PROPOSED NEW REGULATION SECTIONS TO REGULATION 14 PROPOSED AMENDMENTS TO REGULATION 14.010, 14.020, 14.030, 14.040, 14.050, 14.060, 14.080, 14.100, 14.110, 14.120, 14.130, 14.140, 14.220, 14.230, 14.260, 14.300, 14.350, 14.360, 14.370, 14.390, 14.395, AND 14.420

**PURPOSE:** To reflect the statutory change that inter-casino linked systems are now associated equipment; to reflect the statutory change classifying mobile gaming systems as gaming devices; to clarify that an on-line slot metering system is associated equipment; to reflect the statutory change that an operator of an inter-casino linked system is now approved pursuant to regulation rather than licensed; to delete statutory cross-references which are no longer in effect; to create an operator of an inter-casino linked system approval and the process to obtain such approval; to reflect the statutory change for approval of a new game; to modify the waiver provisions regarding gaming devices and associated equipment; to modify the requirements concerning individuals employed to respond to the Gaming Control Board; to move and update the requirements concerning a multi-jurisdictional prize system reflecting inter-casino linked systems classification as associated equipment; to modify gaming device approval revocation requirements; to modify the application requirements for new games; to allow waiver of Board Chair approval of variations of Bingo; to modify the approval requirements for associated equipment modifications; to create associated equipment approval revocation requirements; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

#### **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

(Draft Date February 24, 2022)

New [Deleted]

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

- 1. No Change.
- 2. No Change.
- 3. No Change.
- 4. No Change.
- 5. No Change.
- 6. No Change.
- 7. No Change.
- 8. No Change.
- 9. No Change.
- 10. No Change.

- 11. No Change.
- 12. No Change.
- 13. No Change.
- 14. No Change.
- 15. No Change.
- 16. No Change.
- 17. No Change.
- 18. No Change.
- 19. No Change.
- 20. ["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.
- 21.] "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 Chair.
  - [22]21. "Manufacture" has the meaning ascribed to it in NRS 463.01715.
  - [23]22. "Manufacturer" has the meaning ascribed to it in NRS 463.0172.
- [24]23. "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.
- [25]24. "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. A mobile gaming system is a gaming device.
- [26 "Mobile gaming system modification" means any change or alteration to a mobile gaming system made by a manufacturer from its approved configuration.]
- [27]25. "Modification" means, except as otherwise provided, 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 programs and, except as provided in paragraphs (c) and (d) of this subsection, in the theoretical hold percentage. The term does not include:
  - (a) Replacement of one component with another, pre-approved component;
  - (b) The rebuilding of a previously approved device with pre-approved components;

- (c) A change in the theoretical hold percentage of a mechanical or electromechanical device, provided that the device as changed meets the standards of subsection 1 of section 14.040;
- (d) 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; or
- (e) A change to software used for artistic attributes of a game, including graphics, sound and animation providing entertainment unless such elements are material to game play because they are necessary for the player to understand the game or game outcome.
- [28]26. "On-line slot metering system" is associated equipment and means the collective hardware, software and other associated equipment used to monitor, accumulate, and record meter information from gaming devices within a licensed establishment.
- [29]27. "Operator" means, except as otherwise provided, any person or entity holding a license *or approval* to operate:
  - (a) An inter-casino linked system or mobile gaming system in Nevada;
- (b) A slot machine route that operates an inter-casino linked system for slot machines only;
- (c) 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 subsection which system also is linked to or otherwise incorporates a multi-jurisdictional progressive prize system.
- [30]28. "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.
- [31]29. "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.
- [32]30. "Randomness" is the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.
- [33]31. "Rules of play" means those features of a game necessary for a reasonable person to understand how a game is played including, but not limited to, the following:
  - (a) Help screens;
  - (b) Award cards; and
  - (c) Pay-line information.
- → The term does not include those inherent features of a game that a reasonable person should know or understand prior to initiating the game.
- [34]32. "Skill" means the knowledge, dexterity or any other ability or expertise of a natural person.
  - [35]33. "Theme" means a concept, subject matter and methodology of design.

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

- 1. Except as provided for in [subsection 2 of NRS 463.160 and] subsections 2 to 7 of NRS 463.650, a person may only act as a manufacturer[,] or distributor[, or operator] if that person holds a license specifically permitting the person to act as such.
- 2. An application for a manufacturer's [,] <u>or</u> distributor's [, or operator's] license shall be made, processed, and determined in the same manner as an application for a nonrestricted gaming license, using such forms as the Chair may require or approve.
- 3. An application for a manufacturer's [,] <u>or</u> distributor's [, or operator's] license shall be subject to the application and investigative fees established pursuant to section 4.070 of these regulations.
  - 4. No Change.
  - 5. No Change.

