

**PROPOSED AMENDMENT TO NEVADA GAMING COMMISSION REGULATION  
14.020**

**PURPOSE:** To amend Nevada Gaming Commission ("NGC") Regulation 14 to adopt regulations governing associated equipment as set forth under section 5.5 of Senate Bill 38 from the 78th (2015) Session of the Nevada Legislature; To adopt regulations prescribing the manner and method for the approval of associated equipment by the Nevada Gaming Control Board ("Board"); To adopt regulations prescribing the method and form of any application for the approval of associated equipment by the Board; To adopt regulations that require persons who manufacture or distribute associated equipment for use in this State to be registered by the Commission if such associated equipment is:

1. Directly used in gaming;
2. Has the ability to add or subtract cash, cash equivalents or wagering credits to a game, gaming device or cashless wagering system;
3. Interfaces with and affects the operation of a game, gaming device, cashless wagering system or other associated equipment;
4. Is used directly or indirectly in the reporting of gross Revenue;
5. Records sales for use in an area subject to the tax imposed by NRS 368A.200;

or

6. Is otherwise determined by the Commission to create a risk to the integrity of gaming and protection of the public if not regulated;  
To adopt regulation that establish the degree of review an applicant for registration must undergo, which level may differ for different forms of associated equipment; To adopt regulations to establish fees for the application, issuance and renewal of the registration required pursuant to this section, not to exceed \$1,000 per application, issuance or renewal of such registration; And to take such additional action as may be necessary and proper to effectuate this stated purpose.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets **[omitted material]** is material to be omitted.

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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, MOBILE GAMING SYSTEMS, INTERACTIVE GAMING SYSTEMS AND  
ASSOCIATED EQUIPMENT; INDEPENDENT TESTING LABORATORIES**

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**14.020 License required; applications; *investigative fees; registration of a manufacturer or distributor of associated equipment.***

*14.302 Manufacturer or distributor of associated equipment; registration of a manufacturer or distributor of associated equipment; application and procedures.*

*14.305 Manufacturer or distributor of associated equipment; determination of suitability.*

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**14.020 License required; applications; investigative fees; registration of a manufacturer *or distributor* of associated equipment.**

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4. ~~[All manufacturers of associated equipment shall register with the board using such forms as the chairman may require or approve]~~ *Any manufacturer or distributor of associated equipment for use in this State must register with the commission pursuant to NRS 463.665 if such associated equipment:*

- a. Is used directly in gaming;*
- b. Has the ability to add or subtract cash, cash equivalents or wagering credits to a game, gaming device or cashless wagering system;*
- c. Interfaces with and affects the operation of a game, gaming device, cashless wagering system or other associated equipment;*
- d. Is used directly or indirectly in the reporting of gross revenue;*
- e. Records sales for use in an area subject to the tax imposed by NRS 368A.200;*

*or*

*f. Is otherwise determined by the commission to create a risk to the integrity of gaming and protection of the public if not inspected.*

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***14.302 Manufacturer or distributor of associated equipment; registration of a manufacturer or distributor of associated equipment; application and procedures.***

***1. The initial application for registration and the application for renewal of registration shall be made, processed, and determined using such forms as the chairman may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required.***

***2. Any applications for registration or renewal required under this section shall be prepared and submitted by the relevant manufacturer or distributor of associated equipment.***

***3. Fee Structure and Registration Period.***

***(a) Upon submission of an application for registration as a manufacturer or distributor of associated equipment or renewal application, the applicant shall pay an application fee of \$1,000.***

***(b) Before the commission issues an initial registration or renewal of any registration for a manufacturer or distributor of associated equipment, the manufacturer or distributor of associated equipment shall pay an issuance fee of \$1,000.***

***(c) The registration of a manufacturer or distributor of associated equipment registered after October 1, 2015 shall be effective for three calendar years from the effective date of the registration or renewal. Any manufacturer or distributor deemed registered pursuant to NRS 463.665(7) must submit a complete application during the 2016 calendar year according to the 1<sup>st</sup> day of the month***

*the original registration became effective. This and subsequent renewals will be effective for 3 calendar years.*

*4. Each registered associated equipment manufacturer or distributor shall inform the board in writing of any changes in the ownership, officers, or directors of the manufacturer or distributor of associated equipment. Reports required under this subsection shall be made to the board within 30 days of occurrence.*

*14.305 Manufacturer or distributor of associated equipment; determination of suitability.*

*1. In addition to the requirements of this regulation requiring a manufacturer or distributor of associated equipment to be registered, the commission may, pursuant to NRS 463.665 and upon recommendation of the board, require a manufacturer or distributor of associated equipment who sells, transfers or offers the associated equipment for use or play in Nevada to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.*

*2. The commission may, pursuant to NRS 463.665 and upon recommendation of the board, require any person who directly or indirectly involves himself or herself in the sale, transfer or offering for use or play in Nevada of such associated equipment who is not otherwise required to be licensed as a manufacturer or distributor to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.*

*3. The commission shall give written notice of its decision to require the filing of an application for a finding of suitability under subsection 1 and/or 2.*

*4. All investigative costs and fees associated with applications for a finding of suitability are owed by the party required to file the application for a finding of suitability. Failure to remit such costs and fees within such periods set by the commission, upon the advice of the board, will result in a lapse of the registrations of the applicable manufacturer or distributor of associated equipment and will constitute an unsuitable method of operation. Where the party required to file an application to manufacture or distribute associated equipment is not registered, failure to pay such investigative costs and fees is grounds for denial of any application associated with such manufacture or distribution of associated equipment.*

*5. Failure of any party described in subsections 1 or 2 to submit an application for a finding of suitability within 30 days of being demanded to do so by the commission shall constitute grounds for a finding of unsuitability of that party.*

*6. If the commission finds any manufacturer or distributor of associated equipment, as described in subsection 1, or any person, as described in subsection 2, to be unsuitable under this section:*

*(a) The registration of such manufacturer or distributor is thereupon revoked as a matter of law;*

*(b) Any applications for registration as a manufacturer or distributor of associated equipment associated with a party which is found unsuitable are deemed denied as a matter of law; and*

*(c) All gaming licensees shall, upon written notification from the board or commission, terminate any existing relationships, direct or indirect, with such unsuitable parties.*

*7. Failure of a gaming licensee to terminate any association or agreement, direct or indirect, with any party found unsuitable upon receiving written notice of the determination of unsuitability constitutes an unsuitable method of operation.*

*8. Failure of a registered manufacturer or distributor of associated equipment to terminate any association or agreement with any party found unsuitable upon receiving written notice of the determination of unsuitability shall constitute grounds for the revocation of the registration of the manufacturer or distributor of associated equipment.*

*9. The commission retains jurisdiction to determine the suitability of any party described in subsections 1 or 2 regardless of whether or not that party has severed any relationship with a gaming licensee or registered manufacturer or distributor of associated equipment.*