inter-casino linked system shall not install and operate a new inter-casino linked system in Nevada and a licensee shall not offer any gaming device or game for play that is part of such a system unless operation of the inter-casino linked system and all gaming devices or games that are part of or connected to the inter-casino linked system have been approved by the commission or are offered for play pursuant to a field test ordered by the chairman.

3. Applications for approval of a new gaming device or to operate a new inter-casino linked system shall be made and processed in such manner and using such forms as the chairman may prescribe. Only licensed manufacturers may apply for approval of a new gaming device. Only operators may apply for approval to operate a new inter-casino linked system.

4. At the chairman's request an applicant for a manufacturer's or inter-casino linked system operator's license shall, or upon the chairman's prior approval an applicant for a manufacturer's or operator's license may, apply for

a preliminary determination that a new gaming device or new inter-casino linked system meets the standards required by this regulation.

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

(a) A complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device or inter-casino linked system operates and complies with all applicable statutes, regulations and technical standards, signed under penalty of perjury;

(b) A statement under penalty of perjury that, to the best of the manufacturer's knowledge, the gaming device meets the standards of section 14.040 or, in the case of an inter-casino linked system, that to the best of the operator's knowledge the system meets the standards of section 14.045;

(c) In the case of a gaming device, a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming device, submitted on electronically readable, unalterable media;

(d) In the case of a gaming device, a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables;

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

(1) An operator's manual;

(2) A network topology diagram;

(3) An internal control system;

(4) A hold harmless agreement;

(5) A graphical representation of the system theme and all related signage; ~~and~~

(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

(7) The form of any agreement or written specifications permitted or required of an operator by any other state or tribal government and affecting a multi-jurisdictional progressive prize system.

(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.

14.100 Final approval of new gaming devices and new inter-casino linked systems.

1. After completing its evaluation of the new gaming device or the operation of a new inter-casino linked system, the board shall recommend to the commission whether the application for approval of the new gaming device or operation of a new inter-casino linked system should be granted.

2. In considering whether a new gaming device or operation of a new inter-casino linked system will be given final approval, the board and commission shall consider whether:

(a) ~~a~~ Approval of the new gaming device or operation of a new inter-casino linked system is consistent with the public policy of this state.

(b) The terms of any agreement or written specifications permitted or required of an operator by any other state or tribal government and affecting a multi-jurisdictional progressive prize system:

(1) Comply with the provisions of these regulations; and

(2) Include procedures satisfactory to the commission for:

(A) Ensuring compliance with the requirements of subsection 4 of regulation 14.040(4);

(B) Resolution of patron disputes under procedural and substantive requirements equal to or greater than the standards applied by the board;

(C) Surveillance and security of gaming devices connected to such system;

(D) Record-keeping and record-retention;

(E) Control of access to any internal mechanism of gaming devices connected to such system;

(F) Prior administrative approval of the chairman for any adjustments to progressive meters;

(G) Access by the board to audit compliance with the requirements of this subparagraph; and

(H) Any special procedures necessary for a multi-jurisdictional progressive prize system with lawfully operated gaming locations participating outside the United States, including without limitation matters of currency conversion and the availability of English translations of all relevant and material documentation and information.

3. Commission approval of a gaming device or inter-casino linked system does not constitute certification of the device's or inter-casino linked system's safety. Commission approval of a multi-jurisdictional progressive prize system shall include approval of any agreement or written specifications permitted or required by any other state or tribal government and affecting such system. The chairman will complete any written acknowledgement necessary to document the commission's approval of any such agreement or written specifications. The prior administrative approval of the chairman is required of any modification to such agreement or written specifications.