#### 14.0205 Operators of inter-casino linked systems.

- 1. Only a person licensed as a manufacturer; licensed to operate a nonrestricted gaming operation; or holding an active license to operate an inter-casino linked system may be approved to operate an inter-casino linked system.
- 2. A person holding an active license to operate an inter-casino linked system shall be considered approved to operate an inter-casino linked system.
- 3. A person licensed as a manufacturer or licensed to operate a nonrestricted gaming operation may submit a written request to the Chair for approval to operate an inter-casino linked system. Such request shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required.
- (a) The Chair may reject the request for approval for any cause the Chair deems reasonable. If the Chair rejects the request, the Chair shall send written notice of the decision to the person who made the request.
- (b) A rejection of a request for approval by the Chair shall be considered an administrative approval decision and is subject to the procedures set forth in sections 4.185, 4.190, and 4.195 of these regulations.
- 4. A person seeking approval to operate an inter-casino linked system does not have a right to the granting of the request. Any approval as an operator of an inter-casino linked system is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board or Commission regarding a request for approval as an operator of an inter-casino linked system.
- 5. An operator may only receive, either directly or indirectly, compensation for placing and operating an inter-casino linked system based on a percentage or share of the money or property played from the linked games if the operator is a licensed manufacturer, is a licensed operator of a slot machine route, or is approved to share in revenue pursuant to NRS 463.162 or NRS 463.167.

### 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 <u>received a recommendation for approval from the Board subject to final disposition by the Commission</u>, been approved by the Commission, or is offered for play pursuant to a field test ordered by the Chair.
- 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, *Board, or Chair, as appropriate*, or are offered for play pursuant to a field test ordered by the Chair.
  - 3. No Change.
- 4. At the Chair's request an applicant for a manufacturer's <u>license</u> or inter-casino linked system operator's <u>[license]</u> <u>approval</u> shall <u>[, or upon the Chair's prior approval an applicant for a manufacturer's or operator's license may,]</u> apply for a preliminary determination that a new gaming device or new inter-casino linked system meets the standards required by this regulation. <u>Such an applicant may also seek a preliminary determination by requesting the Chair's approval to apply for such a determination.</u>
  - 5. No Change.

### 14.040 Minimum standards for gaming devices.

- 1. No Change.
- 2. No Change.
- 3. No Change.
- 4. No Change.
- 5. No Change.
- 6. No Change.
- 7. No Change.
- 8. No Change.
- [9. For gaming devices manufactured and distributed before September 28, 1989, the Chair may waive the requirements of paragraph (d) of subsection 1 for a licensee exposing a gaming device to the public for play, if the licensee can demonstrate to the Chair's satisfaction that:
- (a) After the waiver the aggregate theoretical payout for all amounts wagered on all gaming devices exposed for play by the licensee at a single establishment meets the 75 percent standard of paragraph (a) of subsection 1, and
- (b) The licensee is unable to bring the device into compliance with the requirements of paragraph (a) of subsection 1 because of excessive cost or the unavailability of parts.
- 40. The Chair may waive for good cause shown the requirements of a technical standard for a game. The Chair has full and absolute authority to condition or limit a waiver granted under this section for any cause deemed reasonable.]

#### 14.050 Technical standards.

- 1. The Chair shall publish technical standards for approval of gaming devices [, online slot metering systems,] cashless wagering systems, and associated equipment.
  - 2. No Change.
  - 3. No Change.
  - 4. No Change.
  - 5. No Change.
  - 6. No Change.
  - 7. No Change.
- 8. The Chair may waive for good cause shown the requirements of a technical standard for a gaming device or associated equipment. The Chair has full and absolute authority to condition or limit a waiver granted under this subsection for any cause deemed reasonable.

#### 14.060 Employment of individual to respond to inquiries from the Board.

- 1. Each manufacturer and operator shall employ or retain an individual who understands the design and function of each of its gaming devices, <u>associated</u> <u>equipment</u>, cashless wagering systems, <u>finter-casino linked systems</u>, <u>mobile gaming systems</u>, or interactive gaming systems who shall respond within the time specified by the Chair to any inquiries from the Chair concerning the gaming device, <u>associated equipment</u>, cashless wagering system, <u>finter-casino linked system</u>, <u>mobile gaming system</u>, or interactive gaming system or any modifications to the gaming device, <u>associated equipment</u>, cashless wagering system, <u>finter-casino linked system</u>, <u>mobile gaming system</u>, or interactive gaming system. Each manufacturer or operator shall on or before December 31st of each year report in writing the name of the individual designated pursuant to this section and shall report in writing any change in the designation within 15 days of the change.
  - 2. No Change.

# 14.080 Field test of new gaming devices [and new inter-casino linked systems].

1. The Chair, in accordance with section 14.015, may allow or require that one or more models of a new gaming device [or inter-casino linked system] be tested at a licensed gaming establishment(s) for not more than 180 days under terms and conditions that the Chair may approve or require. Upon written request of the manufacturer [,] or distributor [or operator], the Chair may, by written agreement, allow the test period to be continued an additional 90 days beyond the 180-day maximum field test period, for the purpose of allowing the application for approval of the new gaming device [or application to operate a new inter-casino linked system] to be acted upon by the Board and Commission. The Chair shall report all field tests on the agenda of the next regularly scheduled meeting of the Board and Commission.

- 2. In the interests of expediting the introduction of innovative, alternative and advanced technology for gaming devices [and inter-casino linked systems] for use or play in Nevada, a manufacturer may request its new gaming device [or inter-casino linked system] be considered for evaluation under New Innovation Beta as an alternative to the field testing process set forth under subsection 1.
- (a) For purposes of this section only, the term "New Innovation Beta" means a process of evaluating a new gaming device [or inter-casino linked system] utilizing a field testing period under conditions and limitations described in this subsection.
- (b) The terms and conditions imposed under the New Innovation Beta will be set forth by the Chair, and shall include, without limitation, requirements that:
- (1) A licensee notify patrons that the new gaming device [or inter-casino linked system] is part of such a field test and is being exposed for play prior to finalization of the product in order to allow the evaluation of the gaming device [or inter-casino linked system] at an earlier stage of the regulatory approval process and
- (2) A field test will be for a period of not more than 270 days. Upon written request of the manufacturer [,] or distributor [or operator], the Chair may, by written agreement, allow the test period to be continued an additional 90 days beyond the 270-day maximum New Innovation Beta field test period, for the purpose of allowing the application for approval of the new gaming device [or application to operate a new intercasino linked system] to be acted upon by the Board and Commission.
- (c) The decision whether to permit a new gaming device [or inter-casino linked system] to be evaluated utilizing New Innovation Beta is at the sole and absolute discretion of the Chair.
- (d) When considering the request to evaluate a new gaming device [or inter-casino linked system] utilizing New Innovation Beta, the Chair will consider factors including, without limitation, the ability of the gaming device to accurately determine, evaluate, and display the game outcome[,] and the ability of the gaming device to accurately process the acceptance and award of all payments[, and the extent to which an inter-casino linked system complies with the requirements of section 14.045].
- (e) The Chair may also consider the approval status of the gaming device [or intercasino linked system] in another state or foreign jurisdiction in which gaming is legal and regulated by a government agency with standards for gaming devices [and inter-casino linked systems] materially the same as those in Nevada, the determination of which is within the sole discretion of the Chair.
- 3. A manufacturer shall not modify a gaming device [and an operator shall not modify a new inter-casino linked system] during the test period without the prior written approval of the Chair.
- 4. The Chair may order termination of the test period, if the Chair determines, in the Chair's sole and absolute discretion, that the manufacturer [, operator,] or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period or for any cause deemed reasonable.
- (a) If the test period is terminated due to the licensed gaming establishment's failure to comply with the terms and conditions of the order allowing or requiring a test period,

the Chair may order that the test be conducted at another licensed gaming establishment.

- (b) A manufacturer [or operator] may object to the termination of the test period by filing a written objection with the Commission. The filing of an objection shall not stay the order terminating the test. If the Commission fails to order resumption of the test within 60 days of the written objection, the objection will be deemed denied. If the Commission sustains the objection, the testing may be resumed under terms that may be approved or required by the Commission.
- 5. A licensee or manufacturer, or their agent shall not play a new gaming device during a test period. A licensee [or operator], or <u>its</u> [their] agent, shall not play a gaming device [or game connected to a new inter-casino linked system] during a test period.
- 6. If the Chair has made a determination that a new gaming device [or new intercasino linked system] is not eligible for testing at a licensed gaming establishment, the Chair shall notify the manufacturer [or operator] in writing. Not later than 10 days after receipt of such notification, the manufacturer [or operator] may object to such a determination by filing written objection with the Commission. If the Commission fails to order a test period within 60 days of the written objection, the objection will be deemed denied. If the Commission sustains the objection, the new gaming device [or new intercasino linked system] may be tested at a licensed gaming establishment under terms and conditions that may be approved or required by the Commission.

# 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:
  - (I) Ensuring compliance with the requirements of subsection 3 of section 14.040;
- (II) Resolution of patron disputes under procedural and substantive requirements equal to or greater than the standards applied by the Board;
  - (III) Surveillance and security of gaming devices connected to such system;
  - (IV) Record-keeping and record-retention;

- (V) Control of access to any internal mechanism of gaming devices connected to such system;
- (VI) Prior administrative approval of the Chair for any adjustments to progressive meters;
- (VII) Access by the Board to audit compliance with the requirements of this subparagraph; and

(VIII)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.

- (c) For an inter-casino linked system of games of skill or hybrid games:
- (1) The types of games that will be connected to such a system are compatible;
- (2) The communications technology used to connect participating gaming devices is adequate for the operating environment for such a system; and
- (3) The progressive payoff schedules used for such systems are accurately described for players and comply with subsection 3 of section 14.040. Notwithstanding the provisions of sections 5.110 and 5.112 of these regulations, such schedules may broaden and encourage participation in games with skill attributes, by providing, without limitation, for partial prize awards, and prize awards for games with different themes or based on the use of identifiers.]
- 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 multijurisdictional 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 Chair 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 Chair is required of any modification to such agreement or written specifications.]
- 4. A manufacturer or distributor who becomes aware that a gaming device [or intercasino linked system] approved by the Commission or the Board no longer complies with the regulations of the Commission or the technical standards adopted pursuant to section 14.050 shall notify the Board in writing within three business days.

# 14.110 Approval to modify gaming devices [or inter-casino linked systems]; applications and procedures.

- 1. Modifications to gaming devices may only be made by licensed manufacturers who have received prior written approval of the Chair. [Inter-casino linked system modifications may only be made by operators of such systems who have received prior written approval of the Chair.]
- ☐ The Chair, in the Chair's sole and absolute discretion, may refer an inter-casino linked system modification to the full Board and Commission for consideration of approval.] In an emergency when a modification is necessary to prevent cheating or malfunction, the Chair may, in the Chair's sole and absolute discretion, orally approve a

modification to be made by a manufacturer [or operator]. Within 15 days of the emergency modification, the manufacturer [or operator] making such modification shall submit a written request for approval of the modification that shall contain the information required by subsection 3 and such other information as required by the Chair.

- 2. A manufacturer shall not modify a gaming device unless the device, as modified, meets the standards of section 14.040. [An operator shall not modify an inter-casino linked system unless the system, as modified, meets the standards of section 14.045.] The Chair may, in the Chair's sole and absolute discretion, waive all or some of the standards of section 14.040 [or section 14.045, respectively,] if the modification is necessary to prevent cheating or malfunction. A waiver shall be effective when the manufacturer or operator receives a written notification from the Chair that all or some of the standards will be waived pursuant to this subsection. A waiver of all or some of the standards pursuant to this subsection is not an approval of the modification.
- 3. Applications for approval to modify a gaming device [or an inter-casino linked system] shall be made by a manufacturer and processed in such manner and using such forms as the Chair may prescribe. Each application shall include, in addition to such other items or information as the Chair may require:
- (a) A complete, comprehensive, and technically accurate description and explanation of the modification in both technical and lay language signed under penalty of perjury;
- (b) Unless the standards of section 14.040 [or section 14.045] have been waived pursuant to subsection 2, a statement under penalty of perjury that to the best of the manufacturer's knowledge, the gaming device, as modified, meets the standards of section 14.040 [or, in the case of an inter-casino linked system, a statement under penalty of perjury that to the best of the operator's knowledge the inter-casino linked system, as modified, meets the standards of section 14.045];
  - (c) In the case of a gaming device:
- (1) 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 using a method acceptable to the Chair;
- (2) A copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables;
- (d) In the case of a modification to the control program of a gaming device that includes software, source language or executable code designed or developed by an independent contractor:
  - (1) The name of the independent contractor; and
- (2) A general subject matter description of such software, source language or executable code compiled into the control program as part of the submission to the Board:
  - (e) In the case of an inter-casino linked system:
  - (1) An operator's manual;

- (2) An internal control system;
- (3) A hold harmless agreement;
- (4) A graphical representation of the system theme and all related signage; and
- (5) Information sufficient to calculate a theoretical payoff schedule amount.
- (f)] All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

#### 14.120 Board evaluation of modifications.

- 1. The Chair may require transportation of not more than two working models of a modified gaming device [or not more than one working model of a modified inter-casino linked system], or any component thereof, to the Board's offices or some other location for review and inspection. The manufacturer [or operator] seeking approval of the modification shall pay the cost of the inspection and investigation. The Board may dismantle the models and may destroy electronic components in order to fully evaluate the modified gaming device or inter-casino linked system, or component. The Chair may require that the manufacturer [or operator] provide specialized equipment or the services of an independent technical expert to evaluate the modification.
  - 2. No Change.
- 3. The manufacturer [or operator] shall submit materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.

## 14.130 Field test of modified gaming devices [and modified inter-casino linked systems].

- 1. The Chair may allow or require that one or more models of a modified gaming device [or modified inter-casino linked system] be tested at a licensed gaming establishment for not more than 180 days under terms and conditions that the Chair may approve or require.
- 2. In the interests of expediting innovative, alternative and advanced technology in the modification of gaming devices and inter-casino linked systems approved for use or play in Nevada, a manufacturer may request a modification to its gaming device [or inter-casino linked system] be considered for evaluation under New Innovation Beta as an alternative to the field testing process set forth under subsection 1.
- (a) For purposes of this section only, the term "New Innovation Beta" means a process of evaluating a modification to a gaming device [or inter-casino linked system] utilizing a field testing period under conditions and limitations described in this subsection.
- (b) The terms and conditions imposed under New Innovation Beta will be set forth by the Chair, and shall include, without limitation, requirements that:
- (1) A licensee notify patrons that the modification to an approved gaming device [or inter-casino linked system] is part of such a field evaluation and is being exposed for play prior to finalization of the product in order to allow the evaluation of the modification

to the gaming device [or inter-casino linked system] at an earlier stage of the regulatory approval process and

- (2) A field test will be for a period of not more than 270 days.
- (c) The decision whether to permit a modification to an approved gaming device [or inter-casino linked system] to be evaluated utilizing New Innovation Beta is at the sole and absolute discretion of the Chair.
- (d) When considering the request to evaluate a modification to an approved gaming device [or inter-casino linked system] utilizing New Innovation Beta, the Chair will consider factors including, without limitation, the ability of the gaming device to accurately determine, evaluate, and display the game outcome[,] <u>and</u> the ability of the gaming device to accurately process the acceptance and award of all payments[, and the extent to which an inter-casino linked system complies with the requirements of section 14.045.]
- (e) The Chair may also consider the approval status of the modification to an approved gaming device [or inter-casino linked system] in another state or foreign jurisdiction in which gaming is legal and regulated by a government agency with standards for modifications of gaming devices [and inter-casino linked systems] materially the same as those in Nevada, the determination of which is within the sole discretion of the Chair.
- 3. A manufacturer shall not further modify a gaming device [and an operator shall not further modify an inter-casino linked system] during the test period without the prior written approval of the Chair.
- 4. The Chair may order termination of the test period if the Chair determines, in the Chair's sole and absolute discretion, that the manufacturer [, operator,] or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period or for any cause deemed reasonable.
- 5. A licensee or manufacturer, or their agent shall not play a modified gaming device during a test period. [A licensee or operator, or their agent shall not play a gaming device or game connected to a modified inter-casino linked system during a test period.]
- 6. If the Chair has made a determination that the modified gaming device [or intercasino linked system] is not eligible for testing at a licensed gaming establishment, the Chair shall notify the manufacturer [or operator] in writing.
- **14.140 Final approval of modifications.** The Chair shall notify the manufacturer [or operator] in writing of the Chair's decision to approve or disapprove a modification.

### 14.220 [Summary suspension of] Revocation of approval of gaming devices [and inter-casino linked systems].

1. The [Board] <u>Chair</u> may [issue a summary order, with or without notice to the manufacturer, distributor, operator, or licensee, suspending] <u>revoke the</u> approval of a gaming device [or inter-casino linked system] if [it] <u>the Chair</u> determines that the device [or inter-casino linked system does not operate]:

- (a) <u>Does not operate</u> [II] in the manner certified by the manufacturer pursuant to section 14.090:
- (b) <u>Does not operate as recommended by the Board or [A]a</u>s approved by the Commission; [or]
- (c) <u>Does not operate</u> [A]as approved by the Chair, if the device has been modified since initial approval of the device for inter-casino linked system];
  - (d) Does not accurately record or report transactions;
  - (e) Does not comply with current regulatory or other legal requirements; or
- (f) Contains hardware or software which could negatively impact the public policy of this State concerning gaming.
- 2. The Chair shall provide notice of revocation of the approval of a gaming device to the manufacturer of the gaming device immediately. The notice shall state the reason or reasons for the revocation. The notice shall provide the effective date of the revocation. [After issuing an order pursuant to subsection 1, the Board may seal or seize all models of that gaming device or inter-casino linked system and shall thereafter comply with subsections 5 and 6 of section 463.311 and sections 463.312 to 463.318 of the Nevada Revised Statutes.]
- 3. A manufacturer affected by a revocation of approval of a gaming device decision made by the Chair may submit the matter to the Board for review.
- (a) A request for review of the decision must be submitted within 20 days after notice of the Chair's revocation of approval decision and shall state specific reasons why the approval of the game should not be revoked.
  - (b) A majority of the Board may affirm or rescind such decision.
- 4. If the Board affirms a revocation of approval decision made by the Chair, the manufacturer that submitted the decision to the Board may submit the matter to the Commission within 20 days of the Board decision for review of the Board decision and may obtain a hearing and written decision and order pursuant to NRS 463.3125 to 463.3145, inclusive. Such hearing shall be considered a disciplinary hearing concerning the approval of the gaming device. A final written decision and order of the Commission concerning the revocation decision is subject to judicial review pursuant to NRS 463.315 to 463.318, inclusive.
- <u>5. Any review of the Chair's decision to revoke the approval of a gaming device shall</u> not stay the revocation.
- 6. A revocation of the approval of a gaming device only pertains to the approval of the gaming device and shall not be considered a denial or revocation under the Act of the approval of a person.
- 7. The Chair may publish a list on the Board's website which includes all gaming devices for which the Chair has revoked approval.

### 14.230 Approval of new games and game variations; applications and procedures.

1. A licensee shall not offer a new game for play unless the new game has <u>received</u> a recommendation for approval from the Board subject to final disposition by the

<u>Commission</u>, <u>or</u> been approved by the Commission. A licensee shall not offer a game variation for play unless the game variation has been approved in writing by the Chair.

- 2. Applications for approval of a new game or game variation must be made and processed in such manner and using such forms as the Chair may prescribe. The applicant seeking approval of the new game or game variation shall pay the cost of the investigation. Each application must include, in addition to such other items or information as the Chair may require:
- (a) The name, permanent address, social security number, and driver's license number of the person developing the new game or game variation. If the person developing the new game or game variation does not have a social security number or a driver's license number, the person's birthdate may be substituted;
- (b) The name of the game, which must be different than the name of a game currently approved by the Commission;
- (c) Written documentation of any current, expired, or pending copyrights, trademarks, or patents involving the new game or game variation;
- [(e)](d) A description of the new game or game variation, including the rules of play, the proposed schedule of payouts, and a statistical evaluation of the theoretical percentages of the game; and
- [(d)](e) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.
- 3. The Chair may, in the Chair's sole and absolute discretion, waive the requirement to obtain Chair approval of a game variation related to Bingo. The Chair may condition, limit, or revoke a waiver granted under this subsection.

#### 14.260 Approval of associated equipment; applications and procedures.

- 1. Unless otherwise waived pursuant to subsection [2]4, a manufacturer or distributor of associated equipment shall not distribute and a licensee shall not operate or offer associated equipment unless it has been approved by the Chair. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the Chair may prescribe. Each application shall include, in addition to such other items or information as the Chair may require:
- (a) A complete, comprehensive and technically accurate description and explanation in both technical and lay language of the associated equipment or a modification to previously approved associated equipment and its intended usage, signed under penalty of perjury;
  - (b) Detailed operating procedures for the associated equipment;
- (c) The standards under which such tests were performed, including Technical Standards 2 and 3 if applicable, and the results of such testing that confirms the associated equipment is functioning as represented, signed under penalty of perjury; and
- (d) All materials relating to the results of the registered independent testing laboratory's inspection and certification process that are required under section 14.400.
  - 2. Prior to approving an inter-casino linked system, the Chair shall consider whether:

- (a) 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:
  - (I) Ensuring compliance with the requirements of subsection 3 of section 14.040;
- (II) Resolution of patron disputes under procedural and substantive requirements equal to or greater than the standards applied by the Board;
  - (III) Surveillance and security of gaming devices connected to such system;
  - (IV) Record-keeping and record-retention;
- (V) Control of access to any internal mechanism of gaming devices connected to such system;
- (VI) Prior administrative approval of the Chair for any adjustments to progressive meters;
- (VII) Access by the Board to audit compliance with the requirements of this subparagraph; and
- (VIII)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.
  - (b) For an inter-casino linked system of games of skill or hybrid games:
  - (1) The types of games that will be connected to such a system are compatible;
- (2) The communications technology used to connect participating gaming devices is adequate for the operating environment for such a system; and
- (3) The progressive payoff schedules used for such systems are accurately described for players and comply with subsection 3 of section 14.040. Notwithstanding the provisions of sections 5.110 and 5.112 of these regulations, such schedules may provide for partial prize awards and prize awards for games with different themes or based on the use of identifiers.
- 3. Chair approval of a multijurisdictional 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 Chair will complete any written acknowledgement necessary to document the Chair's approval of any such agreement or written specifications. The prior administrative approval of the Chair is required of any modification to such agreement or written specifications.
- <u>4.</u> Upon written request from the manufacturer or distributor of associated equipment, or as the Chair otherwise deems reasonable, the Chair may, in the Chair's sole and absolute discretion, waive the approval requirement for associated equipment upon such terms and conditions that the Chair may approve or require or refer the associated equipment to the full Board and Commission for consideration of approval.
- [3]5. A manufacturer or distributor of associated equipment who becomes aware that associated equipment approved by the Board no longer complies with the regulations of

the Commission or the technical standards adopted pursuant to section 14.050 shall notify the Board in writing within three business days.

#### 14.300 [Maintenance] Modification of associated equipment.

- 1. As used in this section, "modification" means any change or alteration to previously approved associated equipment which affects the manner in which the associated equipment operates or the associated equipment's compliance with a gaming related statute, regulation, or other legal requirement.
- 2. Except as otherwise provided, [The manner in which previously approved associated equipment operates may be altered only with] the prior written approval of the Chair is required for a modification. A request for approval to modify previously approved associated equipment may be made by a manufacturer of associated equipment and shall be in writing, shall contain the information required by subsection 1 of section 14.260, and shall include such other information as required by the Chair.
- 3. In an emergency when a modification is necessary to prevent cheating or malfunction, the Chair may, in the Chair's sole and absolute discretion, summarily approve a modification to be made by a manufacturer of associated equipment. Within 15 days of the emergency modification, the manufacturer of associated equipment making such modification shall submit a written request for approval of the modification in accordance with subsection 2.

#### 14.301 Revocation of approval of associated equipment.

- 1. The Chair may revoke the approval of associated equipment if the Chair determines that the associated equipment:
  - (a) Does not comply with current regulatory or other legal requirements or
    (b) Contains hardware or software which could impact the public policy of this State
- concerning gaming.
- 2. <u>The Chair shall provide notice of revocation of the approval of associated equipment to the manufacturer of the associated equipment at least 5 working days in advance of the effective date of the revocation.</u>
- 3. Chair revocation of the approval of associated equipment shall be considered an administrative approval decision, and therefore reviewable pursuant to the procedures set forth under sections 4.185, 4.190, and 4.195 of these regulations.
- 4. The Chair may publish a list on the Board's website which includes all associated equipment for which the Chair has revoked approval.

### 14.350 Independent testing laboratories; authority for Board to register and utilize; fees.

1. The Board is authorized to register and utilize independent testing laboratories for the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or

interactive gaming system, or any component thereof or modification thereto, for use in Nevada.

- 2. No Change.
- 3. No Change.
- 4. No Change.
- 5. The manufacturer or operator shall pay any and all costs associated with any review or approval the Board performs of a game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, including any costs associated with the Board's review of the registered independent laboratory's inspection, certification or review as described in subsection 1 or in subsection 1 of section 14.360.

### 14.360 Independent testing laboratories; registration requirement; qualifications.

- 1. The following persons or entities must register with the Board under this section:
- (a) Any independent testing laboratory that intends to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, [inter-casino linked system, mobile gaming system] or interactive gaming systems, or any components thereof or modifications thereto, for use in Nevada; and
- (b) Each person or entity that owns or has significant control over the operations of the independent testing laboratory seeking registration, including any intermediary entities.
  - 2. No Change.
  - 3. No Change.
- 4. Each independent testing laboratory must be registered for each category of inspection and certification for which the laboratory seeks to provide results. The categories of inspection and certification include:
  - (a) Games and game variations;
  - (b) Gaming devices and gaming device modifications;
  - (c) Gaming associated equipment and gaming associated equipment modifications;
  - (d) Cashless wagering systems and cashless wagering system modifications;
  - (e) [Inter-casino linked systems and inter-casino linked system modifications; (f) Mobile gaming systems and mobile gaming system modifications];
  - [(g)](f) Interactive gaming systems and interactive gaming system modifications; and [(h)](g) Any other category of inspection and certification that the Chair may deem

appropriate.

- 5. No Change.
- 6. To qualify to be registered, the independent testing laboratory, and any other person, entity or testing facility that is required to register, must:
  - (a) Demonstrate probity;
- (b) Be independent from any manufacturer, distributor, or operator of any game, gaming device, associated equipment, cashless wagering system, finter-casino linked

- system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not such person or entity is licensed, registered, or otherwise does business in Nevada;
- (c) Be accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement, unless the independent testing laboratory is only seeking registration for the inspection and certification of games and game variations;
- (d) Demonstrate it is technically competent in testing the category of game, device, or system in which it is seeking registration; and
- (e) Demonstrate it is technically competent to test compliance with the applicable Nevada statutes, regulations, standards and policies.
- 7. To be considered independent from a manufacturer, distributor, or operator under paragraph (b) of subsection 6, the independent testing laboratory, including its employees, management, directors, owners, compliance committee members and gaming regulatory advisors, with the exception of the independent testing laboratory's external accountants and attorneys:
- (a) Must not have a financial or other interest, direct or otherwise, in a manufacturer, distributor, or operator of any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, regardless of whether or not the person or entity is licensed, registered, or otherwise does business in Nevada;
- (b) Must not participate, consult, or otherwise be involved in the design, development, programming, or manufacture of any game, gaming device, associated equipment, cashless wagering system, <a href="finter-casino-linked-system">finter-casino-linked-system</a>, mobile gaming system, or any component thereof or modification thereto;
- (c) Must not have any other interest in or involvement with a manufacturer, distributor, or operator that could cause the independent testing laboratory to act in a manner that is not impartial; and
- (d) Such individuals shall not serve in any capacity with a manufacturer, distributor, or operator beyond the scope of the independent testing laboratory's engagement pursuant to these regulations.
- → The restrictions in subsection 7 are not intended to limit an independent testing laboratory, or the above listed individuals, from providing consulting services to a manufacturer, distributor, or operator, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture a game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any components thereof or modification thereto.
- 14.370 Independent testing laboratories; registration; provisional registration; application and procedures; waiver.

- 1. Except as provided in subsection 2, an independent testing laboratory must be registered with the Board prior to providing inspection and certification results for any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, for use in Nevada.
  - 2. No Change.
  - 3. No Change.
- 4. An application for registration as an independent testing laboratory shall be made, processed, and determined using such forms as the Chair may require or approve and must be supplemented by such documents and information as the Chair may request. The information submitted with the application shall include, but not be limited to, the following:
- (a) Copies of all ISO/IEC 17025 certification and accreditation materials except if the independent testing laboratory is only seeking registration for the inspection and certification of games and game variations;
- (b) All ISO required internal controls, policies and procedures, except if the independent laboratory is only seeking registration for the inspection and certification of games and game variations;
  - (c) Detailed description of the testing facilities;
- (d) Detailed description of available testing staff and staff qualifications, including education, training, experience and skill levels;
  - (e) Detailed description of available testing equipment;
- (f) Copies of documented policies, systems, programs, procedures and instructions to assure the quality of test results;
- (g) Copies of all test scripts to be used for testing against the applicable Nevada statutes, regulations, standards, and policies.
- (h) Information regarding the business organization and ownership of the applicant, including, but not limited to:
- (1) Organization chart depicting the ownership structure of the applicant, including, but not limited to, any parent and affiliated organizations;
  - (2) Organization chart depicting the applicant's management structure;
- (3) List of all key employees and other individuals who have significant involvement with the applicant's business operations;
- (4) List of all officers, directors, partners, members, managers, trustees or direct or beneficial owners of the independent testing laboratory and of any person or entity that owns or has significant involvement with the activities of the independent testing laboratory, including any intermediary entities.
  - (i) A statement subscribed by the applicant for registration that:
  - (1) The information being provided to the Board is accurate and complete;
- (2) The applicant for registration agrees to cooperate with all requests, inquiries, or investigations of the Board and Commission;
- (3) The applicant acknowledges that the Board and Commission shall retain jurisdiction over the independent testing laboratory in any matter involving a game,

gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, that it certifies for use in Nevada, even if its registration lapses, is voluntarily terminated, or is revoked;

- (4) The applicant for registration acknowledges that the Commission may demand that the independent testing laboratory, or any of its key employees, managers, or owners, submit an application for finding of suitability as an independent testing laboratory, and that a failure to submit such an application within 30 days of the demand may constitute grounds for the revocation of the independent testing laboratory's registration; and
- (5) The applicant agrees to indemnify and hold harmless the State of Nevada, the Commission, the Board, and each of their members, agents, and employees in their individual and representative capacities against any and all claims, suits and actions, brought against the persons named in this subsection by reason of any inspections or certifications performed by the applicant as a registered independent testing laboratory, and all other matters relating thereto, and against any and all expenses, damages, charges and costs, including court costs and attorney fees, which may be sustained by the persons and entities named in this subsection as a result of said claims, suits and actions.
  - 5. No Change.
  - 6. No Change.
  - 7. No Change.
  - 8. No Change.
  - 9. No Change.

#### 14.390 Independent testing laboratories; uniform protocols.

- 1. In the interest of preserving a competitive gaming industry, a registered independent testing laboratory shall not implement or maintain any procedure or policy or take any action that would inhibit or prevent a manufacturer, distributor or operator that has otherwise been deemed suitable for doing business in Nevada by the Board or Commission from submitting a game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, for inspection and certification for use in Nevada, or that would call into question or tend to erode the independence of the registered independent laboratory from any clients that utilize its services.
  - 2. No Change.
  - 3. No Change.
  - 4. No Change.
- 5. A registered independent testing laboratory shall not utilize, rely on or otherwise refer to any testing, results or work product performed by another registered testing laboratory for any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] system or interactive

gaming system, or any component thereof or modification thereto which has not previously been approved by the Board.

- 6. No Change.
- 7. No Change.
- 8. No Change.
- 9. A registered independent testing laboratory shall consult with a representative of the Board's technology division on any questionable interpretations of the Nevada regulatory structure as it relates to the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto.
  - 10. No Change.
  - 11. No Change.
  - 12. No Change.
  - 13. No Change.
  - 14. No Change.
  - 15. No Change.
  - 16. No Change.
  - 17. No Change.
- 18. A registered independent testing laboratory shall notify the Board immediately of any material issues concerning any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, that it inspected or certified for use in Nevada, which it becomes aware of subsequent to it having issued its inspection and certification report relating thereto.
  - 19. No Change.
  - 20. No Change.
  - 21. No Change.
  - 22. No Change.
- 23. If a registered independent testing laboratory hires a person who was previously employed by, or performed any work for, a manufacturer, distributor or operator within one year prior to the person's date of employment with the independent testing laboratory, the registered independent testing laboratory shall not permit that person to inspect or certify any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, for use in Nevada, for which the person had any involvement with, whatsoever, while the person was employed by the manufacturer, distributor or operator for a period of one year from the person's date of employment with the independent testing laboratory.

## 14.395 Independent testing laboratories; manufacturer, distributor, and operator prohibited actions.

1. A manufacturer, distributor, or operator shall not:

- (a) Attempt, directly or indirectly, to improperly influence a registered independent testing laboratory, or any of its employees, management, or owners, regarding a game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, that it, or another person or entity, has submitted for inspection or certification for use in Nevada.
- (b) Engage in any transaction with a registered independent testing laboratory it is utilizing, has utilized, or intends to utilize to inspect or certify a game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, for use in Nevada, in which the registered independent testing laboratory is required to participate, consult, or otherwise be involved in the design, development, programming, or manufacture of such items. This restriction is not intended to limit a manufacturer, distributor, or operator from engaging such registered independent testing laboratory to provide consulting services, provided that such services do not directly or indirectly indicate, suggest, or imply how to design, develop, program or manufacture such items.
  - 2. No Change.

#### 14.420 Independent testing laboratories; determination of suitability.

- 1. No Change.
- 2. No Change.
- 3. If the Commission finds a registered independent testing laboratory to be unsuitable:
- (a) All registrations of the independent testing laboratory will be deemed immediately revoked:
- (b) All licensed manufacturers, manufacturers of interactive gaming systems, distributors and operators shall, upon written notification, immediately terminate any existing relationships, direct or indirect, with such independent testing laboratory;
- (c) No further games, gaming devices, associated equipment, cashless wagering systems, [inter-casino linked system, mobile gaming system] or interactive gaming systems, or any component thereof or modification thereto, shall be inspected or certified by the independent testing laboratory for use in Nevada.
- (d) The approval of any game, gaming device, associated equipment, cashless wagering system, [inter-casino linked system, mobile gaming system] or interactive gaming system, or any component thereof or modification thereto, inspected and certified by the independent testing laboratory for use in Nevada shall be subject to revocation if it is determined that the reasons for the finding of suitability applies thereto.
- 4. If the Commission finds an employee of the registered independent testing laboratory to be unsuitable:
- (a) The registered independent testing laboratory must remove the person from the person's position immediately, and must not reassign the person to any other position that involves the inspection or certification of any game, gaming device, associated

equipment, cashless wagering systems, [inter-casino linked systems, mobile gaming systems], or interactive gaming systems, or any component thereof or modification thereto, for use in Nevada;

- (b) Failure of a registered independent testing laboratory to comply with this subsection shall constitute an unsuitable method of operation and shall be grounds for disciplinary action by the Board and the Commission.
  - 5. No Change.
  - 6. No Change.
  - 7. No Change.
  - 8. No Change.